

Registered number: 08576427

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

FRIDAY



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**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 10
<b>Governance statement</b>	11 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Statement of Trustees' responsibilities</b>	16
<b>Independent auditors' report on the financial statements</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21
<b>Balance sheet</b>	22
<b>Statement of cash flows</b>	23
<b>Notes to the financial statements</b>	24 - 40

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Trustees**

S Goggin, Chair  
R Dyerson  
S Sales  
H Halawi  
V White (resigned 31 August 2016)  
A Johnstone (resigned 31 August 2016)  
S McGann  
A Mead  
F Lawson  
K Wallbridge  
J Morris (appointed 1 September 2016)

**Company registered number**

08576427

**Company name**

Connaught Academy Trust

**Principal and registered office**

Connaught Junior School, Manor Way, Bagshot, Surrey, GU19 5JY

**Company secretary**

Mrs A Johnstone

**Senior management team**

Mr S Sales, Headteacher and Accounting Officer  
Miss S McGann, Deputy Headteacher  
Mrs A Johnstone, Business Manager

**Independent auditors**

James Cowper Kreston, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

**Bankers**

Lloyds Bank plc, The Mall, Camberley, Surrey, GU15 3SJ

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Governors present their annual report together with the audited financial statements of the Connaught Academy Trust ('the Academy' or 'the charitable company') for the period 31 August 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy, which was incorporated on 19th June 2013 and opened as an Academy on 1st October 2013, 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.

The Governors act as the Trustees for the charitable activities of the Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The trust operates Connaught Academy Trust for pupils aged 7 to 11 serving the catchment of Bagshot and the surrounding areas of Windlesham, Lightwater, Chobham and Camberley. Connaught Academy Trust had a roll of 412 pupils in the school census on October 2015 and 432 pupils in the October 2016 census.

**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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**Governors' Indemnities**

The Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Governors arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £1,000,000.

**Principal Activities**

The principal activity of the Academy is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a junior school offering a broad and balanced curriculum.

**Method of Recruitment and Appointment or Election of Governors**

On 1st October, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- up to 4 Governors who are appointed by the Members;
- up to 4 Parent Governors who are elected by the parents of registered pupils at the Academy;
- up to 2 Staff Governors appointed by the Members (provided that the total number of Governors, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Governors);
- the Headteacher who is treated for all purposes as being an ex-officio Governor.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Governors are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governors, any Governors can be re-appointed or re-elected.

When appointing new Governors, the Governing Body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing Body has the necessary skills to contribute fully to the Academy's development.

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

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Governors training day organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities. New Governors have the opportunity to undertake National Governor Association training and training delivered by Babcock 4S.

**Organisational Structure**

The Governing Body normally meets once per term with two other committees - Business & Children & Learning. The Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Governing Body 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 Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Governing Body as follows:

- Children & Learning Committee (termly)
- Business Committee (termly)
- Pay Committee (annually)
- Appeals Committee (as required)

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Governing Body:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher
- to appoint the Company Secretary.

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

The Governors have devolved the day-to-day management of the Academy to the Headteacher and the Senior Leadership Team ('SLT'). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Governors and report back to them on performance.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Risk Management**

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

**Arrangements for setting pay and remuneration of key management personnel**

The Headteacher, Deputy Headteacher & Business Manager are performance managed and remunerated in line with the systems and controls set out in the Pay Policy. These include pay bands with career stage expectations for each individual. All decisions relating to their remuneration are reviewed by the Pay Committee and governors elected to undertake the Headteacher's performance management who are supported by the trust's School Improvement Advisor. All decisions are ratified by the governing body.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objects of the Academy, as set out in its Articles of Association, are 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 a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Bagshot and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy during the period ended 31 August 2016 are summarised below:

- To develop committed learners who enjoy learning, make outstanding progress and achieve.
- To develop confident individuals who are able to live safe, healthy and fulfilling lives.
- To develop caring citizens who make a positive contribution to society.
- To provide outstanding facilities and resources to stimulate creativity and build character.

**Objectives, Strategies and Activities**

The key priorities for the period are contained in the Academy's Development Plan which is available from the Headteacher. The main activities of the Academy for the period ended 31 August 2016 were as follows:

**Leadership and Management**

- Leaders at all levels frequently and rigorously check the quality of teaching and pupils' rates of progress
- The school curriculum provides opportunities for excellence in all areas
- Governors stringently hold senior leaders to account for all aspects of the school's performance

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Student Achievement**

- Connaught's assessment system provides clarity and accuracy
- The proportion of pupils making and exceeding expected progress are high compared to national figures
- Attainment and progress of disadvantaged & SEND pupils is above average

**Teaching and Learning**

- Teachers use questioning highly effectively to develop pupils' deeper understanding across the curriculum
- Teachers monitor progress of all learners and intervene with notable impact
- Parents are provided with timely information on their child's progress

**Behaviour and Safety**

- Pupils' attitudes to learning are equally high across subjects, years, classes and with different staff
- Pupils self-regulate with excellent improvements for vulnerable groups
- Pupils make important decisions about the school including the SDP

**Public Benefit**

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission 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.

The Academy aims to advance for the public benefit education in the town Bagshot and the surrounding area, offering a broad curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is in its first period of operation since conversion on 1st October 2013.

The total number of pupils in the period ended 31 August 2016 was 409, but this has increased to 432 at the October 2016 census date due to the demand for places at the Academy.

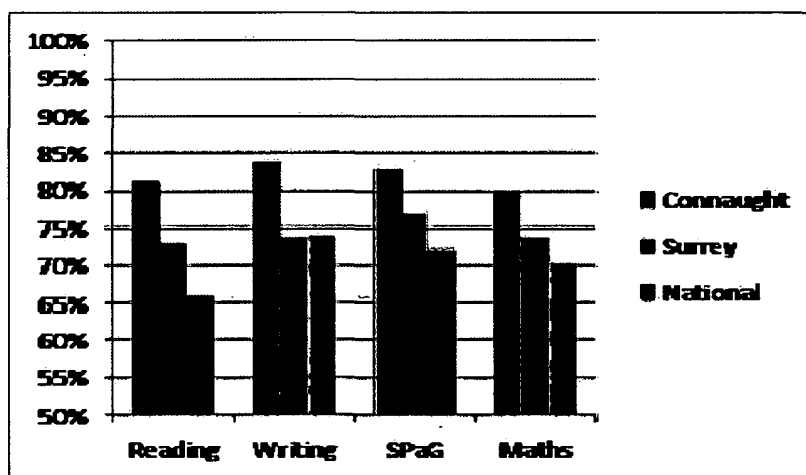
The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The particular achievements and performance of the Academy during the period ended 31 August 2016 were as follows:

Percentage of pupils meeting the new raised expectations for pupils by the end of Year 6.



Subjects	Connaught Expected Standard	National Expected Standard	Connaught High Standard	National High Standard	Progress from Year 3 Baseline	Progress from Infant Levels
Reading	81%	66%	28%	19%	2.7	-1.62
Writing	84%	74%	19%	15%	2.0	-1.66
Maths	80%	70%	21%	17%	2.0	-1.84
Spelling, Punctuation & Grammar	82%	72%	38%	22%		
Maths, Reading & Writing	73%	53%	6%	5%		

### Going Concern

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

### Strategic report

The Academy has continued to work on the priorities set out in the School Development Plan approved by the Governing Body. Notable achievements this year were the percentage of pupils meeting age expected outperformed all Surrey and National markers.

Environmental factors have continued to be further enhanced by the completion of a new ICT Suite and outdoor gym for pupils.

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.



**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

**Key Performance Indicators**

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was (£18,445), which is after a transfer of £137,964 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 432 which is 20 over from the previous census.

As a result, the ratio of GAG funding per pupil was £2,936 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 98.8%, while the percentage of staff costs to total costs was 74.9%.

**FINANCIAL REVIEW**

**Financial Review**

The majority of the Academy's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2016, the total expenditure of £1,673,294 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of incoming resources over total expenditure for the period was £7,191.

The net book value of fixed assets at 31 August 2016 were £3,526,415, which includes the value of land and buildings transferred on conversion of £3,491,000 and depreciation charges for the period of £63,821.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2016 were £3,096,408 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£(18,445)
Restricted Pension Liability Fund	£(441,000)
Restricted Fixed Asset Fund	£3,526,415
Unrestricted Funds	£29,438

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

**Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst the Academy is currently over-subscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**Principal Risks and Uncertainties**

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

**Financial**

The Academy has considerable reliance on continued Government funding through the EFA. In the period, approximately 82% of the Academy's incoming resources was 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 the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in line to mitigate these risks.

**Reputational**

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Safeguarding and child protection**

The Governors 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 & safety and discipline.

**Staffing**

The success of the Academy is reliant on the quality of its staff so the Governors 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 Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

**Reserves Policy**

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

The Governors have determined that the appropriate level of free cash reserves should be approximately 1% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £3,096,408, of which £10,993 is free reserves (that is, total funds less the amount held in fixed assets).

The current level of reserves is below our target level of free cash reserves. Appropriate steps have been taken to increase the free cash reserves. The steps include:

- The Academy continues to have an increased pupil intake due to popularity and need for places in the area.
- No further large expenditure on capital works.
- Continued consultancy income from Headteacher supporting other schools
- Moving to a MAT structure with sponsorship income and possible primary chain grant.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy's principal bankers. Where cash flow allows, sums in excess of £70,000 may be invested on deposit for extended periods with the Academy's principal bankers or other reputable financial institutions.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**PLANS FOR FUTURE PERIODS**

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Leaders and Governors create a culture that enables staff and pupils to excel.
- Teaching, Learning & Assessment are outstanding and supported by a broad, balanced and challenging curriculum
- Pupils' spiritual, moral, social and cultural development & well-being are excellent
- All groups of pupils make sustained progress that leads to outstanding outcomes

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Governors do not act as Custodian Trustees of any other charity.

**AUDITOR**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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 Governors report, incorporating a strategic report has been approved by order of the Board of Governors on  
.....*FAB 6.12.16*..... and signed on its behalf by:

.....*[Signature]*.....  
**S Goggin**  
**Chair of Governors**

**CONNAUGHT ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Connaught 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 Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Connaught Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors 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 Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Goggin, Chair	4	5
R Dyerson	5	5
S Sales	5	5
S McGann	5	5
V White	0	5
F Lawson	5	5
A Mead	5	5
K Wallbridge	5	5
A Johnstone	5	5
H Halawi	2	5

The Business Committee is a sub-Committee of the Governing Body. Its purpose is to provide guidance and assistance to the Governing Body on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Wallbridge	3	3
A Johnstone	3	3
S Goggin	3	3
S Sales	3	3
A Mead	2	3
F Lawson	3	3
H Halawi	2	3

**Governance reviews**

During the year the academy trust has carried out a review of its governance arrangements and procedures as part of the NGA Skills Audit. It is also commissioned two external school improvement surveys one conducted by a retired HMI and one survey of staff and governors by an internationally recognised leadership coach.

**CONNAUGHT ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

The outcomes are presented below:

- Governors have tightened quality assurance systems that provide targeted feedback against agreed school development milestones
- Through the Skills Audit, governors identified the need to bring in a new governor with a public relations background as well as someone who might in the future help with the merger into a multi-academy trust
- Governors have worked at increasing visibility to all stakeholders following the school improvement survey. This has included visits with pupil voice champions and as judges for pupil led design projects.

**REVIEW OF VALUE FOR MONEY**

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

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

- Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements by targeting resources in line with the School Development Plan (SDP) with the priorities including
- Increasing long-term Leadership Capacity by the recruitment of a new Assistant Headteacher from the highest performing primacy school in the country and 2 NQTs as future leaders
- A continuing bespoke cycle of professional development by national teaching and learning coach to improve the quality of teaching and pupils' independent attitudes to learning
- Targeted support for disadvantaged pupils in line with national and Ofsted reports with whole school focus on quality first teaching and effective feedback between adults and pupils.

The effectiveness of these strategies can be seen in improvements in teaching, with the percentage of good or better teaching rising to 100% with the majority outstanding by the end of the Summer Term. The percentage of pupils reaching the new age expected thresholds by the end of Year 6 were high compared to national and county marker and progress for all groups was high from our Year 3 baseline. Examples of steps taken to ensure value for money when purchasing include:

- Exploring alternative purchasing options both on-line and direct through suppliers to find the best value in line with our Finance Policy.
- Implementing a tender process for significant purchases and/or contracts, for example our new ICT Suite.
- Obtaining services from other agencies other than the Local Authority, including our legal and HR support from Stone King and School Improvement from The Voice Trust.
- All contracts are reviewed on an annual basis to ensure they are fit for purpose and best value. For example catering, cleaning and grounds maintenance.

Examples of steps taken to maximise income include:

- Leadership support by the Headteacher to the Hythe Primary School and Knaphill Junior School
- Increased pupil numbers through the expanding schools programme
- Employment of teachers new to the professions for September through recruitment in January – to replace teachers paid on the upper pay scale
- Sponsorship status through the regional schools commissioner

**Future Objectives**

We recognise there is a need to continue developing relationships with other academies, local schools and the Surrey Heath Learning Partnership in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skills and expertise. The trust is presently in negotiation with four other schools to form a new multi-academy trust.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connaught Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors appointed James Cowper Kreston, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, James Cowper Kreston report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business 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 Governors on 6.12.16 and signed on their behalf, by:

  
.....  
**S Goggin**  
**Chair of Trustees**

  
.....  
**S Sales**  
**Accounting Officer**



**CONNAUGHT ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Connaught Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

  
.....  
**S Sales**  
**Accounting Officer**

6.12.16.

**CONNAUGHT ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Governors on 6.12.16 and signed on its behalf by:

  
.....

**S Goggin**  
**Chair of Trustees**

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

We have audited the financial statements of Connaught Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**UNQUALIFIED OPINION**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 15 December 2016

**CONNAUGHT ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CONNAUGHT ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connaught Academy Trust during the year 1 September 2015 to 31 August 2016 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 Connaught Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Connaught Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Connaught Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Connaught Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2013, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CONNAUGHT ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**James Cowper Kreston**

Chartered Accountants

Reading Bridge House  
George Street  
Reading  
Berkshire  
RG1 8LS

Date: 15 December 2016

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**


	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	43,435	8,286	51,721	32,140
Charitable activities	4	-	1,580,995	-	1,580,995	1,548,454
Other trading activities		13,562	28,609	-	42,171	26,280
Investments	3	598	-	-	598	110
Other income		5,000	-	-	5,000	-
<b>TOTAL INCOME</b>		<b>19,160</b>	<b>1,653,039</b>	<b>8,286</b>	<b>1,680,485</b>	<b>1,606,984</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	1,609,473	63,821	1,673,294	1,524,671
<b>TOTAL EXPENDITURE</b>	6	<b>-</b>	<b>1,609,473</b>	<b>63,821</b>	<b>1,673,294</b>	<b>1,524,671</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>19,160</b>	<b>43,566</b>	<b>(55,535)</b>	<b>7,191</b>	<b>82,313</b>
Transfers between Funds	14	-	(137,964)	137,964	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>19,160</b>	<b>(94,398)</b>	<b>82,429</b>	<b>7,191</b>	<b>82,313</b>
Actuarial losses on defined benefit pension schemes	18	-	(113,000)	-	(113,000)	(5,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>19,160</b>	<b>(207,398)</b>	<b>82,429</b>	<b>(105,809)</b>	<b>77,313</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		10,278	(252,047)	3,443,986	3,202,217	3,124,904
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>29,438</b>	<b>(459,445)</b>	<b>3,526,415</b>	<b>3,096,408</b>	<b>3,202,217</b>

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08576427**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	11		3,526,415	3,436,061
<b>CURRENT ASSETS</b>				
Debtors	12	43,763	34,019	
Cash at bank and in hand		210,533	134,604	
		<u>254,296</u>	<u>168,623</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(243,303)	(91,467)	
<b>NET CURRENT ASSETS</b>			10,993	77,156
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,537,408</u>	<u>3,513,217</u>
Defined benefit pension scheme liability	18	(441,000)		(311,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>3,096,408</u></u>	<u><u>3,202,217</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	14	(18,445)	58,953	
Restricted fixed asset funds	14	3,526,415	3,443,986	
Restricted income funds excluding pension liability		3,507,970	3,502,939	
Pension reserve		<u>(441,000)</u>	<u>(311,000)</u>	
Total restricted income funds			3,066,970	3,191,939
Unrestricted income funds	14		29,438	10,278
<b>TOTAL FUNDS</b>			<u><u>3,096,408</u></u>	<u><u>3,202,217</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6.12.16 and are signed on their behalf, by:

  
.....  
**S Goggin**  
**Chair of Governors**

The notes on pages 24 to 40 form part of these financial statements.



**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	<u>221,220</u>	<u>152,973</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		598	110
Purchase of tangible fixed assets		(154,175)	(30,571)
Capital grants from DfE/EFA		8,286	7,926
<b>Net cash used in investing activities</b>		<u>(145,291)</u>	<u>(22,535)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>75,929</b>	<b>130,438</b>
Cash and cash equivalents brought forward		<u>134,604</u>	<u>4,166</u>
<b>Cash and cash equivalents carried forward</b>	17	<u><u>210,533</u></u>	<u><u>134,604</u></u>

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Connaught Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**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.

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

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

Property	- 50 years straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Taxation**

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

**1.8 Cash at Bank and in hand**

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

**1.9 Liabilities and provisions**

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**CONNAUGHT ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.11 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.

**Local Government Pension Schemes**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**Depreciation**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations and other voluntary income	-	43,435	-	43,435	24,214
Capital grants	-	-	8,286	8,286	7,926
	<u>-</u>	<u>43,435</u>	<u>8,286</u>	<u>51,721</u>	<u>32,140</u>

In 2015, of the total income from donations and capital grants, £nil was to unrestricted funds and £32,140 was to restricted funds

**3. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	598	-	598	110
	<u>598</u>	<u>-</u>	<u>598</u>	<u>110</u>

In 2015, of the total investment income, £110 was to unrestricted funds and £nil was to restricted funds.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational operations (see below)	-	1,371,557	1,371,557	1,318,334
Local Authority	-	160,843	160,843	216,020
Other income from educational activities	-	48,595	48,595	14,100
	<u>-</u>	<u>1,580,995</u>	<u>1,580,995</u>	<u>1,548,454</u>

In 2015, of the total income from charitable activities, £nil was to unrestricted funds and £1,548,454 was to restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,268,374	1,268,374	1,195,417
Other DfE/EFA grants	-	103,183	103,183	122,917
	<u>-</u>	<u>1,371,557</u>	<u>1,371,557</u>	<u>1,318,334</u>

In 2015, of the total income from charitable activities, £nil was to unrestricted funds and £1,318,334 was to restricted funds.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	713,673	702,438
National insurance	58,547	50,615
Pension cost	113,432	80,816
Educational supplies	30,587	24,667
Staff development	21,875	19,147
Technology	10,475	33,947
Travel and subsistence	3,338	1,074
Other direct costs	43,614	38,496
	<u>995,541</u>	<u>951,200</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	273,207	251,795
National insurance	9,091	8,477
Pension cost	85,269	82,855
Depreciation	63,821	53,022
Maintenance of premises and equipment	42,337	22,433
Cleaning	26,266	20,979
Rent and rates	4,804	4,088
Water rates	3,305	4,166
Energy	19,643	16,686
Insurance	29,390	30,663
Catering	34,450	2,519
Technology costs	26,569	28,670
Governance costs	10,978	6,109
Other support costs	48,623	41,009
	<u>677,753</u>	<u>573,471</u>
	<u><u>1,673,294</u></u>	<u><u>1,524,671</u></u>



**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Activities:					
Direct costs	885,652	-	109,889	995,541	951,200
Support costs	367,567	42,337	267,849	677,753	573,471
	<u>1,253,219</u>	<u>42,337</u>	<u>377,738</u>	<u>1,673,294</u>	<u>1,524,671</u>

In 2016, of the total expenditure, £nil (2015 - £nil) was to unrestricted funds and £1,673,294 (2015 - £1,524,671) was to restricted funds.

**7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	63,821	53,022
Auditor's remuneration - audit	5,000	5,000
Auditor's remuneration - non audit services	2,000	2,000
	<u>70,821</u>	<u>60,022</u>

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**8. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>986,880</b>	<b>954,233</b>
Social security costs	<b>67,638</b>	<b>59,092</b>
Pension costs	<b>198,701</b>	<b>163,671</b>
	<b><u>1,253,219</u></b>	<b><u>1,176,996</u></b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>16</b>	<b>15</b>
Administration and support	<b>14</b>	<b>13</b>
Management	<b>4</b>	<b>4</b>
	<b><u>34</u></b>	<b><u>32</u></b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	<b>1</b>	<b>1</b>

The above employee participated in the Teachers' Pension Scheme. During the year year end 31 August 2016 employer's pension contributions amounted to £13,031 (2015: £10,003).

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £200,759 (2015: £182,016).

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**9. TRUSTEES' REMUNERATION AND EXPENSES**

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

The wife of the Headteacher, Mrs A Sales, is an employee at the school. The remuneration of Mrs Sales was £5,000 - £10,000 (2015: £nil).

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

		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
S Sales (Headteacher and Accounting Officer)	Remuneration	<b>75,000-80,000</b>	<b>70,000-75,000</b>
	Pension contributions paid	<b>10,000-15,000</b>	<b>10,000-15,000</b>
S McGann (Deputy Headteacher)	Remuneration	<b>50,000-55,000</b>	<b>45,000-50,000</b>
	Pension contributions paid	<b>5,000-10,000</b>	<b>5,000-10,000</b>
A Johnstone (School Business Manager)	Remuneration	<b>35,000-40,000</b>	<b>30,000-35,000</b>
	Pension contributions paid	<b>5,000-10,000</b>	<b>5,000-10,000</b>

During the year ended 31 August 2016, expenses totalling £1,372 (2015 - £440) were reimbursed to 4 Trustees (2015 - 3).

Mr S Sales remuneration includes additional salary for School Support Services.

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was £349 (2015 - £349).

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	3,491,000	9,027	31,452	3,531,479
Additions	-	111,596	42,579	154,175
At 31 August 2016	3,491,000	120,623	74,031	3,685,654
<b>Depreciation</b>				
At 1 September 2015	87,113	346	7,959	95,418
Charge for the year	46,780	3,488	13,553	63,821
At 31 August 2016	133,893	3,834	21,512	159,239
<b>Net book value</b>				
At 31 August 2016	3,357,107	116,789	52,519	3,526,415
At 31 August 2015	3,403,887	8,681	23,493	3,436,061

The land transferred from Surrey County Council, on a 125 year lease, has been valued at and estimate of its fair value. In determining this value the Governors have referred to the desktop valuation of £1,152,000 commissioned by the EFA as at 31 March 2014. Land is not depreciated.

**12. DEBTORS**

	2016 £	2015 £
Trade debtors	1,260	824
VAT recoverable	38,283	23,420
Other debtors	443	54
Prepayments and accrued income	3,777	9,721
	<u>43,763</u>	<u>34,019</u>

**13. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Other taxation and social security	22,858	18,611
Trade and other creditors	144,939	60,193
Accruals and deferred income	75,506	12,663
	<u>243,303</u>	<u>91,467</u>

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**14. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General funds	10,278	19,160	-	-	-	29,438
<b>Restricted funds</b>						
General Annual Grant (GAG)	58,953	1,268,374	(1,207,808)	(137,964)	-	(18,445)
Other DfE/EFA grants	-	103,183	(103,183)	-	-	-
Local authority grants	-	160,843	(160,843)	-	-	-
Other income	-	120,639	(120,639)	-	-	-
Pension reserve	(311,000)	-	(17,000)	-	(113,000)	(441,000)
	(252,047)	1,653,039	(1,609,473)	(137,964)	(113,000)	(459,445)
<b>Restricted fixed asset funds</b>						
Transfer from local authority	3,400,585	-	(50,083)	-	-	3,350,502
DfE/EFA capital grants	43,401	8,286	(13,738)	137,964	-	175,913
	3,443,986	8,286	(63,821)	137,964	-	3,526,415
<b>Total restricted funds</b>	<b>3,191,939</b>	<b>1,661,325</b>	<b>(1,673,294)</b>	<b>-</b>	<b>(113,000)</b>	<b>3,066,970</b>
<b>Total of funds</b>	<b>3,202,217</b>	<b>1,680,485</b>	<b>(1,673,294)</b>	<b>-</b>	<b>(113,000)</b>	<b>3,096,408</b>

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

EFA revenue grant fund relates to the school's development and educational activities. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Restricted fixed asset fund relates to fixed assets transferred from the state maintained school. EFA capital grant fund relates to a refurbishment grant.

Unrestricted funds represents income generated by the academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**14. STATEMENT OF FUNDS (continued)**

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised. The pension liability has not crystallised and the trustees do not need to designate any of their existing funds to meet future pension commitments. Parliament, at the request of the Secretary of State for Education, has guaranteed 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.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	3,526,415	3,526,415	3,436,061
Current assets	29,438	224,858	-	254,296	168,623
Creditors due within one year	-	(243,303)	-	(243,303)	(91,467)
Pension liability	-	(441,000)	-	(441,000)	(311,000)
	<u>29,438</u>	<u>(459,445)</u>	<u>3,526,415</u>	<u>3,096,408</u>	<u>3,202,217</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	7,191	82,313
<b>Adjustment for:</b>		
Depreciation charges	63,821	53,022
Dividends, interest and rents from investments	(598)	(110)
Increase in debtors	(9,744)	(4,606)
Increase in creditors	151,836	16,280
Capital grants from DfE and other capital income	(8,286)	(7,926)
Defined benefit pension scheme finance cost	17,000	14,000
<b>Net cash provided by operating activities</b>	<u>221,220</u>	<u>152,973</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	210,533	134,604
	<u>210,533</u>	<u>134,604</u>

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**18. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £20,757 were payable to the schemes at 31 August 2016 (2015 - £17,889) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £113,432 (2015 - £87,525).

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

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**18. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £93,000 (2015 - £78,000), of which employer's contributions totalled £75,000 (2015 - £63,000) and employees' contributions totalled £18,000 (2015 - £15,000). The agreed contribution rates for future years are 14.1% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.00 %</b>	<b>3.70 %</b>
Rate of increase in salaries	<b>2.40 %</b>	<b>4.00 %</b>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<b>2.60 %</b>

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.5</b>	<b>22.5</b>
Females	<b>24.6</b>	<b>24.6</b>
Retiring in 20 years		
Males	<b>24.5</b>	<b>24.5</b>
Females	<b>26.9</b>	<b>26.9</b>



**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**18. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	335,000	220,000
Debt instruments	76,000	50,000
Property	27,000	21,000
Cash	9,000	6,000
<b>Total market value of assets</b>	<b>447,000</b>	<b>297,000</b>

The actual return on scheme assets was £44,000 (2015 - £(1,000)).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(81,000)	(66,000)

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

	2016 £	2015 £
Opening defined benefit obligation	608,000	503,000
Current service cost	81,000	66,000
Interest cost	24,000	20,000
Contributions by employees	18,000	15,000
Actuarial losses	157,000	4,000
<b>Closing defined benefit obligation</b>	<b>888,000</b>	<b>608,000</b>

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

	2016 £	2015 £
Opening fair value of scheme assets	297,000	211,000
Interest income	13,000	9,000
Actuarial gains and (losses)	44,000	(1,000)
Contributions by employer	75,000	63,000
Contributions by employees	18,000	15,000
<b>Closing fair value of scheme assets</b>	<b>447,000</b>	<b>297,000</b>

**CONNAUGHT ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**19. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	<u>1,340</u>	<u>6,700</u>

**20. RELATED PARTY TRANSACTIONS**

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

The Headteacher's wife is employed by the school. Her remuneration has been disclosed in Note 9.

**21. 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 £nil for the debts and liabilities contracted before he/she ceases to be a member.

**22. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. However, as a result of the conversion to FRS102, there has been a reallocation between actuarial gain/(losses) on defined benefit pension schemes and interest costs within charitable activities expenditure which has no impact on the net movement in funds for the prior year.