

COMPANIES HOUSE

**Connect Schools  
Academy Trust**

**Annual Report and Financial  
Statements**

Year to 31 August 2022

Company Limited by Guarantee  
Registration Number  
07824714 (England and Wales)

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COMPANIES HOUSE

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## Reference and administrative information

<b>Members</b>	David Figg (resigned 7 July 2022) Peter Goodwin Scott Pinder Clive Rockliffe (appointed 22 June 2022) Leigh Sims
<b>Trustees</b>	Andrea Carter (CEO) Sandra Clements Brendan Collins Devinia Curtis Scott George (reappointed 13 June 2022) Susan Hannay Naureen Khalid (reappointed 11 January 2022) William Mitchell (reappointed 11 January 2022) Scott Pinder Jo-Anne Penn Marie Powell
<b>Senior Leadership Team</b>	
Chief Executive Officer (CEO)	Andrea Carter
Executive Head Teacher	Wendy Giles
Financial Controller	Reshma Rao (until July 2022) Rachael Finan (Interim role from July 2022)
Head Teachers	Susan Sargent – Crofton Junior School & Crofton Infant School Stephen Jackson – Valley Primary School Kathleen Margetts – Raglan Primary School (until 31 August 2022) Matt de Freitas - Raglan Primary School (from 1 September 2022) Suzanne Leader – River Mill Primary School Joanna Styles – Cage Green Primary School
<b>Registered address</b>	Crofton Junior School Towncourt Lane Orpington Kent BR5 1EL
<b>Company registration number</b>	07824714

## Reference and administrative information

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds Bank Plc  
6-9 Market Square  
Bromley  
Kent  
BR1 1NA

## **Trustees' report 31 August 2022**

The Trustees of Connect Schools Academy Trust ('the Academy Trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 39 to 44 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. It was set up under a memorandum of association on 26 October 2011. The principal regulator of the charitable company is the Department for Education ('DfE'). The Education and Skills Funding Agency ('ESFA') (an executive agency of the DfE) carries out the role of principal regulator on behalf of the DfE. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees act as the directors of the Academy Trust for the purpose of company law.

The Trust has four Members to give further strength to this layer of governance. The Members comprise the Chair of the Board of Trustees plus three independent Members drawn from the community.

The Articles of Association allow for a Board of Trustees comprising up to eleven Trustees, including the CEO.

Details of the Trustees who served throughout the year, except as noted, are included in the reference and administrative details on page 1.

#### **Members' liability**

Each member of the Academy Trust undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst 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 cease to be a Member.

#### **Trustees' indemnities**

The individual academies each maintain Trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against Trustees or other officers of the Academy Trust. The Academy Trust has also granted indemnities to each of its Trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year and remain in force, in relation to certain losses and liabilities which the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Academy Trust.

Details of the insurance cover are provided in note 10 to the financial statements.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Method of recruitment and appointment of election of Trustees**

The Trustee structure under the terms of the Articles of Association is referred to above.

There are currently eleven Trustees, including the CEO.

An independent Trustee's term of office is four years but a Trustee is eligible for re-election at the meeting at which they retire.

Appropriate training is provided to all new Trustees, as required.

### **Policies and procedures adopted for the induction and training of Trustees**

During the 2021/22 academic year, Trustees were advised to undertake safeguarding training and a comprehensive safeguarding training session was held on Teams (online) for Trustees to attend. All Trustees received updates on the changes to Keeping Children Safe in Education (KCSIE) and were required to sign to say that they had read and understood the guidance. The Board of Trustees met seven times.

In 2021/22, there were six Crofton Schools' Local Governing Body meetings, six Raglan Primary School Local Governing Body meetings, six Valley Primary School Local Governing Body meetings, six River Mill Local Governing Body meetings and six Cage Green Local Governing Body meetings.

The Trust Audit and Risk Committee met three times in 2021/22, the Trust Finance and Resources Committee met four times, the Trust Achievement and Standards Committee met three times and the Trust Equality, Diversity and Inclusion Committee met four times.

A training and induction programme is provided for new Trustees and Local Governors. This provides training on the role of a Trustee and Local Governor, charity and educational, legal and financial matters. During the 2021/22 academic year, Trustee and Governor training was run internally by Connect Schools Academy Trust.

### **Organisation structure**

During the 2021/22 year, the Academy Trust consisted of six academies and one pre-schools: Crofton Infant School, Crofton Junior School, Valley Primary School, Raglan Primary School, Cage Green Primary School, River Mill Primary School. St George's Pre School (renamed Crofton Cubs as of 1 January 2021) The Chief Executive Officer is the Accounting Officer for the Academy Trust as a whole, and each academy has its own Head Teacher, with the exception of Crofton Infant School and Crofton Junior School who share a Head Teacher. The Trust closed Greenwood Pre-School at the end of the academic year 2021 owing to drop in pupil numbers. Crofton Cubs became part of the Infant School in January 2022.

The Trustees of the Academy Trust are supported by a Local Governing Body at each school, with the exception of the Crofton Schools, who share a Local Governing Body.

The organisational structure consists of three governance levels: the Members, the Trustees and Local Governors.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisation structure (continued)**

The Trustees are responsible for the vision and direction of the Trust, adopting an annual strategic plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the development of the Academy Trust, capital expenditure and senior staff appointments.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. At a Trust level, leadership consists of the Chief Executive Officer, Executive Head Teacher and Financial Controller. These managers control the academies at an executive level implementing the policies laid down by the Trustees and reporting back to them. There are also three part time Lead Practitioners, a Compliance Officer and a Clerk who form part of the central team and support school improvement, effectiveness and efficiency across the Trust. The Clerk however has resigned and will be recruiting a new Clerk for the 2022/2023 academic year.

At academy level, senior leadership consists of Head Teachers, Deputy Head Teachers in three of the schools and Assistant Head Teachers. As a group, the Senior Leadership Team are responsible for the strategic vision within their schools, authorisation of spending within agreed budgets and the appointment of staff up to teacher level.

The Middle Management Team is the Curriculum Leaders Along with the Senior Leadership Team, these leaders are responsible for the day-to-day operation of the Academy Trust, in particular organising the teaching staff, facilities and pupils.

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

The key management personnel of the Academy Trust comprise the Trustees and Senior Leadership Team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board of Trustees, after taking advice from the Chief Executive Officer and following guidance from the relevant professional pay review bodies. Naturally the Chief Executive Officer was not involved in setting her own remuneration package.

The only Trustee who is remunerated is the Chief Executive Officer, and she only receives remuneration in respect of services provided under her contract of employment, and not in respect of her role as a Trustee. Specific disclosures concerning Trustees' remuneration are included in note 10.

The day to day running of the remuneration policy is delegated to the Chief Executive Officer and monitored by the Financial Controller and the Trust Finance and Resources Committee. All details for setting pay and remuneration of key management personnel are set out in the Pay and Reward Policy and the Teacher Appraisal Policy. The Pay and Reward Policy is reviewed annually by the Board of Trustees.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Arrangements for setting pay and remuneration of key management personnel (continued)

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked directly to pay spines, helping Trustees conclude that each individual receives remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contributions rates at specific approved rates.

The Board always bear in mind the charitable status of the Academy Trust and in that recognise the fact the Trust receives funding under a funding agreement with the Secretary of State for Education. The Board therefore ensures the remuneration paid to senior management personnel never exceeds a reasonable amount and provides value for money to the Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 9.

### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the year	Full time equivalent employee number
None	N/A

#### Percentage of time spent on facility time

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

#### Percentage of pay bill spent on facility time

Total cost of facility team	N/A
Percentage of total pay bill spent on facility time	N/A



## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Trade union facility time (continued)

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	N/A
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#### **Connected organisations, including related parties**

The following entities are established as separately registered charities, which organise various fundraising events to provide facilities for the pupils of Connect Schools Academy Trust:

- ◆ Parent-Teacher Association, Crofton Junior School PTA, registration number 1052857
- ◆ Crofton Infant School Parent Staff Association, registration number 1052854
- ◆ Valley Primary School PTA, registration number 286963
- ◆ Raglan Primary School (Friends of Raglan) PTA registration number 1020379
- ◆ Cage Green Primary School PFTA, registration number 1138202
- ◆ Phoenix Autism Centre Tonbridge, registration number 1001590 (Cage Green)
- ◆ Raglan Voluntary Funds registration number 1056549

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

The Trust is committed to ongoing engagement with all staff, adopting the key principles of Investors in People by providing platforms to collaborate and communicate. Staff are provided with appropriate training and secondments, with an emphasis on equality of opportunity for all, ensuring that staff feel valued through recruitment and retention policy and procedures. Leadership development and succession planning is targeted at all levels of management, with support across the Trust and opportunities provided externally. The Trust commits to the regular review of contracts and HR policy, in consultation where appropriate with relevant unions and professional bodies.

All staff assist in the development of the actions to achieve the strategic objective of the Trust to ensure that all children make good or better progress. This is achieved by the staff participating in the regular monitoring of achievements and standards, school improvement discussions and key data analysis. The Trust is keen to promote employee wellbeing. It subscribes to Health Assured Employee Assistance Programme and contributes towards gym memberships. The Trust recognises the importance of communication in these uncertain times and every effort is made to keep employees informed about the latest developments.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

Every possible step will be taken to ensure that all employees, whether full time, part time, temporary or contracted, are treated equally and fairly and that decisions on recruitment, selection, training, promotion, career development or employment benefits are based solely on objective and job related criteria. The Trust wholeheartedly supports the principle of equality of opportunities and opposes all forms of unlawful or unfair discrimination. This includes protection to people with 'protected characteristics' like disability.

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

The Trust recognises that stakeholders like suppliers, parents, local authority, and others members of the community contribute to the success of its schools. The Trust tries to build trusting and enduring relationships by:

- ◆ Paying suppliers in a timely manner.
- ◆ Ensuring visiting professionals like therapists, contractors and music teachers are treated with respect keeping in mind their health and safety.
- ◆ Participating in community events like local fairs.
- ◆ Working closely with Parent Teacher Associations.
- ◆ Communicating with parents.

During the coronavirus pandemic, the Trust engaged with their key suppliers such as cleaning contractors and school meal providers to ensure that DFE guidance was followed in all schools.

### **Risk management**

The Trustees have assessed the major risks to which each academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, building and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. There is a Trust risk register that documents the key risks of the Trust and how these have been mitigated. The Trust Compliance Officer reviews these risks regularly. Where significant risk still remains they have ensured they have adequate insurance cover. Each academy has an effective system of financial controls and this is explained in more detail in the Governance Statement.

## OBJECTIVES AND ACTIVITIES

### Principal activities

The Academy Trust's principal object and activity is to manage Connect Schools Academy Trust and the provision of education to pupils between the ages of 2 and 11.

### Objectives, strategies and activities

The Connect Schools Academy Trust's main strategy is encompassed in its school vision which is to provide exciting and challenging educational opportunities for all children. To this end its aims include:

- ◆ to help pupils acquire knowledge and skills with understanding at a level appropriate to each pupil's age, aptitude and ability;
- ◆ to help pupils become balanced and independent young people, who are able to keep themselves safe and have respect for themselves and for others; and
- ◆ to help pupils develop lively, enquiring minds, the ability to question and debate rationally, a range of physical skills and apply themselves to a range of tasks.

The main objectives, strategies and activities of the Academy Trust during the year ended 31 August 2022 are summarised below:

### *Crofton Infant School*

It has been a very successful year with EYFS, Phonics and end of key stage results being significantly above national. Our notable achievement last year was securing another outstanding ofsted grade for the school. We have been also working hard on our well being offer to children, parents and staff. Our dedicated mental health leads works with our new well being TA and other agencies to offer support to all our stake holders.

This year we have built new shelters for our EYFS classrooms which ensures that children have more space to enjoy their learning. We also have a new EYFS outside area including track and a small adventure playground for physical activities. The Year 1 and 2 children have also benefitted from a new adventure playground pirate ship on the playground. We have also had a new toilet refurbishment for the children.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities (continued)**

#### ***Crofton Junior School***

It has been a very successful year with end of key stage results being significantly above national. We have also been working hard on our well being offer to children, parents and staff. Our dedicated mental health lead works with our learning mentor and ELSA and other agencies to offer support to all our stake holders. We have an additional assistant head who leads year 3 and another assistant head who leads on Inclusion for the Junior school rather than across two schools.

The Junior school this year has benefitted from a new decking area in the playground. We have also had our computer suite upgraded with 30 new PCs. All teachers also now have 15 iPads in each class which enhances the learning for the children in the school. The main hall has had an upgrade with a new sound and lighting system that can be used for assemblies and performances.

#### ***Valley Primary School***

Valley continues to be a high performing school with strong results in 2022. Following the pandemic there was a focus on filling the gaps needed and this first set of results has shown the impact of this. Over the year we have had to cut staff to support tight budgets, and this resulted in us being able to set a balanced budget as of July 2022.

CSAT reviews have shown strengths within the curriculum subjects reviewed, but curriculum work continues as we consider how to incorporate our curriculum drivers and school values more fully into the curriculum.

After school club has taken time to get back to pre-pandemic numbers however these have now increased to support additional income.

Our local governing body has appointed a new chair for the new academic year to ensure independence between the Local Governing Body and Trust Board.

#### ***Raglan Primary School***

Our School is fast becoming a more diverse community with the number of children coming from ethnic minority families doubling in the last twelve months to now be at 28% of the school pupil population, which is a significant change.

Our number one priority remains the safeguarding of our children.

Our pupils are achieving slightly above and broadly in line with national averages for EYFS, Phonics, KS1 and KS2. This is below where the school was at prior to COVID. Moving forward the school is putting into place targeted interventions in year groups in order to try and match the pre-Covid standards, as well as further support the delivery of quality first teaching. We have three main areas of curriculum priority for this year in improving writing composition, writing fluency and mathematics. Last year the school rightly prioritised the

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities (continued)**

#### ***Raglan Primary School (continued)***

implementation of its whole school curriculum. This year the school needs to build on this by ensuring the Trust assessment framework for the foundation curriculum is in place.

The school's most recent capital works (the roof) as a result of the CIF bid has now been completed. There are some issues that are being corrected still where there are still leaks. The school will submit a CIF bid this year to upgrade the heating distribution.

#### ***Cage Green Primary School***

Cage Green joined the Trust on the 1 July 2019. The school was previously inadequate before it joined CSAT as the result of a directed academy order. CSAT had been working with the school for approximately 6 weeks before the transfer in. At the end of July 2019 results had improved to be broadly in line with national averages. Despite the pandemic, improvement within the school has remained a priority with additional teaching capacity being put in place to support addressing of historical gaps as well as those from Covid. As well as significant development in the core subjects, the school has totally revamped its curriculum in line with the new Ofsted framework and the school's curriculum drivers and this planning is now embedded from Early Years across the Key Stages. There is now a clear behaviour policy in place ensuring consistency and high expectations and the impact of this can be seen in the school on a daily basis. 'Good' teaching within the school has increased significantly over the year and there is also a significant increase in outstanding teaching, within observations undertaken.

#### ***River Mill Primary School***

Results in KS1 and phonics were high and significantly above national and LA. Pupils with SEND achieved the best possible outcomes through a mixture of personalised plans, structured support provided with guidance from external agencies – this includes both 1:1 support, personalised planning and resourcing.

We have grown by two additional classes in 2022-23 and have 240 pupils. We have an established School Council who are currently working with their classes on a huge Eco-Project. This includes each class having two Eco-Champions helping their class with recycling. We have established our Wellbeing Team and have pupil wellbeing champions (currently mentored by our Senior Mental Health Lead). As a school we are currently working towards: Silver Art Mark, Health Schools Award, Eco-Schools Award. Our PTA is very proactive and we have had several very well supported events. We have raised enough money to enable us to purchase a reading shed for the playground and additional reading material for our dyslexic pupils.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities (continued)**

#### ***Crofton Cubs***

Following positive responses from a community wide consultation, Crofton Cubs Pre-School was set up as an independent pre-school in January 2021, operating out of a newly renovated space within Crofton Infant School.

The pre-school was registered for 30 children between the ages of 2-5 years old. From the outset, the Pre-school was oversubscribed and demand for future places meant that a large waiting list was held. The provision at Crofton Cubs was strong - the curriculum was developed in-line with new guidance and staff training was an integral part of the support from CSAT. The pre-school benefited from the close contact with Crofton Infant School and parents were highly complementary of the provision.

The intention had always been to have a Pre-School within the age range of Crofton Infants school so Crofton Cubs closed its registration as an independent pre-school in January 2022 and transferred into Crofton Infant School following the change to their age range with the DFE.

#### **Public benefit**

Connect Schools Academy Trust strives to promote and support the advancement of education within Orpington, Bromley and Kent. The Trust provides an extensive programme of educational and recreational activity designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible, the Trust also aims to contribute to the benefit of the wider public, through the provision of incidental educational and other planned activities. Over the year, the contributions that benefitted the local community included extensive involvement and support for school sporting activities including regular fixtures in the local primary school football league and taking part in the Crystal Palace cross country.

#### **Equal opportunities**

The Directors recognise that equal opportunities should be an integral part of good practice in the workplace. The Academy Trust aims to maintain equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all pupils and employees are fully valued. The commitment to equality of opportunity of all potential employees is specifically considered at the interview stage.

In line with our academies drive to proactively examine the issue of diversity and racism in our society and ensure that all our children are valued, the Trust has an the Equality, Diversity and Inclusion Committee that are constantly reviewing and striving to improve opportunities for all. The aim is to give the opportunity to have open conversation about racism and to the address the challenges that exist and equally importantly support our academies in their initiatives.

## STRATEGIC REPORT

### Achievements and performance

The Trustees consider that the following are key performance indicators for the Academy Trust and are pleased that expectations for all key performance indicators listed have been successfully met during the year for the reason stated:

KPI	Measure against expectation
To maintain high standards	<p>The Academy Trust reviews this year indicated that standards have remained high and significant development in subject expertise has been achieved across our schools.</p> <p>In our inadequate school, significant progress can now be seen in attitudes to learning and the standards being achieved. Children now understand core values and are aspirational about their future.</p> <p>Crofton cubs became part of the Infant School in Jan 2021. Staff remained consistent in the transfer over and as a result standards within the nursery remain high.</p>
Pupils numbers (leading directly to the Education Skills and Funding Agency ("ESFA") funding level)	<p>The majority of our schools remain popular and over-subscribed although there has been some change in demographics as a result of families moving out of London following the pandemic. Where we have taken on a school in challenging circumstances, we now have parents who are engaging with the school for in-year admissions as a result of the changes that have been made within the school and its local reputation. The school is a one form entry and despite improved community support, there is still challenge in filling places year on year in this school.</p>
Pupil attendance rate September 2021 - August 2022	<p>Crofton Infant School – 94.81%</p> <p>Crofton Junior School – 94.03%</p> <p>Valley Primary School – 94.35%</p> <p>Raglan Primary School – 93.49%</p> <p>Cage Green Primary School – 92.38%</p> <p>Rivermill Primary School – 95.47%</p>

**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

KPI	Measure against expectation
Staff costs	Detailed reviews of budgets, with a particular focus on staffing, has taken place in schools where there were budget challenges. Where needed, steps have been taken to reduce the costs and rigorous monitoring is in place to review budgets regularly.
Financial stability of the Academy Trust	Budgets for 2021/2022 showed in year surpluses in 5 out of 6 schools. We undertook rigorous scrutiny on the school with a deficit and made significant changes that produced a predicted balanced budget for 2022/2023. The Trust are aware of the significant increases in energy costs, and will scrutinise budgets monthly to ensure individual schools do all they can to keep a balanced budget.
Ofsted inspection results	<p>Crofton Infant School - "Outstanding" November 2021</p> <p>Crofton Junior School - "Outstanding" March 2019</p> <p>Valley Primary School - "Good" November 2018</p> <p>Raglan Primary School - "Good" June 2017</p> <p>As new Academies, both Rivermill and Cage Green Primary have not yet received Ofsted ratings.</p>



**STRATEGIC REPORT (continued)**

**Achievements and performance (continued)**

KPI	Measure against expectation
To ensure equality of opportunity	<p>The Academy Trust has a clear equality statement to which all of its schools adhere. The aims of the policy are that all schools in the Academy Trust aim to meet their obligations by having due regard to the need to:</p> <ul style="list-style-type: none"><li>♦ Eliminate discrimination and other conduct that is prohibited by the Equality Act 2010.</li><li>♦ Advance the equality of opportunity between people who share a protected characteristic and people who do not .</li><li>♦ Foster good relations between different people when carrying out their activities.</li></ul> <p>Employee and parent surveys have been undertaken to ensure gauge the perception of employees.</p> <p>4 of the 6 schools are taking part in an Equally Safe programme to ensure we are actively seeking to improve our policies and practice in this area. The other two schools will complete the project next year.</p> <p>This year we have developed a Trust Anti-Discrimination Strategy which clearly articulates our vision and commitment to equality</p> <p>All staff have had access to training to support this agenda</p> <p>The Academy Trust's commitment is on-going and as a result of being proactive in this matter we have seen many gaps in achievement get smaller or indeed in some cases vanish altogether.</p>

## **STRATEGIC REPORT (continued)**

### **Going concern**

The Academy Trust has undertaken a three year forecast on the assumption that income will remain static, the expenditure will increase year on year. Areas of concern are kept under constant review. On the basis of analysis and forecasts undertaken, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies. The Trust has coped with the loss of self-generated income due to Covid closures in previous years and has made a full recovery with generating income. The Trust has sufficient reserves to cope with any short term losses.

### **Promoting the success of the company**

The Trustees of Connect Schools Academy Trust are clear regarding their strategic role to move the Trust forward in a timely manner. The Trustees meet regularly to formulate decisions

The wellbeing of the employees is at the heart of the Trust vision. Trustees ensure that relevant information is cascaded to all Trust employees. Robust policies and clear procedures are in place to address concerns from employees. The Trust has moved to NASUWT scales, which has meant that staff are better rewarded for their work.

The Trust's relationship with external stakeholders helps it to improve customer satisfaction. The Trustees consider a range of factors such as best value, equality and diversity, in order to offer more holistic approach to governance.

Trustees address and act on environmental concerns within our schools. Air quality has been tested and remedial action taken to rectify deficits.

The Trustees will endeavour to maintain a high level of probity in adherence to standards, submitting returns in accordance with DfE and following other relevant Guidelines and legislation.

The Trustees will continue to maintain the highest standards of practice and to expand when opportunities arise.

### **Financial review**

The Academy Trust's total income for the year ended 31 August 2022 amounted to £17,294,000 (2021 – £17,363,000).

The bulk of the Academy Trust's income was obtained from the ESFA, an agency of the DfE, the use of which is restricted to particular educational purposes. The grants received from the ESFA in the year ended 31 August 2022 and the associated expenditure are shown as restricted in the statement of financial activities.

During the year ended 31 August 2022 total expenditure amounted to £18,324,000 (2021 – £16,923,000). 75% (2021 – 79%) of the Academy Trust's expenditure relates to staff costs which totalled £13,734,000 for the year ended 31 August 2022 (2021 – £13,297,000).

## **STRATEGIC REPORT (continued)**

### **Financial review (continued)**

The deficit for the year (before actuarial gains on the Local Government Pension Scheme) was £1,030,000 (2021 – surplus of £440,000). Excluding the pension adjustments in respect of the Local Government Pension Scheme and the movements on the fixed assets fund the operational surplus for the year was £105,000 (2021 – deficit of £6,000).

### **Financial position**

The Academy Trust held fund balances at 31 August 2021 of £54,195,000 (2021 – £48,065,000) comprising £52,572,000 (2021 – £52,558,000) in the restricted fixed assets fund, a deficit of £240,000 (2021 – £6,251,000) on the pension reserve, restricted income funds of £nil (2021 – £50,000) and general funds of £1,863,000 (2021 – £1,708,000).

The movements in the pension scheme reserve are shown in note 21.

The only fund in deficit as 31 August 2022 is the LGPS reserve. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contribution due by the Academy Trust have been fixed for the three years from 1 April 2020.

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy Trust because of recognising the deficit.

### **Reserves policy**

The Trustees review the reserve levels of the Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trustees have agreed that a minimum of 4 weeks operational costs will be kept by each academy at all times.

### **Financial and risk management objectives and policies**

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

The existence of these financial instruments exposes each academy to a number of financial risks which are described in more details below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

*Liquidity risk* – each academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

## **STRATEGIC REPORT (continued)**

### **Financial and risk management objectives and policies (continued)**

*Interest rate risk* – each academy earns interest on cash deposits and with interest rates rising, the Trustees will take appropriate action to ensure they maximise the income from these deposits.

*Credit risk* – this arises from the possibility that amounts owed to the academies will not be repaid. No academy partakes in credit activities so are only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

### **Principal risks and uncertainties**

The main risks that the Academy Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans.

*Strategic and reputational* – this covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy services, competition from other schools with similar objects and little scope for differentiations. This risk also includes the capacity of existing buildings to deliver teaching and learning to students.

*Finance risk* – the risk of the Academy Trust not operating within its budget and running a deficit. Risks are linked to income not increasing at the same rate as inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the Trustees are comfortable with the current level of employer contributions the Academy Trust is required to pay.

### **Fundraising**

All schools raise funds for a number of registered charities. These funds are raised through sponsorship and donations, there is no obligation for any child/parent to donate and all funds and donations collected are given to the relevant charity in a timely manner.

### **Plans for future periods**

The Trust aims to grow to 10/14 schools. We are mindful of slow and steady growth (especially in these uncertain times) but at the same time are clear that the growth is needed to provide the Trust with on-going financial stability in the future. During 2021/2022 CSAT started working with another 'good' Trust with a view to seeing whether a possible merger was of benefit to both. This work is continuing into 2022/2023 with a possible agreement to proceed expected by the end of December 2022. The Trust has a clear staff development plan and provides substantial in-house training to ensure that staff are trained ready to take up new positions as they arise. This strategy not only supports capacity for the future but ensures that highly skilled personnel move around the Trust rather than having to seek promotion elsewhere. The Trust also has a clear succession plan for key roles in the future.

## STRATEGIC REPORT (continued)

### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	2021/22	2020/21
Energy consumption used to calculate emissions (kWh)	3,792,811	3,906,211
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
- Gas consumption	538.32	585.42
- Owned transport – minibuses	0.03	0.02
Total scope 1	538.35	585.43
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
- Purchased electricity	167.78	150.72
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
- Business travel in employee owned vehicles	0.05	0.04
Total gross emissions in metric tonnes CO <sub>2</sub> e	<b>706.18</b>	<b>736.18</b>
Intensity ratio ( Tonnes CO <sub>2</sub> e per pupil)	0.25	0.28

### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector. (Pupil numbers per October 2020 Autumn Census)

### Measures taken to improve energy efficiency

New energy efficient boiler installed in one school. Roof repairs will improve insulation in two schools. Further CIF Bids have been submitted for another new roof and boiler/ heating works at one of the schools.

**STRATEGIC REPORT** (continued)


**Disclosure of information to auditors**

In so far as the Trustees are aware:

- ♦ there is no relevant audit information of which the Trust's auditor is unaware; and
- ♦ the Trustees have taken all the steps 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.

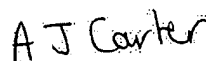
This report, incorporating the Strategic report, was approved by order of the Board of Trustees on 23 December 2022 and signed on the Board's behalf by:

Scott Pinder



(Chair of Trustees)

A J Carter



(Accounting Officer)

### Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Connect Schools 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. As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Connect Schools Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Andrea Carter, CEO	6	6
Sandra Clements	6	6
Brendan Collins	6	6
Devinia Curtis	5	6
Scott George	6	6
Susan Hannay	5	6
Naureen Khalid	4	6
William Mitchell	5	6
Jo-Anne Penn	4	6
Scott Pinder	6	6
Marie Powell	6	6

### Trust Audit and Risk Committee 2021/22

Committee Member	Meetings attended	Out of a possible
Andrea Carter, CEO	3	3
Devinia Curtis	3	3
Robert Girling	3	3
Naureen Khalid	3	3
William Mitchell	3	3
Martin Daniels	3	3
Phil Ridgewell	1	3

**Governance (continued)**

Its purpose is to assess the risks the Academy Trust faces and introduce necessary controls and procedures to ensure that these risks are adequately managed.

**Trust Finance and Resources Committee 2021/22**

<b>Committee Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ryan Boxall	0	2
Andrea Carter, CEO	4	4
William Mitchell	4	4
Scott Pinder	4	4
Marie Powell	4	4
Brendan Collins	3	4
Toby Reid	2	4

Trustees and Governors complete a skills audit annually and this informs any decision making about additional governance personnel needed. The Trustees have used the outcome of the audit to ensure that all the necessary skills needed are covered in terms of the Trust Board. There has been an internal governance review held in the last year. Its purpose is to assess the risks the Academy Trust faces and introduce necessary controls and procedures to ensure that these risks are adequately managed.

**Conflicts of interest**

The Trust maintain a register of interests for all Members, Trustees, Governors and Senior Staff. This published on the Trust website as well as the individual school websites. The register is updated annually and also when there are new appointments. This is driven by the Trust Governance Manager. If a significant conflict of interest was declared, it would be shared with Trustees and the CEO to consider appropriate action.

**Review of value for money**

As Accounting Officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- ◆ Targeting resources in key subjects, such as literacy and numeracy, to include one to one support and small groups;
- ◆ Further increased capacity of Before and After School Clubs, to generate additional income and to satisfy parental demand;
- ◆ Regularly reviewing contracts and service level agreements;



**Review of value for money (continued)**

- ◆ Ensuring appropriate procurement procedures have been undertaken when securing larger contracts;
- ◆ Developing curriculum led financial planning to provide a clear process for bench marking across the academies; and,
- ◆ Planning for the centralisation of finance and HR across the Trust to ensure economies of scale.

DFE offered the Trust SRMA (Schools Resource Management Advisor) support in 2021/22. The Trustees have reflected on and accepted some of the recommendations put forward by the advisor.

DFE have also offered further SRMA support for 2022/23.

**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 the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connect Schools Academy Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and for the year ended 31 August 2022 this service was provided by Azets LLP.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No material weaknesses were identified this year.

The monitoring checks on the school systems help to ensure that appropriate systems are in place and are operating efficiently throughout the year, and narrative reports are issued to Trustees after each monitoring visit. This year the work centred mainly on scrutiny of Risk Registers and website compliance. Recommendations have been taken on board and appropriate changes have been implemented.

## Governance statement 31 August 2022

### Review of effectiveness

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

- ◆ the work of the internal auditor;
- ◆ the work of the external auditors; and
- ◆ the work of the Senior Leadership Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 23 December 2022 and signed on its behalf by:

Scott Pinder



(Chair of Trustees)

A J Carter



(Accounting Officer)

**Statement on regularity, propriety and compliance 31 August 2022**

As Accounting Officer of Connect Schools Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding under the funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

A J Carter



Accounting Officer

Date: 23/12/2022

## Statement of Trustees' responsibilities 31 August 2022

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its 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 in the Charities' SORP FRS 102 and the Academies Accounts Direction 2021 to 2022;
- ◆ make judgments and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 ESFA have been applied for the purposes intended.

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

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

Scott Pinder



Chair of Trustees

Date: 23 December 2022

**Independent auditor's report on the financial statements to the Members of Connect Schools Academy Trust**

**Opinion**

We have audited the financial statements of Connect Schools Academy Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS102) and the Academies Accounts Direction 2021 to 2022.

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 2022 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS102 and Academies Accounts Direction 2021 to 2022.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Conclusions relating to going concern (continued)**

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102, the Academies Accounts Direction 2021 to 2022, the Academy Trust Handbook 2021, and the Academy Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Trustees' meetings and papers provided to the Trustees; and



**Auditor's responsibilities for the audit of the financial statements (continued)**

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of Trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

**Auditor's responsibilities for the audit of the financial statements** (continued)

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

**Use of our report**

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



28 December 2022

Katharine Patel (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Independent reporting accountant's assurance report on regularity to Connect Schools Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 11 February 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connect Schools Academy Trust during the period from 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

**Respective responsibilities of Connect Schools Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Connect Schools Academy Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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

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

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

## Independent reporting accountant's report on regularity 31 August 2022

### Approach (continued)

The work undertaken to draw to our conclusion includes:

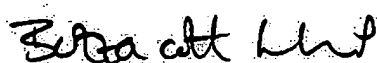
- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

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

### Use of our report

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



28 December 2022

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities (including income and expenditure account) Year to 31 August 2022**

			Restricted funds			
	Notes	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000	2022 Total funds £'000	2021 Total funds £'000
<b>Income from:</b>						
Donations and capital grants	1	93	—	904	997	2,144
Charitable activities:						
Funding for the Academy Trust's educational operations	2	1,188	14,738	—	15,926	15,181
Other trading activities	3	371	—	—	371	38
<b>Total income</b>		<b>1,652</b>	<b>14,738</b>	<b>904</b>	<b>17,294</b>	<b>17,363</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy Trust's educational operations	5	—	17,203	1,121	18,324	16,923
<b>Total expenditure</b>	4	<b>—</b>	<b>17,203</b>	<b>1,121</b>	<b>18,324</b>	<b>16,923</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,652</b>	<b>(2,465)</b>	<b>(217)</b>	<b>(1,030)</b>	<b>440</b>
Transfers between funds	16	(1,497)	1,266	231	—	—
<b>Net income / (expenditure) after transfers</b>		<b>155</b>	<b>(1,199)</b>	<b>14</b>	<b>(1,030)</b>	<b>440</b>
<b>Other recognised gains and losses</b>						
Gain on revaluation of fixed assets	12	—	—	—	—	9,494
Actuarial gains (losses) on defined benefit pension scheme	21	—	7,160	—	7,160	(377)
<b>Net movement in funds</b>		<b>155</b>	<b>5,961</b>	<b>14</b>	<b>6,130</b>	<b>9,557</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 31 August 2021		1,708	(6,201)	52,558	48,065	38,508
<b>Total fund balances carried forward at 31 August 2022</b>		<b>1,863</b>	<b>(240)</b>	<b>52,572</b>	<b>54,195</b>	<b>48,065</b>

The notes on pages 45 to form part of these financial statements.

# Balance sheet 31 August 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Intangible fixed assets	11		—		—
Tangible fixed assets	12		<u>51,982</u>		<u>51,489</u>
			<b>51,982</b>		<b>51,489</b>
<b>Current assets</b>					
Debtors	13	<b>1,230</b>		2,105	
Cash at bank and in hand		<u>3,291</u>		<u>2,747</u>	
		<b>4,521</b>		<b>4,852</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(2,001)</u>		<u>(1,947)</u>	
<b>Net current assets</b>			<u><b>2,520</b></u>		<u><b>2,905</b></u>
<b>Total assets less current liabilities</b>			<b>54,502</b>		<b>54,394</b>
Creditors: amounts falling due after more than one year	15		<u>(67)</u>		<u>(78)</u>
<b>Net assets excluding pension liability</b>			<b>54,435</b>		<b>54,316</b>
Defined benefit pension scheme liability	21		<u>(240)</u>		<u>(6,251)</u>
<b>Net assets including pension scheme liabilities</b>			<u><b>54,195</b></u>		<u><b>48,065</b></u>
<b>Funds of the Academy Trust</b>					
Restricted funds					
· Restricted fixed asset fund	16		<b>52,572</b>		<b>52,558</b>
· Restricted income fund	16		—		50
· Pension reserve	16		<u>(240)</u>		<u>(6,251)</u>
<b>Total restricted funds</b>			<b>52,332</b>		<b>46,357</b>
<b>Unrestricted income funds</b>					
· General fund	16		<b>1,863</b>		<b>1,708</b>
<b>Total funds</b>	16		<u><b>54,195</b></u>		<u><b>48,065</b></u>

The financial statements were approved by the board of Trustees, and authorised for issue on 23 December 2022 and are signed on its behalf by:

Scott Pinder



Chair of Trustees

The notes on pages 45 to 62 form part of these financial statements.

Connect Schools Academy Trust

Company Limited by Guarantee

Registration Number: 07824714 (England and Wales)

# Statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	1,265	945
<b>Cash flows from investing activities</b>	B	(710)	(362)
<b>Cash flows from financing activities</b>	C	(11)	23
<b>Change in cash and cash equivalents in the year</b>		<b>544</b>	<b>606</b>
<b>Cash and cash equivalents at 1 September 2021</b>		<b>2,747</b>	<b>2,141</b>
<b>Cash and cash equivalents at 31 August 2022</b>	D	<b>3,291</b>	<b>2,747</b>

## A Reconciliation of net expenditure to net cash provided by operating activities

	Notes	2022 £'000	2021 £'000
<b>Net (expenditure) income for the year (as per Statement of Financial Activities)</b>		<b>(1,030)</b>	<b>440</b>
<b>Adjustment for:</b>			
Depreciation	12	1,121	778
Amortisation	11	—	1
Decrease (increase) in debtors	13	875	(106)
Increase in creditors	14	54	926
Gain on disposal of fixed assets		—	130
Capital grants from DfE and other capital income		(904)	(2,094)
Defined benefit pension scheme cost less contributions payable	21	1,053	789
Defined benefit pension scheme finance cost	21	96	81
<b>Net cash provided by operating activities</b>		<b>1,265</b>	<b>945</b>

## B Cash flow from investing activities

	2022 £'000	2021 £'000
Purchase of tangible fixed assets	(1,614)	(2,456)
Capital grants from DfE Group	904	2,094
<b>Net cash (used in) investing activities</b>	<b>(710)</b>	<b>(362)</b>

## C Cash flow from financing activities

	2022 £'000	2021 £'000
Cash inflows from new borrowing	(11)	23
<b>Net cash (used in) provided by financing activities</b>	<b>(11)</b>	<b>23</b>

**Statement of cash flows** Year to 31 August 2022

**D Analysis of cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank	<b>3,291</b>	<b>2,747</b>
	<b>3,291</b>	<b>2,747</b>

**E Analysis of changes in net debt**

	<b>At 1</b>	<b>Cash</b>	<b>At 31</b>
	<b>September</b>	<b>flows</b>	<b>August</b>
	<b>2021</b>	<b>2022</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank	2,747	544	<b>3,291</b>
Loans falling due within one year	(3)	(8)	<b>(11)</b>
Loans falling due after more than one year	(20)	11	<b>(9)</b>
<b>Total</b>	<b>2,724</b>	<b>547</b>	<b>3,271</b>



## Principal accounting policies 31 August 2022

### 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.

### 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 2021 to 2022 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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

### Going concern

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

### Income

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

### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

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

Capital grants are recognised 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.

## **Income (continued)**

### ***Donations***

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

### ***Other income***

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

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass in the Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within income from donations and capital grants.

## **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.

### ***Expenditure on raising funds***

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

### ***Charitable activities***

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

## **Intangible fixed assets and amortisation**

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

- ♦ Computer software 3 years

## Principal accounting policies 31 August 2022

### Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised. Where assets are purchased in bulk there is a bulk purchase capitalisation threshold of £5,000.

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

◆ Freehold property	2%
◆ Long term leasehold property	2%
◆ Furniture and fixtures	20%
◆ Computer equipment	33.33%

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.

### Debtors

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

### 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.

### **Liabilities and provisions**

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

### **Operating leases**

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

### **Pensions benefits**

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

**Pensions benefits (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund accounting**

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

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

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

**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 areas of judgement (continued)**

***Critical accounting estimates and assumptions:***

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- ◆ The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets. The basis of the original valuation of the long leasehold properties (which from 1 September 2014, the date of transition to FRS 102, were deemed to be equal to cost) is disclosed in note 11 of the accounts.

**Notes to the financial statements Year to 31 August 2022**

**1 Income from donations and capital grants**

	Unrestricted funds £'000	Restricted fixed asset funds £'000	<b>2022 Total funds £'000</b>	2021 Total funds £'000
<b>2022</b>				
ESFA capital grants	—	904	<b>904</b>	2,032
Donated fixed assets	—	—	<b>—</b>	62
Other donations	93	—	<b>93</b>	50
	<b>93</b>	<b>904</b>	<b>997</b>	<b>2,144</b>

	Unrestricted funds £'000	Restricted fixed asset funds £'000	2021 Total funds £'000
<b>2021</b>			
ESFA capital grants	—	2,032	2,032
Donated fixed assets	—	62	62
Other donations	50	—	50
	<b>50</b>	<b>2,094</b>	<b>2,144</b>

Notes to the financial statements Year to 31 August 2022

**2 Funding for the Academy Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
<b>2022</b>				
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	—	11,897	11,897	11,447
UIFSM	—	388	388	463
Pupil Premium	—	440	440	424
Other DfE Group grants	—	173	173	186
	—	12,898	12,898	12,520
<b>Other government grants</b>				
Local authority grants	—	1,471	1,471	1,482
	—	1,471	1,471	1,482
<b>Exceptional government funding</b>				
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	—	—	216
Other DfE/ESFA COVID-19 funding	—	133	133	1
	—	133	133	217
<b>COVID-19 additional funding (non-DfE /ESFA)</b>				
Coronavirus Job Retention Scheme grant	—	—	—	40
Other COVID-19 funding	—	—	—	2
	—	—	—	42
<b>Other income from the Academy Trust's educational operations</b>	1,188	236	1,424	920
<b>2022 total funds</b>	1,188	14,738	15,926	15,181

The Trust received £133,000 of supplementary funding due to Covid-19, which was fully spent in year.



Notes to the financial statements Year to 31 August 2022

2 Funding for the Academy Trust's educational operations (continued)

2021	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<b>DfE / ESFA grants</b>			
General Annual Grant (GAG)	—	11,447	11,447
UFSM	—	463	463
Pupil Premium	—	424	424
Other DfE Group grants	—	186	186
	—	12,520	12,520
<b>Other government grants</b>			
Local authority grants	—	1,482	1,482
	—	1,482	1,482
<b>Exceptional government funding</b>			
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch-up premium	—	216	216
Other DfE/ESFA COVID-19 funding	—	1	1
	—	217	217
<b>COVID-19 additional funding (non-DfE /ESFA)</b>			
Coronavirus Job Retention Scheme grant	—	40	40
Other COVID-19 funding	—	2	2
	—	42	42
<b>Other income from the Academy Trust's educational operations</b>	920	—	920
<b>2021 total funds</b>	920	14,261	15,181

3 Income from other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Lettings	83	—	83	31
Income from other charitable activities	116	—	116	7
Trip income	172	—	172	—
	371	—	371	38

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Lettings	31	—	31
Income from other charitable activities	7	—	7
	38	—	38

## Notes to the financial statements Year to 31 August 2022

### 4 Expenditure

		Non pay expenditure			
	Staff costs (note 8) £'000	Premises £'000	Other costs £'000	2022 Total funds £'000	2021 Total funds £'000
<b>2022</b>					
Academy's educational operations (note 6):					
. Direct costs	10,823	1,121	916	<b>12,860</b>	12,144
. Support costs	2,911	908	1,645	<b>5,464</b>	4,779
	<b>13,734</b>	<b>2,029</b>	<b>2,561</b>	<b>18,324</b>	<b>16,923</b>

		Non pay expenditure			
	Staff costs (note 9) £'000	Premises £'000	Other costs £'000	2021 Total funds £'000	2021 Total funds £'000
<b>2021</b>					
Academy's educational operations (note 6):					
. Direct costs	10,579	779	786	12,144	12,144
. Support costs	2,718	993	1,068	4,779	4,779
	<b>13,297</b>	<b>1,772</b>	<b>1,854</b>	<b>16,923</b>	<b>16,923</b>

	2022 Total funds £'000	2021 Total funds £'000
Net income/(expenditure) is stated after charging:		
Depreciation of tangible fixed assets	<b>1,121</b>	778
Loss on disposal of fixed assets	—	141
Amortisation of intangible fixed assets	—	1
Auditors' remuneration – audit	<b>19</b>	19
Auditors' remuneration – other services	<b>3</b>	2
Internal auditors' remuneration	<b>5</b>	4
Operating lease rentals	<b>25</b>	47

Notes to the financial statements Year to 31 August 2022

**5 Charitable activities**

	<b>2022 Total funds £'000</b>	<b>2021 Total funds £'000</b>
Direct costs – educational operations	<b>12,860</b>	12,144
Support costs – educational operations (see below)	<b>5,464</b>	4,779
	<b>18,324</b>	16,923

	<b>2022 Total funds £'000</b>	<b>2021 Total funds £'000</b>
<b>Analysis of support costs</b>		
Support staff costs	<b>2,911</b>	2,718
Technology costs	<b>303</b>	261
Premises costs	<b>908</b>	993
Legal costs – other	<b>—</b>	21
Other support costs	<b>1,299</b>	755
Governance costs	<b>43</b>	31
<b>Total support costs</b>	<b>5,464</b>	4,779

Support staff costs include service costs and net finance charges arising from the Local Government Pension Scheme valuation of £1,053,000 (2021: £789,000).

## Notes to the financial statements Year to 31 August 2022

### 6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

			<i>Restricted funds</i>		
		<i>Unrestricted general fund £'000</i>	<i>General £'000</i>	<i>Fixed assets fund £'000</i>	<i>2021 Total funds £'000</i>
	<i>Notes</i>				
<b>Income from:</b>					
Donations and capital grants	1	50	—	2,094	2,144
Charitable activities:					
Funding for the Academy Trust's educational operations	2	920	14,261	—	15,181
Other trading activities	3	38	—	—	38
Investments	4	—	—	—	—
<b>Total income</b>		<b>1,008</b>	<b>14,261</b>	<b>2,094</b>	<b>17,363</b>
<b>Expenditure on:</b>					
Charitable activities:					
Academy Trust's educational operations	6	—	16,145	778	16,923
<b>Total expenditure</b>	5	<b>—</b>	<b>16,145</b>	<b>778</b>	<b>16,923</b>
<b>Net income / (expenditure) before transfers</b>		<b>1,008</b>	<b>(1,884)</b>	<b>1,316</b>	<b>440</b>
Transfers between funds	16	(1,014)	1,014	—	—
<b>Net income / (expenditure) after transfers</b>		<b>(6)</b>	<b>(870)</b>	<b>1,316</b>	<b>440</b>
<b>Other recognised gains and losses</b>					
Gain on revaluation of fixed assets	13	—	—	9,494	9,494
Actuarial (losses) on defined benefit pension scheme	22	—	(377)	—	(377)
<b>Net movement in funds</b>		<b>(6)</b>	<b>(1,247)</b>	<b>10,810</b>	<b>9,557</b>
<b>Reconciliation of funds</b>					
Total fund balances brought forward at 31 August 2020		1,714	(4,954)	41,748	38,508
<b>Total fund balances carried forward at 31 August 2021</b>		<b>1,708</b>	<b>(6,201)</b>	<b>52,558</b>	<b>48,065</b>

### 7 Central services

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

- ◆ School improvement plan
- ◆ Financial and budgeting support
- ◆ Compliance and statutory policies
- ◆ Health and safety checks
- ◆ Procurement services to ensure value for money.

## Notes to the financial statements Year to 31 August 2022

### 7 Central services (continued)

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

A charge of £130 per pupil for schools that are graded good or outstanding by Ofsted and £170 per pupil for schools that are graded as requiring improvement by Ofsted.

The actual amounts charged during the year were as follows:

	2022 £'000	2021 £'000
Crofton Junior School	165	149
Crofton Infant School	133	116
Valley Primary School	108	95
Raglan Primary School	104	97
Cage Green Primary School	66	57
River Mill School	52	32
<b>Total</b>	<b>628</b>	<b>546</b>

### 8 Staff

#### (a) Staff costs

Staff costs during the year were:

	2022 £'000	2021 £'000
Wages and salaries	9,347	9,374
Social security costs	888	855
Pension costs	3,140	2,865
	<b>13,375</b>	<b>13,094</b>
Agency staff costs	359	181
Staff restructuring costs	—	22
	<b>13,734</b>	<b>13,297</b>

#### (b) Staff numbers

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

	2022 No.	2021 No.
Teachers	129	119
Administration and support	275	287
Management	29	28
	<b>433</b>	<b>434</b>

**8 Staff (continued)**

**(c) Higher paid staff**

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

	2022 No.	2021 No.
£60,001 - £70,000	4	4
£80,001 - £90,000	1	2
£90,001 - £100,000	2	2
£100,001 - £110,000	—	—
£110,001 - £120,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2022, pension contributions for these staff amounted to £152,043 (2021: £168,778).

**(d) Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £760,327 (2021: £872,703).

**9 Related party transactions – Trustees' remuneration and expenses**

The Chief Executive Officer has been paid remuneration from her employment with the Academy Trust. She only receives remuneration in respect of services she provides undertaking the role of CEO under her contract of employment, and not in respect of her role as Trustee. The value of Trustees' remuneration was as follows:

	2022 £'000	2021 £'000
A Carter, CEO		
. Remuneration	115 - 120	115 - 120
. Employer's pension contributions	25 - 30	25 - 30

During the year ended 31 August 2022, no Trustees received reimbursement of travel expenses (2021: £nil).

**10 Trustees' and Officers' insurance**

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

## Notes to the financial statements Year to 31 August 2022

### 11 Intangible fixed assets

	Computer software £'000	2022 Total funds £'000
<b>Cost</b>		
At 1 September 2021	15	15
Additions	—	—
At 31 August 2022	15	15
<b>Amortisation</b>		
At 1 September 2021	15	15
Charge for the year	—	—
At 31 August 2022	15	15
<b>Net book value</b>		
At 31 August 2022	—	—
At 31 August 2021	—	—

### 12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost or valuation</b>					
At 1 September 2021	27,869	24,230	2,562	1,253	55,914
Additions	905	15	612	82	1,614
At 31 August 2022	28,774	24,245	3,174	1,335	57,528
<b>Depreciation</b>					
At 1 September 2021	1,236	1,570	830	789	4,425
Charge for the year	204	322	382	213	1,121
At 31 August 2022	1,440	1,892	1,212	1,002	5,546
<b>Net book value</b>					
At 31 August 2022	27,334	22,353	1,962	333	51,982
At 31 August 2021	26,633	22,660	1,732	464	51,489

Included in land and building is freehold land at a valuation of £16,483,629 (2021: £16,483,629) and leasehold land at a valuation of £8,193,010 (2021: £8,193,010), which are not depreciated.

### 13 Debtors

	2022 £'000	2021 £'000
Trade debtors	43	93
VAT debtor	452	210
Other debtors	612	—
Prepayments and accrued income	123	1,802
	1,230	2,105

Notes to the financial statements Year to 31 August 2022

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

	2022 £'000	2021 £'000
Trade creditors	981	534
Loan creditor	11	3
Other creditors	452	501
Accruals and deferred income	557	909
	<b>2,001</b>	<b>1,947</b>
<b>Deferred income</b>		
Deferred income at 1 September 2021	348	250
Incoming resources deferred during the year	230	348
Released from previous years	(348)	(250)
Deferred income at 31 August 2022	<b>230</b>	<b>348</b>

The deferred income included above relates to the following:

	2022 £'000	2021 £'000
ESFA universal infant free school meal funding	230	266
Other income	—	82
	<b>230</b>	<b>348</b>

Included within other creditors is a loan of £23k from Salix which is repayable over 8 years and which is interest free.

	2022 £'000	2021 £'000
<b>Analysis of loans</b>		
Wholly repayable within eight years	20	23
Less: included in current liabilities	(11)	(3)
Amounts included above	<b>9</b>	<b>20</b>
<b>Loan maturity</b>		
Debt due in one year or less	11	3
Due in more than one year but not more than two years	9	11
Due in more than two years but not more than five years	—	9
	<b>20</b>	<b>23</b>

**15 Creditors: amounts falling due after one year**

	2022 £'000	2021 £'000
Loan creditor	9	20
Other accruals	58	58
	<b>67</b>	<b>78</b>



## Notes to the financial statements Year to 31 August 2022

### 16 Statement of funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
· General Annual Grant (GAG)	—	11,897	(13,163)	1,266	—
Other DfE / ESFA grants					
· UIFSM	—	388	(388)	—	—
· Pupil premium	50	440	(490)	—	—
· Other grants	—	173	(173)	—	—
· Other COVID-19 grants	—	133	(133)	—	—
Pension reserve	(6,251)	—	(1,149)	7,160	(240)
	<u>(6,201)</u>	<u>13,031</u>	<u>(15,496)</u>	<u>8,426</u>	<u>(240)</u>
<b>Other restricted funds</b>					
Local authority grants	—	1,471	(1,471)	—	—
Other restricted funds	—	236	(236)	—	—
	<u>—</u>	<u>1,707</u>	<u>(1,707)</u>	<u>—</u>	<u>—</u>
<b>Total restricted general funds</b>	<u>(6,201)</u>	<u>14,738</u>	<u>(17,203)</u>	<u>8,426</u>	<u>(240)</u>
<b>Restricted fixed asset funds</b>					
· Transfer on conversion	46,223	—	(965)	—	45,258
· DfE/ESFA capital grants	5,107	904	(126)	—	5,885
· Other capital donations	161	—	(3)	—	158
· Capital expenditure from GAG	950	—	(25)	231	1,156
· Donated assets	49	—	(1)	—	48
· Fixed assets	68	—	(1)	—	67
	<u>52,558</u>	<u>904</u>	<u>(1,121)</u>	<u>231</u>	<u>52,572</u>
<b>Total restricted funds</b>	<u>46,357</u>	<u>15,642</u>	<u>(18,324)</u>	<u>8,657</u>	<u>52,332</u>
<b>Unrestricted funds</b>					
· General funds	1,708	1,652	—	(1,497)	1,863
<b>Total unrestricted funds</b>	<u>1,708</u>	<u>1,652</u>	<u>—</u>	<u>(1,497)</u>	<u>1,863</u>
<b>Total funds</b>	<u>48,065</u>	<u>17,294</u>	<u>(18,324)</u>	<u>7,160</u>	<u>54,195</u>

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

- ◆ General Annual Grant must be used for the normal running cost of the Academy Trust. The transfer of £1,266,000 from the unrestricted fund represents the educational costs not met by the General Annual Grant.
- ◆ The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE, and includes Pupil Premium and Universal Infant Free School Meal grant money and related expenditure.
- ◆ The other government grants fund is used to track grants provided by government departments and includes the individually Assigned Recourses Funding.
- ◆ The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

**Notes to the financial statements Year to 31 August 2022**

**16 Statement of funds (continued)**

- ♦ The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held.

***Analysis of academies by fund balance***

Fund balances at 31 August 2022 were allocated as follows:

	2022 £'000	2021 £'000
Crofton Infant School	735	600
Crofton Junior School	751	594
Valley Primary School	151	268
Raglan Primary School	272	328
Cage Green Primary School	296	214
River Mill School	207	119
Central Trust	(549)	(365)
Total before fixed asset fund and pension reserve	1,863	1,758
Restricted fixed asset fund	52,572	52,558
Pension reserve	(240)	(6,251)
Total	54,195	48,065

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000
Cage Green Primary School	1,365	136	78	259	1,838
Crofton Infant School	2,077	374	160	617	3,228
Crofton Junior School	2,263	447	249	602	3,561
Raglan Primary School	1,840	302	194	333	2,669
River Mill School	797	161	93	190	1,241
Valley Primary School	1,750	344	98	452	2,644
Central services	377	1,502	6	137	2,022
<b>Total funds</b>	<b>10,469</b>	<b>3,266</b>	<b>878</b>	<b>2,590</b>	<b>17,203</b>

# Notes to the financial statements Year to 31 August 2022

## 16 Statement of funds (continued)

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000
Crofton Infant School	1,973	388	131	445	2,937
Crofton Junior School	2,138	397	201	464	3,200
Valley Primary School	1,843	339	70	352	2,604
Raglan Primary School	1,928	276	191	294	2,689
Cage Green Primary School	1,521	234	83	235	2,073
Rivermill Primary School	501	136	66	163	866
Central Trust department	497	1,128	9	141	1,775
<b>Total funds</b>	<b>10,401</b>	<b>2,898</b>	<b>751</b>	<b>2,094</b>	<b>16,144</b>

## Statement of funds – prior year

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	—	11,447	(12,461)	1,014	—
Pupil premium	50	424	(424)	—	50
UIFSM	—	463	(463)	—	—
Catch-up premium	—	216	(216)	—	—
Other DfE/ESFA COVID-19 funding	—	1	(1)	—	—
Coronavirus Job Retention Scheme grant	—	40	(40)	—	—
Other COVID-19 funding	—	2	(2)	—	—
Other restricted income	—	1,668	(1,668)	—	—
Pension reserve	(5,004)	—	(870)	(377)	(6,251)
	<b>(4,954)</b>	<b>14,261</b>	<b>(16,145)</b>	<b>637</b>	<b>(6,201)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	39,656	—	(598)	9,494	48,552
DfE/ESFA capital grants	1,904	2,032	(123)	—	3,813
PTA donations	38	—	(10)	—	28
Capital expenditure from GAG	150	—	(33)	—	117
Donated assets	—	62	(14)	—	48
	<b>41,748</b>	<b>2,094</b>	<b>(778)</b>	<b>9,494</b>	<b>52,558</b>
<b>Total restricted funds</b>	<b>36,794</b>	<b>16,355</b>	<b>(16,923)</b>	<b>10,131</b>	<b>46,357</b>
<b>Unrestricted funds</b>					
General funds	1,714	1,008	—	(1,014)	1,708
<b>Total unrestricted funds</b>	<b>1,714</b>	<b>1,008</b>	<b>—</b>	<b>(1,014)</b>	<b>1,708</b>
<b>Total funds</b>	<b>38,508</b>	<b>17,363</b>	<b>(16,923)</b>	<b>9,117</b>	<b>48,065</b>

**Notes to the financial statements Year to 31 August 2022**

**17 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2022 £'000
Tangible fixed assets	—	—	51,982	<b>51,982</b>
Current assets	1,863	2,068	590	<b>4,521</b>
Current liabilities	—	(2,001)	—	<b>(2,001)</b>
Non-current liabilities	—	(67)	—	<b>(67)</b>
Pension liability	—	(240)	—	<b>(240)</b>
	<b>1,863</b>	<b>(240)</b>	<b>52,572</b>	<b>54,195</b>

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total funds 2021 £'000
Tangible fixed assets	—	—	51,489	51,489
Current assets	1,708	2,075	1,069	4,852
Creditors due within one year	—	(1,947)	—	(1,947)
Creditors due within more than one year	—	(78)	—	(78)
Pension liability	—	(6,251)	—	(6,251)
	<b>1,708</b>	<b>(6,201)</b>	<b>52,558</b>	<b>48,065</b>

**18 Capital commitments**

	2022 £'000	2021 £'000
Contracted for but not provided in the financial statements	<b>522</b>	1,075

**19 Commitments under operating leases**

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	<b>13,975</b>	24,704
Amounts due between one and five years	<b>8,084</b>	22,059
	<b>22,059</b>	46,763

**20 Members' liability**

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

## 21 Pension commitments

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

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

Contributions amounting to £209,053 were payable to the schemes at 31 August 2022 (2021: £174,231) and are included within creditors.

### ***Teachers' Pension Scheme (TPS)***

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

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

### ***Valuation of the Teachers' Pension Scheme***

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

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

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

## 21 Pension commitments (continued)

### **Local Government Pension Scheme**

The employer's pension costs paid to TPS in the period amounted to £1,281,000 (2021: £1,282,000).

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

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

The LGPS is funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,087,000 (2021: £941,000), of which employer's contributions totalled £868,000 (2021: £751,000) and employees' contributions totalled £219,000 (2021: £190,000). The agreed contribution rates for future years are 23.3% for employers and 5.5 to 12.5% for employees.

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

<b>Principal Actuarial Assumptions</b>	<b>2022</b>	<b>2021</b>
Discount rate for scheme liabilities	<b>4.30%</b>	2.50%
Rate of increase in salaries	<b>4.20%</b>	3.15%
Inflation assumption (CPI)	<b>2.90%</b>	2.08%

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

	<b>2022 Years</b>	<b>2021 Years</b>
Retiring today		
Males	<b>22.4</b>	22.5
Females	<b>24.9</b>	24.7
Retiring in 20 years		
Males	<b>24.1</b>	24.2
Females	<b>26.7</b>	26.6

Notes to the financial statements Year to 31 August 2022

21 Pension commitments (continued)

**Local Government Pension Scheme (continued)**

	At 31 August 2022 £	At 31 August 2021 £
<b>Sensitivity analysis – net increase in liability</b>		
Discount rate +0.1%	(258,000)	(411,000)
Discount rate -0.1%	258,000	422,000
Mortality assumption – 1 year increase	244,000	589,000
Mortality assumption – 1 year decrease	(244,000)	(570,000)
CPI rate +0.1%	262,000	332,000
CPI rate -0.1%	(262,000)	(325,000)

The Academy Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	7,249	7,359
Bonds	1,162	1,258
Property	870	624
Cash and other liquid assets	181	128
Other	1,740	1,805
Total market value of assets	11,202	11,174
<b>Present value of scheme liabilities</b>		
Funded	(11,442)	(17,425)
<b>Deficit in the scheme</b>	<b>(240)</b>	<b>(6,251)</b>

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

	2022 £'000	2021 £'000
Current service cost	(1,898)	(1,238)
Past service cost	26	—
Interest cost	(296)	(81)
Admin expenses	(21)	(20)
<b>Total</b>	<b>(2,189)</b>	<b>(1,339)</b>

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

	2022 £'000	2021 £'000
Defined benefit obligation at 1 September 2021	17,425	13,810
Current service cost	1,898	1,428
Interest cost	296	244
Employee contributions	219	190
Actuarial (gains) losses	(8,336)	1,881
Benefits paid	(50)	(220)
Past service costs	(10)	92
Defined benefit obligation at 31 August 2022	11,442	17,425

## 21 Pension commitments (continued)

### *Local Government Pension Scheme (continued)*

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

	2022 £'000	2021 £'000
Fair value of scheme assets at 1 September 2021	11,174	8,806
Interest income	26	163
Actuarial (losses) gains	(1,176)	1,504
Expected return on assets	162	—
Employer contributions	868	751
Employee contributions	219	190
Benefits paid	(50)	(220)
Admin expense	(21)	(20)
Fair value of scheme assets at 31 August 2022	11,202	11,174

## 22 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook and with the Trust's regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

### *Income related party transactions*

During the year Crofton Infant School received £31,515 (2021: £9,270) from the Crofton Infant School PTA and £5,027 (2021: £nil) from the Crofton Infant School Voluntary Fund. Crofton Junior School received £18,338 (2021: £nil) from the Crofton Junior School PTA and £4,243 from the Crofton Junior School Voluntary Fund. Cage Green Primary School received £913 from the Cage Green Primary School PTA (2021: £4,153). Raglan Primary School received £23,996 (2021: £8,017) from the Friends of Raglan and £nil from Raglan Voluntary Fund (2021: £51,248). Valley Primary School received £16,707 (2021: £34,377) from the Valley Primary School PTA. River Mill Primary School received £522 (2021: £nil) from the River Mill Voluntary Fund.

### *Expenditure related party transactions*

In the prior year, Connect Schools Academy Trust paid £1,332 to Jason Wood Building Services for maintenance costs. The director of this company is the brother of a Deputy Head within the Trust. The Deputy Head was not involved in the decision to use this company for the work, and the services provided were charged at a standard rate.

There are no other related party transactions to disclose.

## 23 Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the board of Trustees. There is no ultimate controlling party.