

Company Registration Number: 10192252 (England & Wales)

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



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

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CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Hopkins N Bridge R Russell N Lyons (appointed 01/09/2018)
Trustees	S Bellworthy, Chief Executive Officer (appointed 12/12/2018) C Hardisty, Headteacher (resigned 31/12/2018) ³ G Freathy, Chair of Trustees (to 07/03/2019) ^{1,2,3} S Jones, Vice Chair ³ L Le Marquand ^{1,2} A Young ^{1,2} I Mitchell (appointed 31/01/2019) ^{1,2} C Jenkins, Chair of Trustees (from 07/03/2019) (appointed 05/09/2018) ^{1,2,3} M Young (resigned 15/10/2019) ^{1,2} K Ho (appointed 05/09/2018) ^{1,2} W Cording (resigned 05/09/2018) N Lyons (resigned 05/09/2018)
	¹ Audit Committee ² Operations Committee ³ Standards Committee
Company registered number	10192252
Company name	Connect Academy Trust
Principal and registered office	Leigham Primary School Cockington Close Leigham Plymouth Devon PL6 8RF
Company secretary	L Tompkins (resigned 26 March 2019)
Accounting Officer	S Bellworthy
Senior leadership team	W Cording, Eggbuckland Vale Headteacher C Hardisty, Thornbury Headteacher S Nicholls, Widey Court Headteacher S Ryder, Manadon Vale Headteacher A Swainson, Leigham Headteacher D Brooker, Chief Finance Officer C Biggs, Chief Finance Officer S Bellworthy, Chief Executive Officer (appointed 1 September 2018)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

CONNECT ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers	Lloyds Bank plc 37 The Ridgeway Plympton Plymouth Devon PL7 2AP
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Solicitors	Wolferstans 60-66 North Hill Plymouth Devon PL4 8EP
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**CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 5 primary schools, including 2 nurseries, for pupils aged 3 to 11 in Plymouth. It has a pupil capacity of 2,297 and had a roll of 2,127 in the Summer school census 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity, which was incorporated on 20th May 2016 and opened as an Academy Trust on 1st September 2016. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Connect Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Connect Academy Trust. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**CONNECT ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees' Indemnities

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

- up to 10 Trustees who are appointed by members.

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

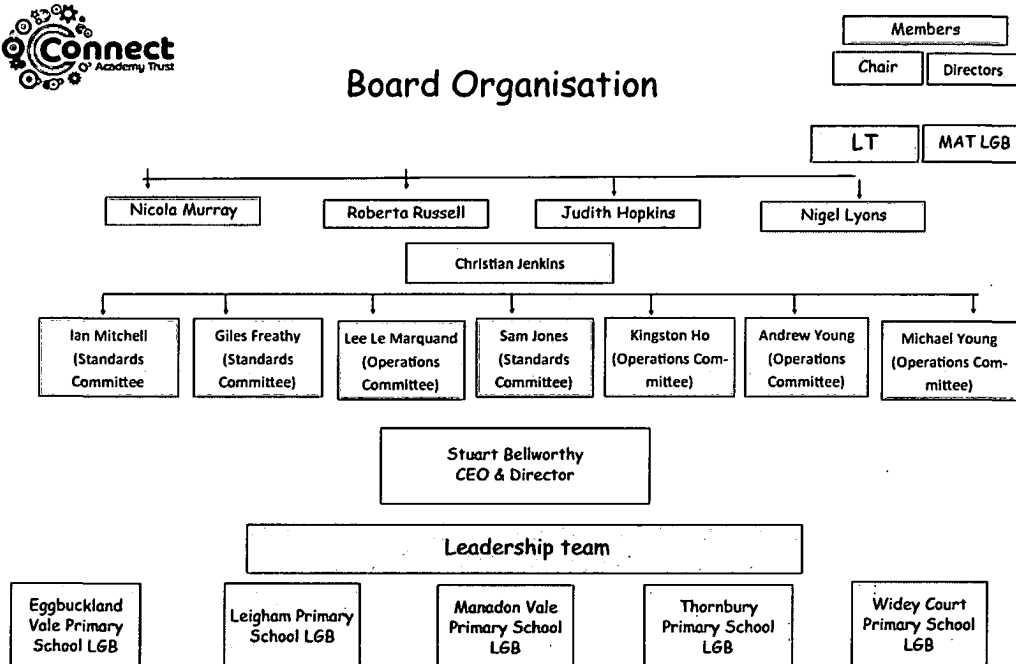
CONNECT ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure



Board Organisation



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

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of each School to the respective Headteacher and Senior Management Team (SMT). The SMT of each School comprises the Headteacher, Deputy Headteacher, Heads of Departments and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Chief Executive is the Accounting Officer.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

Connected Organisations, including Related Party Relationships

There are no transactions with related parties to disclose within the accounts.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum for pupils of different abilities.

The aims of the Trust during the year ended 31st August 2019 are summarised below:

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

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

Key priorities for the year are contained in our Trust Development Plan which is available from the Trust Office and online. Strategic areas of focus identified for this year included:

Business Strand
To continue to operate robust financial systems
Reduction in Trust expenditure
Seamless transition for new schools
To ensure effective and timely communications
To develop knowledge and understanding of roles of Trustees and Members in order to ensure effective Governance
To develop knowledge and understanding and skills of LGBs in order to share good practice and ensure effective Governance
To ensure the Trust has knowledgeable and effective support to meet its statutory duties
Middle leaders course established and annual cohort of new trainees. Key leaders from across the city/ region empowered to impact positively on provision in own schools
To increase viability of the Trust and range of central services that can be offered - grow by 2 schools

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Raising Achievement strand
Termly 360° Health Checks analyse Operation, Quality of Education and Culture in each school. These aspects improve as a result.
Trust leaders use data to prioritise improvement.
Standards are closely monitored and school leaders are held to account.
Data across the Trust can be collated and scrutinised.
Use school data to identify gaps at year group level and use good practice to improve provision for all pupils.
Identification and support plan for vulnerable staff.
Identification and support plan for vulnerable schools.
Staff have access to current research and educational thinking and can engage in effective professional dialogue which impacts positively on pupil learning experiences.
Standards across the Trust will be comparable. Judgements are accurate and will ensure that relevant support is directed accordingly to raise standards.
Pupils are able to tackle challenging and complex problems at all levels.
Close work between schools in the Trust and with Coast Academies Trust, providing an external perspective.
Transparent and effective process created for preventing and supporting schools causing concern.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Teaching and Learning strand
Monitoring of the quality of Teaching and Learning is carried out providing an accurate picture of practice across the Trust schools.
Agreed process in place for identification of weak teachers with appropriate intervention strategies in place.
Termly joint CPD opportunities through staff meetings are planned.
Links with innovation and good practice are established – e.g. Somerset Literacy Network / Cornwall maths hub.
Staff knowledge and understanding of higher order skills has improved and developed through effective training and professional support.
An NQT/RQT teaching and learning programme was highly successful and will be run again. A comprehensive calendar of training based on needs identified within the Trust has been planned and delivery initiated.
Staff are regularly engaged in professional learning discussions during CPD sessions based on various methods of media e.g.: - think pieces, video learning bites.
Innovation/ research group is established - generating teacher dialogue around practice and pedagogy.

Leadership and Management Strand
CEO and Leadership Team have agreed ways of working and set higher expectations for pupil progress
All schools were well-prepared for Ofsted inspections. All five schools had successful inspections from April-June 2019 and retained their good 'status'
Members of SLTs have clear and consistent understanding of their role and responsibilities.
Appraisal policy is fit for purpose and consistently followed.
Lead Practitioners have been trained and are providing support across the five schools
Connect Leadership Team meet fortnightly, with presentations from internal and external partners
Support and challenge to enable all leaders to develop and impact positively on school improvement.

Public Benefit

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

As a Multi Academy Trust we have a duty to support our schools. Our named schools in the Trust are Eggbuckland Vale Primary School, Leigham Primary School, Manadon Vale Primary School, Thornbury Primary School and Widey Court Primary School. We support these schools through school-to-school support.

STRATEGIC REPORT

Achievements and Performance

The Trust's vision is

Vision and Values Statement



The children in our schools are the future.
Every child has the right to an appropriate and engaging curriculum,
delivered by motivated and skilled professionals.
We make a difference because it matters and we care.

We make decisions based on a detailed knowledge of what is happening for our children, in our classrooms, in our communities.

We carry out school improvement work driven by enquiry, research and innovation

We are outward looking and invite external moderation for our judgements

We share our expertise to develop a creative and engaging curriculum

We develop high quality learning environments within each unique school

We are honest with each other.

We treat each other with respect and take responsibility for our actions

We are open to both giving and receiving constructive challenge

We trust that difficult conversations are for the good of the children

We prioritise resources according to where need is greatest to benefit all children

We are absolutely focused on learning for all.

- We hold a shared understanding of high quality learning and behaviours for learning
- We are committed to growing, developing and building upon talent from within
- We invest in our staff as we believe that children will thrive if our staff grow and develop
- We value high quality collaborative continuing professional development to build on expertise from within and beyond
- We reflect on what we have learnt and how this can make a difference

We are relentless in our drive to be the best that we can be.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

End of Key Stage 2 Results

These results show overall improvements in both attainment and progress by the time pupils leave our primary schools Eggbuckland Vale and Thornbury's results include a high proportion of pupils with SEND and those pupils which access the specialist SEND provision. Widey Court's 2019 Reading and combined RWM outcomes were affected by a group of pupils missing out by a few marks and having an Ofsted inspection on the day of this test. Last year's figures are in brackets.

2019 KS2 Attainment	Combined Nat 65% (64)	Reading Nat 73% (75)	Writing Nat 78% (78)	SPAG Nat 78% (78)	Maths Nat 79% (76)
Eggbuckland Vale	54% (58%)	70% (70%)	72% (75%)	70% (70%)	68% (70%)
Leigham	74% (68%)	80% (76%)	88% (81%)	90% (78%)	88% (78%)
Manadon	85% (66%)	92% (80%)	90% (87%)	93% (82%)	93% (82%)
Thornbury	69% (63%)	77% (70%)	82% (79%)	77% (72%)	74% (74%)
Widey Court	47% (62%)	57% (75%)	73% (77%)	70% (76%)	70% (70%)

2019 KS1 to KS2 Progress	Reading	Writing	Maths
Eggbuckland Vale	-0.3 (-2.9)	-1.0 (0.2)	-1.0 (-2.5)
Leigham	+2.4 (+0.1)	+2.9 (+0.4)	+3.8 (+2.2)
Manadon	+1.0 (+1.3)	-1.3 (+3.0)	+2.1 (+3.1)
Thornbury	-1.6 (-0.7)	-0.2 (+0.2)	-1.2 (-1.5)
Widey Court	-3.1 (-1.1)	-0.4 (-0.6)	-1.7 (-1.4)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

During the year, the Trust secured five capital grants:

- To replace a Portable classroom at Manadon Vale
- Replacement roof Thornbury and Widey
- Replacement Fencing at Egguckland and Leigham

Key Performance Indicators

The following KPI's were monitored by the Trust over the past year:

Total income per pupil	£4,989
Ratio of GAG to total income	0.7:1
Teaching staff costs per pupil	£2,250
Teaching staff costs as a % of total expenditure	47%
Support staff costs per pupil	£1,347
Support staff costs as a % of total expenditure	28%
Non-pay expenditure per pupil	£1,141
Total costs per pupil	£4,738
Staff pay as % of expenditure	76%
Average teacher cost	£43,992
Pupil to teacher ratio	22:1
Class sizes	

The detailed monitoring of these KPIs has enabled the Trust to maintain best value for money.

Going Concern

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

**CONNECT ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019, the Trust received total income of £10,536,418 and incurred total expenditure of £11,303,900. The excess of expenditure over income for the year was £767,482.

At 31 August 2019 the net book value of fixed assets was £18,984,721 and movements in tangible fixed assets are shown in Note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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

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

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

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves to aim for would be approximately one month's reserve for the Academy Trust which equate to the region of £700,000 - £800,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This year the planned strategic decision to spend on capital expenditure in all schools has reduced the reserves however budgets going forward evidence a rebuilding of the reserves. Total reserves of the Trust amount to £13,274,958, although £12,758,526 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £516,432, representing £454,682 unrestricted funds (free reserves) and £61,750 unspent GAG, is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents under a month of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Apart from the higher pension contributions referred to above, which reduce cash-flow, the Pension Deficit has no other direct impact on the cash flows or free reserves of the Academy Trust.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

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

Principal Risks And Uncertainties

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

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year, 92.6% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

The Trust continues to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

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

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

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

**CONNECT ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

PLANS FOR FUTURE PERIODS

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

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

In accordance with the Trust's equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

The Trust is committed to involve all employees in the performance and development of the Trust. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the Trust. Connect Academy Trust also encourages involvement on the Local Governing Boards.

TRUSTEES INDEMNITIES

There were no third-party indemnity provisions during the year or at the date of approval of the Trustees' report.

DISCLOSURE OF INFORMATION TO AUDITORS

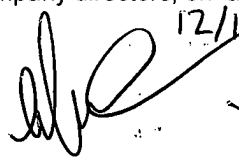
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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


12/12/2019
C Jenkins
(Chair of Trustees)

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year whilst the Operation and Audit committees met 6 and 3 times respectively.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Bellworthy, Chief Executive Officer	3	3
C Hardisty, Headteacher	1	1
G Freathy, Chair of Trustees (to 07/03/2019)	1	3
S Jones, Vice Chair	2	3
L Le Marquand	3	3
A Young	3	3
I Mitchell	2	2
C Jenkins, Chair of Trustees (from 07/03/2019)	2	3
M Young	3	3
K Ho	3	3
W Cording	0	0
N Lyons	0	0

Members are of the opinion that the composition of the Board should not include Headteachers and, during the year, this position has been achieved. The Board has focused its efforts on ensuring policy and procedures are in place for the Trust to carry out its duties effectively. Systems have been developed to ensure there is efficient delegation to Committees and Local Governing Bodies and to enable the Trustees to monitor the data around progress of pupils and the compliance with statutory duties. Communication between Local Governing Bodies and the Board has been an area of development.

CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Area of responsibility	Evidence
Vision, ethos and strategy	
Does the Trustee Board have a clear vision and strategic priorities for the next three to five years, to which all academies contribute and which is understood by each of its academies?	Trustee Board has clear vision – evidenced by strategic business plan. All HT's are involved in HTLT, involving SLT from each academy.
How effectively do these strategic priorities drive the governance structure, activities and agenda setting at all levels of the Trust?	Business plan in place, agendas organised throughout all levels of the Trust with LGB's feeding back to the Trustees through their meeting agendas.
What vision does the Trustee Board have for the size of the Trust and how does the strategy ensure that there is the capacity to support any additional academies well?	Considerable work on the structure and discussion. On-boarding created and business planning for school business managers and school-to-school support; ensuring everyone is supported and represented. Planned use of growth fund. Despite 3 presentations no additional schools have joined to date. New CEO has been specifically tasked with growth of the Trust.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Governance structures	
Is the structure of the Trust from its Board to school-level governance conducive to effective working, ensuring checks and balances, but avoiding duplication at different levels, and delivering good two-way communications?	Scheme of delegation clear to all levels of Governance. Awareness of duplication has taken place, procedures checked and changes made to help with communication. Ongoing review.
How does the Trustee Board ensure that its governance structure is clear, in keeping with its Articles of Association, and that those at regional, cluster and school-level understand their roles and responsibilities compared to those of the Trustee Board?	Clear scheme of delegation. Schools are geographically close. LGBs continue to work with external adviser and have designed systems that will support growth.
a) Does the Trustee Board have a scheme of delegation, is it published on its website and those of its schools, and does the scheme make clear where the following key governance functions are exercised:	There is a clear scheme of delegation in place, which is published on the Trust website. Schools have a link back to the Trust website.
b) Determining each individual school's vision, ethos and strategic direction?	All in place
c) Recruiting each school's Principal/Head of school?	All in place
d) Performance management of each school's Principal/Head of school?	All in place – same improvement plan for each school.
e) Determination of Human Resources policy and practice?	All in place
f) Oversight of each school's budget?	All in place – CFO and Operations Committee monitors
g) Assessment of the risks for each school?	All in place
h) Is the principle of earned autonomy applied to individual schools or local clusters and if so, do all involved at all levels of governance within the Trust understand how?	All in scheme of delegation.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Trustee Board effectiveness and conduct	
Right skills: Has the Trustee Board adopted a robust and transparent process for the recruitment both of trustees and those at local governance level, including role specifications, skills audits and interview panel to ensure those carrying out governance functions have the full range of experience, qualities and skills necessary to discharge all the Trustee Board's responsibilities?	Reasonably new structure. All LGBs are recruiting for new governors, which is skills-led. Skills audit undertaken and action plans devised to improve Trustee skill-base. New Trustees appointed to provide greater depth of experience in finance
Clerking: Does the Trustee Board have a professional clerk providing information and guidance on regulatory practice and procedures, including governance leadership to the committees and any school- level governance?	New clerk has been appointed and will undertake appropriate training.
Chair: How does the Trustee Board ensure the Chair shows strong and effective leadership?	Agenda is well organised, questioning and support during meetings and at recruitment. Avenue to review any concerns with the Members.
Trustee performance: Does the Chair carry out an annual review of each Trustee's contribution to the Board's performance and ensure each Trustee is investing in his/her own development?	A register of contribution is being considered. However, all Trustees are established previous governors or senior managers with chosen expertise and all contribute based on their experience. 1:1 peer reviews are also being considered.
Succession planning: Do we engage in good succession planning so that, in normal circumstances, no Trustee serves for longer than two terms of office and the Chair is replaced at least every six years?	New chair appointed this year
Conflicts of interest & conduct: How does the Trustee Board ensure conflicts are avoided and that the Nolan principles of public life are adhered to?	System and process in place for declaring conflicts of interest. Addressed at beginning of each meeting.
Learning from others: Has the Trustee Board regularly reviewed its structures and practice, making use of other Boards' experiences and periodically seeking external expertise?	Trustees draw from their experience on other Boards and through peer-group networks.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Engagement	
How does the Trustee Board listen to, understand and respond to pupils, parents, staff and local communities across all its academies?	Trustees are aware of the LGB questionnaire responses. Trustees ensure LGBs have responded to parents from all schools in response to questions. Will look to implement a common questionnaire from the Trustee Board to parents in all schools. Through the LGB, any concerns raised by the schools would be addressed. Minutes of meetings and school-on-a-page summaries support this. Trust issues termly newsletter.
What benefit do the schools within the Trust draw from collaboration with other schools and other sectors, including employers, locally and nationally; and how is the Trust involved in contributing to improving leadership in academies beyond its own schools?	Collaboration with other schools is strong and the Trust has worked with Plymouth City on projects. Apprentices at four of the schools. Assisting a school outside of Trust.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Effective accountability of the executive leadership	
How well does the Trustee Board understand its schools' performance data, and how do Trustees know that pupils in all their schools are making the best progress they can?	Standards Committee. School-on-a-page summary used to give an overview of all the schools within the Trust. Structures in place, Trustees have confidence that the LGBs are asking the right questions. LGB minutes are available for Trustees to review as required.
What mechanisms does the Trustee Board use to ensure there is a strong and effective executive leadership structure in place across the Trust and personnel are employed with the right skills; clear line-management and reporting mechanisms?	CEO, CFO and HT leadership team meet on a regular basis, priorities on agendas feedback. Performance management completed by the same person to ensure they are conducted in the same way. If the Trust grows, additional executive posts would be required.
How does the Trustee Board ensure senior leaders within schools are challenged to improve the education of pupils, and what intervention would be used if improvement is not progressing according to plan at a school?	There is a policy for schools requiring additional support. Distant and close supervision. Lead practitioner support taking place.
How does the Trustee Board ensure that the Trust's financial capability and management systems are robust to ensure compliance with the Academies Financial Handbook, best value for money and deliver the long-term strategy?	Operations Committee, experienced CFO, Audit Committee and internal audits undertaken.
Do the compliance systems give assurance to the Trustee Board that the Trust is meeting its statutory and legal responsibilities?	Statutory and legal responsibilities are reviewed during the internal audit. Established process of reporting in place.

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Impact on outcomes for pupils:	
How much have the schools improved over the last three years, and what has the Trustee Board's contribution been to this?	All schools received Good Ofsted reports, greater collaboration has improved outputs. Greater depth of interrogation of data and finances.

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Operations Committee

The Operations Committee is a sub-committee of the main Board of Trustees and the Terms of Reference are as follows:

Membership

- At least 3 Directors

The Chair may not be an employee of the Trust and should be elected annually at a main Directors' meeting. The Committee may invite or co-opt Associate Members of staff when appropriate. The quorum for each meeting will be 3 (associate members excluded). Board members who are not members of the Operations Committee will have the right of attendance, but will not be able to vote.

Meetings shall be held once a term but additional meetings will be held if required.

Delegated Finance duties

- To lead the development of strategic plans and provide strategic direction on financial issues.
- To consider the annual indicative funding for the member schools (as notified by ESFA) and assess the implications for the Trust, in consultation with: the CFO, CEO and Headteachers, in advance of the academic/financial year. Any matters of significance should be drawn to the attention of the Board.
- To agree and make recommendations to the Board on the broad budget headings and areas of expenditure to be adopted each year.
- To receive the Trust's proposed annual budget from the CFO, consider and recommend the acceptance/non-acceptance to the Board of Directors at the start of each academic / financial year. This should include the level and use of contingency funds or balances.
- To receive, consider and approve (or reject) quarterly budget reports from the CFO including virement requests, major variance reports, staffing costs, allocation of curriculum development costs and forecast operational costs.
- To receive, consider and approve annual reports and recommendations from the Accounting Officer. Submit quarterly overview report to the Board of Directors, highlighting areas of possible concern.
- To receive copies of Trust Improvement Plan(s) (and any subsequent updates) and review the financial implication of these. The plans should include detailed objectives, costs, timings and success criteria for measuring success for the coming academic year and outline broad objectives for the following two years.
- To annually review and approve the financial procedures policy, ensuring that all the requirements of the Academies' Financial Handbook are met. Report amendments to the Board, as required.
- To monitor and review financial operation procedures to ensure effective implementation and operation, including progress against the "Financial MUSTs" and, where appropriate, to make recommendations for improvement.
- To consider financial benchmarking and how financial performance could be improved.
- To consider and approve (or reject) declaration of earmarked funds and requests to spend out of reserves.
- To consider and give outline approval (or reject) purchases greater than £100,000.
- To prepare the financial statement to form part of the Annual report of the Board of Directors, for filing in accordance with the Companies Act and the Charity commission requirements.
- To ensure adequate insurance cover is in place to support all Trust responsibilities such as employers' liability, fidelity, building, Director's indemnity, public liability insurance.
- To receive Audit reports from the Audit Committee and agree a plan for implementation.
- To review the Trust risk register document on a regular basis.
- To authorise (or refuse) requests in writing to ESFA for disposal of an asset(s) in excess of £20,000 in line with Financial Procedures.
- To approve /write-off of any debts (or liaise with ESFA if value of debt is greater than as stated in their guidance).
- To receive an annual review / summary of all Service Contracting arrangements with a value of over £20,000.
- To agree policy for Directors and Local Governors expense allowances.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- Review annually the Trust policies relevant to the Committee including fraud and whistle-blowing.
- To review these functions annually and propose any amendments to the Board.

Delegated Pay duties

- To review the staffing establishment of the Trust at least once a year as part of the Trust Improvement Plan. This review will take place before the Board of Directors determines the budget for the following year so as to take account of any recommendations by the Pay Committees which carry financial implications.
- To recommend to the Trust the annual budget needed for pay, bearing in mind the need to ensure the availability of monies to support any exercise of pay discretion.
- To keep abreast of relevant developments and to advise the Trust when the pay policy needs to be revised.
- To work with the CEO in ensuring that the Trust complies with the Appraisal Regulations 2012 (teachers) and that the appraisal process is fairly conducted across the Trust.

Delegated HR duties

- Ensure appropriate budgetary provision exists for any staffing changes.
- Approve job descriptions and conditions of service for CEO, Executive Headteacher, Headteachers and Heads of Schools.
- To establish disciplinary and capability procedures, in line with the HR policy which has been agreed by the Trust Board.
- Produce for approval by the main Board, policies in respect of staffing reductions, including redundancy, early retirement and redeployment in accordance with policies recommended by the DfE.
- Act as the first committee in respect of a need to reduce staffing in accordance with the redundancy procedure.
- Recommend to the main Board of Directors the criteria to identify staff for compulsory redundancy where necessary.
- Hear the initial case of any dismissal recommended by the Headteachers/CEO.
- To make Headteacher and heads of school appointments, with the involvement of the LGB.
- To make deputy Headteacher appointments for any school graded inadequate, with LGB involvement.
- To agree pay discretions for any school graded Inadequate, in line with the pay policy, with a maximum of £4,000 discretion.
- To dismiss a Headteacher or deputy Headteacher, in line with advice from HR.
- To suspend a Headteacher or deputy Headteacher, in line with advice from HR.
- To determine part-time work for a Headteacher or deputy Headteacher, in line with advice from HR
- To grant leave for the CEO, Headteacher or deputy Headteacher, head of school or school business manager of over 5 days.

Delegated Health and Safety duties

- Review annually the Trust's Health and Safety policy, ensuring it meets all requirements of relevant legislation.
- Oversee Health & Safety issues to ensure compliance with Trust policy. Receive Health & Safety reports and recommend action to the Board as required.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Bellworthy, CEO	6	6
Michael Young	5	5
Giles Freathy	3	3
Kingston Ho	6	6
Christian Jenkins	6	6
Lee Le Marquand	6	6
Ian Mitchell	3	3
Andrew Young, Chair	6	6

Audit Committee

The Audit Committee is also a sub-committee of the main Board of Trustees and its Terms of Reference are as follows:

Membership

- At least 3 members of the Board of Directors

The Chair may not be an employee of the Trust and should be elected annually at a main Directors' meeting. The Committee may invite or co-opt Associate Members of staff when appropriate. The quorum for each meeting will be 3 (Associate Members excluded). Board members who are not members of the Audit Committee will have the right of attendance, but will not be able to vote.

Meetings shall be held once a term but additional meetings will be held if required. The external auditor may request a meeting, if considered necessary. Other meetings of the Audit Committee will be held as required by the Trust, or Chair of the committee. The External Auditor will attend as and when required. The Clerk will circulate minutes of meetings of the Audit Committee to all members of the Board.

The Audit Committee is authorised by the Board of Directors to investigate any activity within its terms of reference, and to seek any information it requires from staff. Staff are to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received from internal audit will be channeled through the Accounting Officer, to whom the CFO report. The Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

The specific duties of the Committee shall be to:

- Review the Trust's internal and external Financial Statements and reports to ensure that they reflect best practice.
- Review the risks to internal financial control of the Trust and establish a programme of work to address these risks, inform the Statement of Internal Control and, so far as is possible, provide assurance to external auditors.
- Review the effectiveness of the Trust's internal control system to ensure that the aims, objectives and key performance targets of the organisation are achieved.
- Ensure that the Trust's internal control systems meet, or exceed, the standards specified in the Academies Financial Handbook and complies in all other respects with these guidelines.
- Ensure the Trust is independently audited by an approved registered auditor.
- Recommend to the Board of Directors the appointment (or reappointment) of the Statutory Auditors, as required.
- Ensure a copy of the Auditor's letter of engagement is submitted to DfE with the annual accounts and management letter.
- Consider internal reports, including the Auditor's Report (which includes Accounting Officer function) and recommend to the Operations Committee and Board of Directors action as appropriate to respond to findings.
- Review the operation of the Trust's code of practice for Board of Director members and code of

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- conduct for staff.
- Review annually the Trust's delegation of financial responsibilities.
- Consider any other matters where requested to do so by the Board of Directors.
- Report to the Board of Directors on the discharge of the above duties as required.
- To review policies relevant to the Committee.
- To review these functions annually and propose any amendments to the Board of Directors.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Bellworthy, CEO	3	3
Lee Le Marquand, Chair	3	3
Giles Freathy	2	2
Michael Young	2	3
Kingston Ho	3	3
Christian Jenkins	2	3
Ian Mitchell	2	2
Andrew Young	1	3

Standards Committee

The Standards Committee is a sub-committee of the main Board of Trustees and its Terms of Reference are as follows:

Membership

- At least 3 members of the Board of Directors

The Chair may not be an employee of the Trust and should be elected annually at a main Directors' meeting. The Committee may invite or co-opt Associate Members of staff when appropriate. The quorum for each meeting will be 3 (Associate Members excluded). Board members who are not members of the Standards Committee will have the right of attendance, but will not be able to vote.

Meetings shall be held once a term but additional meetings will be held if required.

The specific duties of the Committee shall be to:

- To support the aims and ethos of the Trust, focusing on the quality and breadth of teaching and learning.
- To contribute to the review of the Self Evaluation Form in relevant sections.
- To monitor standards and progress in all areas of the Trust's work relating to children and their learning:
 - Target Setting
 - All test and examination results
 - The annual RAISE online report, including contextual value added data
 - Ofsted Dashboard
- To analyse and evaluate performance trends over time and for different groups of pupils, in particular pupil premium and more able.
- To receive and challenge the data dashboards and summaries from the schools and monitor the progress towards school and Trust priorities.
- To monitor attendance and approve alterations for School session times.
- To monitor the use of Pupil Premium in raising attainment at the individual Schools.
- To have an overview of safeguarding of children including:
 - Inclusion / SEN issues
 - Exclusion
 - Child Protection
 - Looked-after children
 - Educational visits policy
 - Data Protection
- Information security and electronic communication policies

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- Equal opportunities issues including race equality and Disability Discrimination Act
- Review relevant Trust policies, including appendices, identifying differences at the schools within the Trust
- Behaviour policy including positive handling and anti-bullying
- Meeting the medical needs of pupils including first aid
- The special educational needs policy
- Reviewing relevant Trust policies with regards to Teaching, Learning and Curriculum, including appendices of differences at the Schools within the Trust, should there be any:
- The Curriculum Policy (the written statement of curriculum aim)
- Teaching and Learning Policy (best practice)
- To review that the responsibility for religious education and collective worship for the Trust is met through consultation with the Headteacher group;
- To review the Admission decision of the schools within the Trust including the Admissions Policy, Pupil Admission Numbers (PAN) and annual determination of pupils admitted in line with the agreed Admissions Policy.
- To review fixed-term and permanent exclusions from the schools within the Trust.
- To review any LGB decision with regards to the exclusion of pupils.
- To hear against exclusion following the LGB's decision.
- Overview of Healthy School issues – P.E., with particular reference to impact of the sports premium funding; Nutritional Standards in school including School Food Policy; Sex and Relationship Education, Drugs Education, etc.
- To review how the National Curriculum is being delivered in the schools within the Trust, by receiving regular reports and presentations from the CEO and Directors for Teaching and Learning and all other curriculum policies, as appropriate.
- To monitor and review the process for any schools 'Requiring Additional Support' (SRAS) (see SRAS protocol).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Stuart Bellworthy, CEO	3	3
Giles Freathy, Chair	3	3
Claire Hardisty*	1	1
Sam Jones	1	3
Ian Mitchell	2	2
Andrew Young	2	3

(*Claire Hardisty is no longer a Trustee, but continues to attend this committee as an invited member)

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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:

Robust financial governance and budget management.

Overseeing the work of the School Business Manager by the CFO in each school ensures sound financial prudence and best value. This year, there has been particular support in one school to organise the financial procedures within the office, train new staff and ensure a balanced budget was set meeting the priorities of the school improvement plan.

Value for money purchasing.

Ensuring the Business managers of each school work together on purchasing to gain best value. For example, favourable costs when we negotiated the contracts across the Trust.

Deploying staff effectively.

Lead Practitioners have been used to support teaching improvements across the Trust. Headteachers have been used to support each other where needed and provide an external viewpoint.

Reviewing quality of curriculum provision and quality of teaching.

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Connect Academy Trust for the year 1 September 2018 to 31 August 2019 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

GOVERNANCE STATEMENT (CONTINUED)

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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint St Kew Accountancy Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations
- Central functions
- Reviewed procedures and policies
- Review of the DfE MUSTs.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The schedule was completed on time with no material control issues being identified.

REVIEW OF EFFECTIVENESS

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

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

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

**CONNECT ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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



C Jenkins
Chair of Trustees

12/12/2019



S Bellworthy
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Connect Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



S Bellworthy
Accounting Officer

Date: 12/12/2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

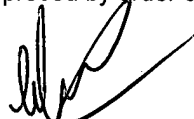
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


C. Jenkins
(Chair of Trustees)

12/12/2019

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

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

OPINION

We have audited the financial statements of Connect Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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 Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Nathan Coughlin FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date:

17 December 2019.

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

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

In accordance with the terms of our engagement letter dated 23 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connect Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Connect Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Nathan Coughlin (Reporting Accountant)

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

17 December 2019.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	28,110	34,438	851,672	914,220	336,742
Charitable activities	4	373,489	8,907,846	-	9,281,335	9,291,550
Other trading activities		334,766	-	-	334,766	261,663
Investments	7	6,097	-	-	6,097	471
TOTAL INCOME		742,462	8,942,284	851,672	10,536,418	9,890,426
EXPENDITURE ON:						
Raising funds		255,755	-	14,255	270,010	218,755
Charitable activities		316,309	10,171,863	545,718	11,033,890	10,399,549
TOTAL EXPENDITURE	8	572,064	10,171,863	559,973	11,303,900	10,618,304
NET INCOME/ (EXPENDITURE)		170,398	(1,229,579)	291,699	(767,482)	(727,878)
Transfers between funds	20	(89,998)	278,710	(188,712)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		80,400	(950,869)	102,987	(767,482)	(727,878)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	26	-	(1,067,000)	-	(1,067,000)	1,257,000
NET MOVEMENT IN FUNDS		80,400	(2,017,869)	102,987	(1,834,482)	529,122
RECONCILIATION OF FUNDS:						
Total funds brought forward		374,282	(4,289,746)	19,024,904	15,109,440	14,580,318
Net movement in funds		80,400	(2,017,869)	102,987	(1,834,482)	529,122
TOTAL FUNDS CARRIED FORWARD		454,682	(6,307,615)	19,127,891	13,274,958	15,109,440

The Statement of Financial Activities includes all gains and losses recognised in the year.

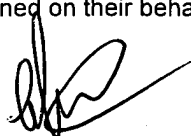
The notes on pages 41 to 70 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	18,984,721	18,866,276
CURRENT ASSETS			
Debtors	16	645,907	449,525
Cash at bank and in hand	24	1,044,069	1,105,569
		<u>1,689,976</u>	<u>1,555,094</u>
Creditors: amounts falling due within one year	17	(994,739)	(727,930)
NET CURRENT ASSETS		<u>695,237</u>	<u>827,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,679,958</u>	<u>19,693,440</u>
Creditors: amounts falling due after more than one year	18	(17,000)	-
NET ASSETS EXCLUDING PENSION LIABILITY		<u>19,662,958</u>	<u>19,693,440</u>
Defined benefit pension scheme liability	26	(6,388,000)	(4,584,000)
TOTAL NET ASSETS		<u><u>13,274,958</u></u>	<u><u>15,109,440</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	20	19,127,891	19,024,904
Restricted income funds	20	80,385	294,254
		<u>19,208,276</u>	<u>19,319,158</u>
Restricted funds excluding pension liability	20	19,208,276	19,319,158
Pension reserve	20	(6,388,000)	(4,584,000)
Total restricted funds	20	<u>12,820,276</u>	<u>14,735,158</u>
Unrestricted income funds	20	<u>454,682</u>	<u>374,282</u>
TOTAL FUNDS		<u><u>13,274,958</u></u>	<u><u>15,109,440</u></u>

The financial statements on pages 38 to 70 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



C Jenkins
(Chair of Trustees)

The notes on pages 41 to 70 form part of these financial statements.

12/12/2019

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	26,457	316,665
CASH FLOWS FROM INVESTING ACTIVITIES	23	(87,957)	(188,846)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(61,500)	127,819
Cash and cash equivalents at the beginning of the year		1,105,569	977,750
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	1,044,069	1,105,569

The notes on pages 41 to 70 form part of these financial statements

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Connect Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Other income**

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

1.4 EXPENDITURE

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

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

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Computer equipment	- 33% straight line
Fixtures, fittings and equipment	- 20% straight line

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

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	28,110	34,438	62,548	84,452
Capital Grants	-	851,672	851,672	252,290
	<u>28,110</u>	<u>886,110</u>	<u>914,220</u>	<u>336,742</u>
TOTAL 2018	<u>45,722</u>	<u>291,020</u>	<u>336,742</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	168,840	8,907,846	9,076,686	9,083,629
Nursery	204,649	-	204,649	207,921
TOTAL 2019	<u>373,489</u>	<u>8,907,846</u>	<u>9,281,335</u>	<u>9,291,550</u>
TOTAL 2018	<u>452,498</u>	<u>8,839,052</u>	<u>9,291,550</u>	

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA Grants				
General Annual Grant	-	7,406,843	7,406,843	7,293,690
Other DfE Group grants	-	1,081,120	1,081,120	1,080,703
	-	8,487,963	8,487,963	8,374,393
Other government grants				
High Needs	-	410,794	410,794	421,143
Other government grants - non capital	-	4,323	4,323	43,516
	-	415,117	415,117	464,659
Other funding				
Income for hosting trainee teachers	14,737	-	14,737	23,856
Sales to students	13,574	-	13,574	6,646
Other curriculum income	140,529	4,766	145,295	214,075
	168,840	4,766	173,606	244,577
	168,840	8,907,846	9,076,686	9,083,629
TOTAL 2018	244,577	8,839,052	9,083,629	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	9,855	9,855	4,363
Fees received	291,131	291,131	247,686
Other	33,780	33,780	9,614
TOTAL 2019	334,766	334,766	261,663

All 2018 amounts relate to unrestricted funds.

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	6,097	6,097	471

All 2018 amounts relate to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	195,153	47,397	27,460	270,010	218,755
Education:					
Direct costs	6,876,087	309,987	783,496	7,969,570	7,750,251
Support costs	1,111,507	797,394	969,360	2,878,261	2,469,235
Nursery:					
Direct costs	141,715	6,389	9,962	158,066	150,725
Support costs	9,018	18,723	252	27,993	29,339
	8,333,480	1,179,890	1,790,530	11,303,900	10,618,305
TOTAL 2018	8,073,446	777,534	1,767,325	10,618,305	

CONNECT ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	7,969,570	2,878,261	10,847,831	10,219,486
Nursery	158,066	27,993	186,059	180,064
	<u>8,127,636</u>	<u>2,906,254</u>	<u>11,033,890</u>	<u>10,399,549</u>
TOTAL 2018	<u>7,900,976</u>	<u>2,498,574</u>	<u>10,399,550</u>	

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	80,000	-	80,000	84,000
Staff costs	6,798,607	141,715	6,940,322	6,641,665
Depreciation	468,068	10,351	478,419	447,675
Educational supplies	239,522	6,000	245,522	229,777
Staff development	43,573	-	43,573	51,571
Other costs	139,514	-	139,514	188,580
Supply teachers	77,480	-	77,480	156,400
Technology costs	25,644	-	25,644	24,431
Educational consultancy	97,162	-	97,162	76,877
	<u>7,969,570</u>	<u>158,066</u>	<u>8,127,636</u>	<u>7,900,976</u>
TOTAL 2018	<u>7,750,251</u>	<u>150,725</u>	<u>7,900,976</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	38,000	-	38,000	46,000
Staff costs	1,111,507	9,018	1,120,525	1,116,959
Depreciation	66,640	659	67,299	63,412
Recruitment and support	9,559	-	9,559	8,519
Maintenance of premises and equipment	516,891	9,861	526,752	191,996
Cleaning	45,973	4,294	50,267	56,716
Rent and rates	81,143	4,161	85,304	61,816
Energy costs	93,004	-	93,004	74,181
Insurance	109,485	-	109,485	99,213
Security and transport	10,274	-	10,274	10,471
Catering	470,517	-	470,517	441,294
Technology costs	93,444	-	93,444	69,878
Office overheads	48,845	-	48,845	51,039
Legal and professional	160,110	-	160,110	161,788
Governance costs	22,869	-	22,869	45,292
	<u>2,878,261</u>	<u>27,993</u>	<u>2,906,254</u>	<u>2,498,574</u>
TOTAL 2018	<u>2,469,235</u>	<u>29,339</u>	<u>2,498,574</u>	

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	16,433	10,892
Depreciation of tangible fixed assets	559,973	511,087
Internal audit costs	6,500	5,250
Fees paid to auditors for:		
- audit	4,700	4,600
- other services	7,735	7,315

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	6,073,608	5,885,049
Social security costs	487,662	465,422
Pension costs	1,645,601	1,566,575
	<u>8,206,871</u>	<u>7,917,046</u>
Agency staff costs	77,480	156,400
Staff restructuring costs	49,129	-
	<u>8,333,480</u>	<u>8,073,446</u>

Staff restructuring costs comprise:

Severance payments	<u>49,129</u>	<u>-</u>
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b. STAFF NUMBERS

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

	2019 No.	As restated 2018 No.
Teachers	108	102
Administration and support	212	219
Management	11	11
	<u>331</u>	<u>332</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	As restated 2018 No.
Teachers	96	91
Administration and support	124	114
Management	10	11
	<u>230</u>	<u>216</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance Contributions and employer pension costs) exceeded £60,000 was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	-
	<u>5</u>	<u>5</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer's National Insurance contributions and employer pension contributions) received by the Senior Leadership Team for their services to the Academy Trust was £595,748 (2018: £511,706).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. CENTRAL SERVICES

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

- Finance and administration
- Management costs
- Human resources
- Legal services
- Educational support services

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

The cost of provision of central services is recharged to the academies on a 4.75% of income basis.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Eggbuckland Vale Primary School	64,176	59,976
Leigham Primary School and Nursery	61,680	51,192
Manadon Primary School	66,360	54,816
Thornbury Primary School	48,240	44,820
Widey Court Primary School	96,492	80,928
TOTAL	336,948	291,732

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Bellworthy: remuneration £85,000 - £90,000 (2018: £Nil), employer's pension contributions £10,000 - £15,000 (2018: £Nil); C Hardisty: remuneration £65,000 - £70,000 (2018: £65,000 - £70,000), employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000).

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

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £294 were reimbursed or paid directly to 2 Trustees (2018 - £Nil).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2019 was £305 (2018: £277).

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 September 2018	19,268,639	387,123	200,831	19,856,593
Additions	507,533	114,653	56,232	678,418
At 31 August 2019	19,776,172	501,776	257,063	20,535,011
DEPRECIATION				
At 1 September 2018	745,568	136,319	108,430	990,317
Charge for the year	375,689	99,452	84,832	559,973
At 31 August 2019	1,121,257	235,771	193,262	1,550,290
NET BOOK VALUE				
At 31 August 2019	18,654,915	266,005	63,801	18,984,721
At 31 August 2018	18,523,071	250,804	92,401	18,866,276

The value of land not depreciated included in the net book value of property displayed above is £899,250 (2018: £899,250).

16. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	90	225
VAT recoverable	121,260	53,473
Prepayments and accrued income	524,557	395,827
	645,907	449,525

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	444,702	278,163
Other taxation and social security	115,159	111,261
Other creditors	116,467	116,218
Accruals and deferred income	318,411	222,288
	<u>994,739</u>	<u>727,930</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	214,083	224,063
Resources deferred during the year	283,615	214,083
Amounts released from previous periods	(214,083)	(224,063)
	<u>283,615</u>	<u>214,083</u>

At the balance sheet date the Trust was holding funds received in respect of income relating to Universal Infant Free School Meals funding (£178,274), Local Authority funding (£69,308) and trip income (£36,033) for the 2019/20 academic year.

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

	2019 £	2018 £
ESFA loans	<u>17,000</u>	<u>-</u>

Included within ESFA loans is a Conditional Improvement Fund (CIF) loan of £17,000 repayable in six-monthly installments over 5 years with an applicable annual interest rate of 2.01%. The first repayment is due on 1 September 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	1,044,069	1,105,569
Financial assets measured at amortised cost	336,643	127,647
	<u>1,380,712</u>	<u>1,233,216</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(612,965)	(286,366)

Financial assets measured at fair value through income and expenditure comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise ESFA loans, trade creditors, other creditors and accruals.

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	374,282	742,462	(572,064)	(89,998)	-	454,682
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	291,244	7,406,843	(7,915,047)	278,710	-	61,750
Growth funding	930	-	-	-	-	930
High Needs	-	410,794	(410,794)	-	-	-
Pupil premium	-	604,614	(604,614)	-	-	-
PE & Sports grant	2,080	97,930	(82,305)	-	-	17,705
Other DfE/ ESFA grants	-	49,806	(49,806)	-	-	-
UFSM funding	-	333,093	(333,093)	-	-	-
Other curriculum income	-	34,438	(34,438)	-	-	-
Donations	-	4,766	(4,766)	-	-	-
Pension reserve	(4,584,000)	-	(737,000)	-	(1,067,000)	(6,388,000)
	<u>(4,289,746)</u>	<u>8,942,284</u>	<u>(10,171,863)</u>	<u>278,710</u>	<u>(1,067,000)</u>	<u>(6,307,615)</u>

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed asset transferred on conversion	18,303,131	-	(430,296)	-	-	17,872,835
Fixed assets purchased from GAG and other restricted funds	170,110	-	(86,040)	213,852	-	297,922
Devolved Formula Capital	81,934	128,007	(19,573)	(35,502)	-	154,866
Condition Improvement Fund	418,858	740,665	(19,840)	(367,062)	-	772,621
Devolved Formula Capital on conversion	50,871	-	(4,224)	-	-	46,647
CIF loan	-	(17,000)	-	-	-	(17,000)
	<u>19,024,904</u>	<u>851,672</u>	<u>(559,973)</u>	<u>(188,712)</u>	<u>-</u>	<u>19,127,891</u>
TOTAL RESTRICTED FUNDS	<u>14,735,158</u>	<u>9,793,956</u>	<u>(10,731,836)</u>	<u>89,998</u>	<u>(1,067,000)</u>	<u>12,820,276</u>
TOTAL FUNDS	<u>15,109,440</u>	<u>10,536,418</u>	<u>(11,303,900)</u>	<u>-</u>	<u>(1,067,000)</u>	<u>13,274,958</u>

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

Restricted Funds

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

Growth funding - Income from the ESFA to develop the growth of the Trust.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

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

Other DfE/ESFA grants represents other restricted funding received.

UIFSM is made up of funding received to provide universal infant free school meals.

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

Donations - this represents restricted donations received.

Pension reserve -This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed Asset Funds

Fixed assets transferred on conversion - this represents the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

Condition Improvement Fund - this represents funding from the ESFA to fund a specific capital project.

Devolved Formula Capital - this represents funding from the ESFA to cover the maintenance and purchase of the Trust's assets.

Other information

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Eggbuckland Vale Primary School	39,541	61,319
Leigham Primary School and Nursery	114,820	112,087
Manadon Primary School	124,343	179,977
Thornbury Primary School	80,999	131,568
Widey Court Primary School	118,422	135,408
Central	56,942	48,177
Total before fixed asset funds and pension reserve	535,067	668,536
Restricted fixed asset fund	19,127,891	19,024,904
Pension reserve	(6,388,000)	(4,584,000)
TOTAL	13,274,958	15,109,440

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Eggbuckland Vale Primary School	1,485,325	241,944	132,878	232,759	2,092,906	2,003,165
Leigham Primary School and Nursery	1,207,119	185,464	117,786	202,608	1,712,977	1,784,466
Manadon Primary School	1,112,422	139,416	128,063	238,860	1,618,761	1,522,550
Thornbury Primary School	990,429	172,474	100,290	403,195	1,666,388	1,383,495
Widey Court Primary School	1,580,846	284,036	239,056	473,628	2,577,566	2,378,432
Central	110,123	64,220	4,024	159,962	338,329	314,109
ACADEMY TRUST	6,486,264	1,087,554	722,097	1,711,012	10,006,927	9,386,217

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	333,987	760,354	(691,626)	(28,433)	-	374,282
Restricted funds						
General Annual Grant (GAG)	125,149	7,294,247	(7,069,766)	(58,386)	-	291,244
Growth funding	44,300	-	(43,370)	-	-	930
High Needs	-	421,143	(421,143)	-	-	-
Pupil premium	-	621,487	(621,487)	-	-	-
PE & Sports grant	-	101,110	(99,030)	-	-	2,080
Other DfE/ ESFA grants	-	85,482	(85,482)	-	-	-
UIFSM funding	-	315,583	(315,583)	-	-	-
Other curriculum income	-	38,730	(38,730)	-	-	-
Pension reserve	(5,120,000)	-	(721,000)	-	1,257,000	(4,584,000)
	<u>(4,950,551)</u>	<u>8,877,782</u>	<u>(9,415,591)</u>	<u>(58,386)</u>	<u>1,257,000</u>	<u>(4,289,746)</u>

CONNECT ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed asset transferred on conversion	18,733,425	-	(430,294)	-	-	18,303,131
Fixed assets purchased from GAG and other restricted funds	81,566	-	(56,605)	145,149	-	170,110
Devolved Formula Capital	44,001	44,196	(6,263)	-	-	81,934
Condition Improvement Fund	282,795	208,094	(13,701)	(58,330)	-	418,858
Devolved Formula Capital on conversion	55,095	-	(4,224)	-	-	50,871
	<u>19,196,882</u>	<u>252,290</u>	<u>(511,087)</u>	<u>86,819</u>	<u>-</u>	<u>19,024,904</u>
TOTAL RESTRICTED FUNDS	<u>14,246,331</u>	<u>9,130,072</u>	<u>(9,926,678)</u>	<u>28,433</u>	<u>1,257,000</u>	<u>14,735,158</u>
TOTAL FUNDS	<u>14,580,318</u>	<u>9,890,426</u>	<u>(10,618,304)</u>	<u>-</u>	<u>1,257,000</u>	<u>15,109,440</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	18,984,721	18,984,721
Current assets	458,299	1,071,507	160,170	1,689,976
Creditors due within one year	(3,617)	(991,122)	-	(994,739)
Creditors due in more than one year	-	-	(17,000)	(17,000)
Pension scheme liability	-	(6,388,000)	-	(6,388,000)
TOTAL	454,682	(6,307,615)	19,127,891	13,274,958

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,866,276	18,866,276
Current assets	378,074	1,018,392	158,628	1,555,094
Creditors due within one year	(3,792)	(724,138)	-	(727,930)
Pension scheme liability	-	(4,584,000)	-	(4,584,000)
TOTAL	374,282	(4,289,746)	19,024,904	15,109,440

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(767,482)	(727,878)
ADJUSTMENTS FOR:		
Depreciation charges	559,973	511,087
Capital grants from DfE and other capital income	(851,672)	(252,290)
Interest receivable	(6,097)	(471)
Defined benefit pension scheme cost less contributions payable	619,000	593,000
Defined benefit pension scheme finance cost	118,000	128,000
Decrease in debtors	70,926	119,876
Decrease in creditors	283,809	(54,659)
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,457	316,665

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	6,097	471
Purchase of tangible fixed assets	(678,418)	(441,607)
Capital grants from DfE Group	584,364	252,290
NET CASH USED IN INVESTING ACTIVITIES	(87,957)	(188,846)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	538,410	805,569
Notice deposits (less than 3 months)	505,659	300,000
TOTAL CASH AND CASH EQUIVALENTS	1,044,069	1,105,569

25. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted for but not provided in these financial statements	149,180	118,519

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. PENSION COMMITMENTS

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

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

Contributions amounting to £114,978 were payable to the schemes at 31 August 2019 (2018 - £110,749) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

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26. PENSION COMMITMENTS (CONTINUED)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £607,390 (2018 - £575,618).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £463,628 (2018 - £530,000), of which employer's contributions totalled £339,517 (2018 - £411,000) and employees' contributions totalled £ 124,112 (2018 - £119,000). The agreed contribution rates for future years are 15.3 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate if increase in salaries	3.65	3.80
Rate of increase for pensions in payment/ inflation	2.15	2.30
Discount rate for scheme liabilities	1.9	2.65

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	24.2	25.7
Females	26.2	28.0

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26. PENSION COMMITMENTS (CONTINUED)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	303	234
Discount rate -0.1%	311	241
Mortality assumption - 1 year increase	411	283
Mortality assumption - 1 year decrease	397	274
CPI rate +0.1%	281	218
CPI rate -0.1%	273	214

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,000,000	2,570,000
Gilts	174,000	132,000
Bonds	92,000	82,000
Property	425,000	378,000
Cash and other liquid assets	65,000	65,000
Target return portfolio	682,000	597,000
Other	440,000	364,000
Total market value of assets	4,878,000	4,188,000

The actual return on scheme assets was £197,000 (2018 - £231,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(909,000)	(997,000)
Past service cost	(129,000)	(5,000)
Interest income	115,000	94,000
Interest cost	(233,000)	(224,000)
Total amount recognised in the Statement of Financial Activities	(1,156,000)	(1,132,000)

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
At 1 September	8,772,000	8,581,000
Current service cost	909,000	997,000
Interest cost	233,000	224,000
Employee contributions	124,000	119,000
Actuarial losses/ (gains)	1,146,000	(1,122,000)
Benefits paid	(47,000)	(32,000)
Past service cost	129,000	5,000
At 31 August	11,266,000	8,772,000

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

	2019 £	2018 £
At 1 September	4,188,000	3,461,000
Interest income	118,000	96,000
Actuarial gains	79,000	135,000
Employer contributions	419,000	411,000
Employee contributions	124,000	119,000
Benefits paid	(47,000)	(32,000)
Administration expense	(3,000)	(2,000)
At 31 August	4,878,000	4,188,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	As restated 2018 £
Amounts payable		
Not later than 1 year	11,754	14,556
Later than 1 year and not later than 5 years	6,705	11,295
	18,459	25,851

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28. MEMBERS' LIABILITY

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

29. GENERAL INFORMATION

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

30. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

During the year services of £Nil (2018: £153) were purchased from Jelly Images Ltd, a company in which S Jones is a Director. At the year end there was no balance owed from either party. The Trust also received income of £Nil (2017: £1,500) from the company. The Trust made purchases in the year on behalf of Jelly Images Ltd of £175 (2018: £Nil) which were subsequently repaid prior to the year end.

During the year legal services of £Nil (2018: £2,878) were provided by Browne Jacobson LLP. N Lyons is a LLP member. At the year end there was no balance owed from either party.

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

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