

Company Registration No. 07824714 (England and Wales)

CONNECT SCHOOLS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

CONNECT SCHOOLS ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities	25 - 26
Balance sheet	27
Cash flow statement	28
Notes to the accounts	29 – 51

CONNECT SCHOOLS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Peter Goodwin Scott Pinder Leigh Sims Clive Rockliffe
Trustees	Andrea Carter (CEO) Sandra Clements Brendan Collins Devinia Curtis Scott George Susan Hannay Naureen Khalid William Mitchell Scott Pinder (Chair of Trustees) Jo-Anne Penn Marie Powell (Vice-Chair of Trustees)
Senior Leadership Team	
Chief Executive Officer (CEO)	Andrea Carter
Chief Financial Officer (CFO)	Rachael Finan
Executive Headteacher	Wendy Giles
Headteacher	Susan Sargent – Crofton Infant School and Crofton Junior School
Headteacher	Stephen Jackson – Valley Primary School
Headteacher	Matt De Freitas – Raglan Primary School
Headteacher	Suzanne Leader – River Mill Primary School
Headteacher	Joanna Styles – Cage Green Primary School
Company registration number	07824714 (England and Wales)
Registered office	Crofton Junior School Towncourt Lane Orpington BR5 1EL
Independent auditor	Baxter & Co Lynwood House Crofton Road Orpington BR6 8QE
Bankers	Lloyds Bank Plc 6-9 Market Square Bromley BR1 1NA
Solicitors	VWV 24 King William Street London EC4R 9AT

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates six primary schools in Bromley and Kent. The academies in the Trust have a combined pupil capacity of 2780 and had a total roll of 2655 in the school census on October 2022.

Structure, governance and management

Constitution

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

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

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

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

Details of the Trustees who served during the year, and to the date these financial statements are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its Trustees.

Method of recruitment and appointment or election of trustees

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

There are currently eleven Trustees, including the CEO.

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

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

Policies and procedures adopted for the induction and training of Trustees

During the 2022/2023 academic year, Trustees were advised to undertake safeguarding training and a comprehensive safeguarding training session was held on Teams (online) for Trustees to attend. All Trustees received updates on the changes to Keeping Children Safe in Education (KCSIE) and were required to sign to say that they had read and understood the guidance. The Board of Trustees met six times.

In 2022/2023, there were six Crofton Schools' Local Governing Body meetings, six Raglan Primary School Local Governing Body meetings, six Valley Primary School Local Governing Body meetings, six River Mill Primary School Local Governing Body meetings and six Cage Green Primary School Local Governing Body meetings.

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trust Audit and Risk Committee met three times in 2022/2023 the Trust Finance and Resources Committee met four times, the Trust Achievement and Standards Committee met three times and the Trust Equality, Diversity and Inclusion Committee met three times.

A training and induction programme is provided for new Trustees and Local Governors. This provides training on the role of a Trustee and Local Governor.

Organisational structure

During the 2022/23 year, the Academy Trust consisted of six academies, Crofton Infant School, Crofton Junior School, Valley Primary School, Raglan Primary School, Cage Green Primary School, River Mill Primary School. The Chief Executive Officer is the Accounting Officer for the Academy Trust as a whole, and each academy has its own Head Teacher, with the exception of Crofton Infant School and Crofton Junior School who share a Head Teacher.

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

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

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

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. At a Trust level, leadership consists of the CEO, the Executive Head Teacher and the CFO. These managers control the academies at an executive level implementing the policies laid down by the Trustees and reporting back to them. There is also one part time Lead Practitioner, a Compliance Officer as well as the HR and Finance Teams who form part of the central team and support school improvement, effectiveness and efficiency across the Trust.

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

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

The Trust does not own or partially own any subsidiary company.

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked directly to pay spines, helping Trustees conclude that each individual receives

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contributions rates at specific approved rates.

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

Total remuneration paid to senior management personnel is set out in notes to the financial statements.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time (£'000)	£0
Total pay bill (£'000)	£13,118k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
--	----

Related Parties and other Connected Charities and Organisations

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

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

Engagement with employees (including disabled persons)

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

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

Objectives and activities

Objects and aims

The principal object of the charitable company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of schools within the Connect Schools Academy Trust, the aim being to provide the highest possible standard of education to pupils between the ages of 2 and 11.

Objectives, strategies and activities

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

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

The main objectives, strategies and activities of the Academy Trust during the year ended 31 August 2023 are summarised below:

Crofton Infant School

It has been a very successful year with EYFS, Phonics and end of key stage results being significantly above national. We have a strong wellbeing offer to children, parents and staff. Our dedicated mental health leads works with our wellbeing TA and other agencies to offer support to all our stakeholders. The school has a new website which is easier for the parents and different stakeholders to use and find all the up-to-date information about the school and the curriculum. The Infant School continues to be an Eco School and recently a project with the PSA has meant that a new pond area has been reinstated for the children to use. The Infant School has strong links with the local community and took part in a pen pal scheme with some of our senior members of the community and invited them in for afternoon tea and performances so they could visit the School.

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Infant School has benefitted from new toilet areas for EYFS and Year 2 and we have a new adventure playground trail for all to use.

Crofton Junior School

It has been a very successful year with end of key stage results being significantly above national and our combined expected KS2 result for R/W/M was in the top 3rd percentile nationally. We have a strong wellbeing offer to children, parents and staff. Our dedicated mental health lead works with our learning mentor and ELSA and other agencies to offer support to all our stakeholders. Our Anti Bullying ambassadors have won two respect and wellbeing awards and they took part in the Lord Major's Show through the Diana Awards. The school has a new website which is easier for the parents and different stakeholders to use and find all the up-to-date information about the school and the curriculum. The Juniors also were awarded their green flag and became an Eco School through the hard work of the Eco Committee. A new parent forum has been set up and they meet regularly with the school to work through their action plan. There have been very strong links with the PTA and a combined project with staff and parents has resulted in an rejuvenated Woodland area, base camp and pond which the children are regularly accessing through the curriculum.

The Junior School this year has benefitted from a new heating system and new LED lights, both through the CIF bid process.

Crofton Cubs

Following positive responses from a community wide consultation, Crofton Cubs Pre-School was set up as a pre-school in January 2022. The Nursery is now fully integrated into school life and use areas such as the EYFS area and Forest School. The curriculum fits into the Infant School and practitioners work with subject experts in the school to ensure progression over the years. A new shelter area and a new garden area with shade was built to increase the amount of space that can be used outside.

Valley Primary School

Valley continues to be a high performing school with strong, above-national results in 2023. Across the curriculum, through a range of adaptive teaching approaches, staff continually meet the emerging needs of pupils of all abilities including disadvantaged and those with SEND.

Pupil numbers within the extended day care have increased and this supports the school's self-generated income. The school's PTA has once again provided a significant amount of support to the core work of the school through the purchasing of essential resources whilst, at the same time, strengthening the school community through its diversifying programme of events.

On a termly basis, CSAT reviews have shown strengths within the curriculum subjects reviewed and both senior and subject leaders dedicated a significant amount of time throughout the year to further refine the school's foundation subject curriculum as it moved away from the delivery of the International Primary Curriculum (IPC) topics.

Our local governing body has welcomed many new members who are continuing to develop their strategic role within their areas of responsibility.

Raglan Primary School

Our School continues to be a more diverse community with the number of children coming from ethnic minority families increasing and we currently sit at 28% of the School pupil population with English as an Additional Language (EAL). As a result of this we have appointed a new EAL Leader to strategically plan and implement a robust system of initial induction, assessment and support for EAL children and families. We have linked up with Kensington Primary School (a National Leader) in this area because we aspire to have an excellent offer for EAL families.

Our number one priority remains the safeguarding of our children.

Our pupils are achieving slightly above and broadly in line with national averages for EYFS, Phonics, KS1 and KS2. This is below where the school was at prior to COVID. The school is seeking to stabilise its outcomes giving ambitious but 'reachable' targets to all teachers for outcomes.

The school continues to put into place targeted interventions in year groups in order to try and match the pre-Covid standards, as well as further support the delivery of quality first teaching.

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

We continue to focus on raising expectations and standards for curriculum by further strengthening writing fluency and mathematics. Last year the school rightly prioritised the implementation of its whole school curriculum. This year the school needs to build on this by ensuring the Trust assessment framework for the foundation curriculum is in place in all areas, as well as deepen its content for medium term planning. This was our Ofsted recommendation from July. The School is looking to embed its curriculum drivers into our curriculum. We seek to empower children with the language of our curriculum drivers so that they can connect these to their learning in all areas – and understand why we have the drivers we do.

The School will continue to further strengthen its sports and expressive art offer. The School has published how it teaches the protected characteristics across the year groups and curriculum on our website.

We look to further strengthen our School after the successful Ofsted inspection in July.

Cage Green Primary School

Cage Green joined the Trust on the 1 July 2019. The School was previously inadequate before it joined CSAT as the result of a directed academy order. Over the past year the School has continued to work relentlessly to further refine all curriculum subjects, thus ensuring that all children receive a high-quality curriculum that is broad and balanced and appropriate to the Cage Green Community. Quality first teaching has continued to be a priority and as a result children are now receiving high quality learning opportunities, every day, in every lesson. The transformation within the School has been significant in all areas, with children displaying highly positive attitudes to learning and taking on real responsibility within their school community. The school has achieved the Anti-Bullying Quality Mark "ABQM" bronze award with feedback from the organisation stating that we have been successful because "Staff, students, parents and Governors demonstrate that anti-bullying has become embedded in life at the school. Behaviour incidents have been reduced as a result of the careful thought that has gone into providing children with inspiring resources to support positive playtimes.

River Mill Primary School

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

We have grown by two additional classes in 2022-23 and have 300 pupils. We have an established School Council who are currently working with their classes on pupil wellbeing.

We have introduced wellbeing champions, Eco Champions, Digital leaders and play leaders. The Eco-Champions help their class with recycling and developing class aware of our local, national and global environment and the impact that we have. We have established our Wellbeing Team and have pupil wellbeing champions (currently mentored by our Senior Mental Health Lead). As a school we are currently working towards: Silver Art Mark and the Eco-Schools Award. Our PTA is very proactive and we have had several very well supported events. We have raised enough money to enable us to purchase additional PE equipment in both the main hall for our gymnastics and dance PE lessons as well as additional resources on the playground.

We have expanded our extra-curricular club offer at River Mill. Teachers now run – art, animation, cricket, netball, mechanics, STEM, chess, school magazine, boards games, cookery and choir clubs.

Public benefit

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

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

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievements and performance

KPI	Measure against expectation
To maintain high standards	<p>The Academy Trust reviews this year indicated that standards have remained high and significant development in subject expertise has been achieved across our schools. In all schools standards are broadly in line with national or better with one academy being in the top 3% of the country.</p> <p>In our school which was taken over as an academy directive (Inadequate at the time), Cage Green Primary School, significant progress can now be seen in attitudes to learning and the standards being achieved. Children now understand core values and are aspirational about their future. Standards in reading, writing and maths are broadly in line with national.</p> <p>Crofton Cubs is now running as a successful part of Crofton Infants and as a result of high-quality provision, standards within the nursery remain high.</p>
Pupils numbers (leading directly to the Education Skills and Funding Agency ("ESFA") funding level)	<p>The majority of our schools remain popular and over-subscribed although there has been some change in demographics as a result of families moving out of London following the pandemic.</p> <p>Cage Green: We now have parents who are engaging with the school for in-year admissions as a result of the changes that have been made within the school and its local reputation. The school is a one form entry and we are now finding that places are filling more quickly as a result of the school's improved image.</p>
Pupil attendance rate September 2022 - August 2023	<p>Crofton Infant School — 94.81%</p> <p>Crofton Junior School — 94.03%</p> <p>Valley Primary School — 94.35%</p> <p>Raglan Primary School — 93.49%</p> <p>Cage Green Primary School — 92.38%</p> <p>River Mill Primary School —95.47%</p>
Staff costs	<p>Detailed reviews of budgets, with a particular focus on staffing, has taken place in schools where there were budget challenges. Where needed, steps have been taken to reduce the costs and rigorous monitoring is in place to review budgets regularly.</p>

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

KPI	Measure against expectation
Financial stability of the Academy Trust	Budgets for 2022/2023 showed in year surpluses in 5 out of 6 schools with the 6 th academy just showing a small deficit. This is a huge improvement on previous years. Energy costs have now started to stabilise and we continue to look at efficiencies as we head towards a combination with another multi-academy trust in 2024/2025
Ofsted inspection results	Crofton Infant School - "Outstanding" November 2021 Crofton Junior School - "Outstanding" March 2019 Valley Primary School - "Good" November 2018 Raglan Primary School - "Good" July 2023 As new Academies, both River Mill Primary School and Cage Green Primary School have not yet received Ofsted ratings.
To ensure equality of opportunity	<p>The Academy Trust has a clear equality statement to which all of its schools adhere. The aims of the policy are that all schools in the Academy Trust aim to meet their obligations by having due regard to the need to:</p> <ul style="list-style-type: none">• Eliminate discrimination and other conduct that is prohibited by the Equality Act 2010.• Advance the equality of opportunity between people who share a protected characteristic and people who do not .• Foster good relations between different people when carrying out their activities. <p>Employee and parent surveys have been undertaken to test how embedded the policy is.</p> <p>Five of the Six schools are taking part in an Equally Safe programme to ensure we are actively seeking to improve our policies and practice in this area. The other school is completing the Anti-Bullying Quality Mark.</p> <p>This year we have developed a Trust Anti-Discrimination Strategy which clearly articulates our vision and commitment to equality.</p> <p>All staff have had access to training to support this agenda.</p> <p>The Academy Trust's commitment is ongoing and as a result of being proactive in this matter we have seen many gaps in achievement get smaller or indeed in some cases vanish altogether.</p>

Going concern

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

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Promoting the success of the company

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

The wellbeing of the employees is at the heart of the Trust vision. Trustees ensure that relevant information is cascaded to all Trust employees. Robust policies and clear procedures are in place to address concerns from employees.

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

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

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

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants, which are earmarked for specific purposes (such as Pupil Premium, which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The following balances held were held at 31 August:

Fund	Category	2023 £'000	2022 £'000
GAG	Restricted General Funds	77	-
Other DfE / ESFA Grants	Restricted General Funds	-	-
	Sub-total General Restricted Funds	77	-
Unspent Capital Grants	Restricted Fixed Asset Fund	871	590
Other Income	Unrestricted General Fund	1,287	1,863
	Sub-Total Spendable Funds	2,235	2,453
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	52,753	51,982
Share of LGPS Deficit	Restricted Pension Reserve	-	(240)
	Total All Funds	<u>54,988</u>	<u>54,195</u>

During the year under review there was an increase of £77k (2022: decrease of £50k) on general restricted funds, a decrease of £576k (2022: decrease of £155k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall increase of £793k (2022: increase of £6,130k) on total funds.

The financial position of the Trust has improved over the past financial year despite reserves being accessed to deliver CIF contributions and projects within individual schools.

Staffing structures continue to be adapted to ensure staffing levels are moving towards a more financially sustainable model. There has been a reorganisation at Raglan Primary School to ensure financial stability going forward. All premises related expenditure is managed through the individual schools to ensure it is directed to areas of need and that programmes of works are organised strategically through estate management plans.

During the year, three schools were successfully awarded Condition Improvement Funding (CIF) for significant capital projects including electrical, boiler and heating systems and water works. Funding was accrued at 31st August 2023, in the year in which the project was awarded.

The most significant areas of increased expenditure in-year were supply cover relating to staff long term sickness absence, unfilled staff vacancies and energy. The Trust does not buy into absence cover therefore wherever possible sickness was covered internally to reduce cost. The Trust came to the end of its fixed energy contract in October 2022 when the war between Russia and Ukraine was having a significant effect on energy costs in the UK. Costs were very significantly higher than the year before and this wasn't anticipated.

The key factors that are likely to affect the Trust's financial position going forward are staff pay awards, reduced funding as a result of pupil numbers and the cost of inflation affecting services and supplies. The Trust has now procured a new energy contract at a significantly lower rate than 22/23.

Reserves policy

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

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Investment policy

There are no investments held beyond cash and short-term money market deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

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

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

Finance risk— the risk of the Academy Trust not operating within its budget and running a deficit. Risks are linked to income not increasing at the same rate as inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme

Fundraising practices

The Trustees are committed to ensuring that fundraising activities are carried out in a responsible and ethical manner.

Individual academies organise fundraising events and appeals on behalf of the Trust, some of which may be supported by a Parent-Teacher Association. The individual Academy will oversee and co-ordinate the activities of our supporters both within the Academy and in the wider community.

Fundraising events and appeals may include one or more of the following:

- Letters to parents noting a voluntary contribution to a trip or event would be welcome.
- Events organised by staff, students or a school Parent-Teacher Association.
- Student-led events with the objective of raising funds for charity.
- Engagement with corporate partners for sponsorship.

Contact is made through letters to parents, email, academy newsletters, the Trust websites and via students. Contact may be direct or via a Parent-Teacher Association. The Trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and UK law.

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting (SECR)

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	2,574,202	3,792,811
Energy consumption break down (kWh) (optional)		
• Gas	1,854,410	-
• Electricity	719,453	-
• fuel oil	-	-
• transport fuel	-	-
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	338.54	538.32
Fuel Oil consumption	-	-
Owned transport – mini-buses	0.4	0.03
<u>Total scope 1</u>	338.58	538.35
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	148.98	167.78
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	-	0.05
Total gross emissions in metric tonnes CO2e	487.56	706.18
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.18	0.25

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

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

CONNECT SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for the future

The Trust aims to grow further. We are mindful of slow and steady growth (especially in these uncertain times) but at the same time are clear that the growth is needed to provide the Trust with ongoing financial stability in the future. During 2021/2022 CSAT started working with another multi-academy Trust with a view to seeing whether a possible combination was of benefit to both. This work continued into 2022/2023 and we have now received RSC Advisory Board approval to combine in September 2024. This will bring our Trust to 10 schools. We still have plans to build smaller hubs in Dartford and Tonbridge to support our Kent schools and we have already started to send out information to schools in this area to assess interest.

The Trust has a clear staff development plan and provides substantial in-house training to ensure that staff are trained ready to take up new positions as they arise. This strategy not only supports capacity for the future but ensures that highly skilled personnel move around the Trust rather than having to seek promotion elsewhere. The Trust also has a clear succession plan for key roles in the future.

Funds held as custodian trustee

No funds are held on behalf of others.

Auditor

In so far as the Trustees are aware:

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

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



.....

S Pinder

13 December 2023

Chair of Trustees

CONNECT SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

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

Governance reviews

Trustees and Governors complete a skills audit periodically and this informs any decision making about additional governance personnel needed. The Trustees have used the outcome of the audit to ensure that all the necessary skills needed are covered in terms of the Trust Board. Internal reviews and assessments of governance are held and regular review of impact is encouraged.

The Audit and Risk Committee is a sub-committee of the main Governing Body. Its purpose is to assess the risks the Academy Trust faces and introduce necessary controls and procedures to ensure that these risks are adequately managed. The Audit and Risk Committee has formally met three times during the year. Attendance at meetings in the year was as follows:

Trust Audit and Risk Committee

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

CONNECT SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The Finance and Resources Committee

Committee Member	Meetings attended	Out of possible
Andrea Carter, CEO	4	4
William Mitchell	4	4
Scott Pinder	4	4
Marie Powell	4	4
Brendan Collins	4	4

Conflict of interest

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

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources provides good value for money over the course of each academic year, and regularly reports to the Board of Trustees where value-for-money could be improved.

- Targeting resources in key subjects, such as literacy and numeracy, to include one to one support and small groups;
- Further increased capacity of Before and After School Clubs, to generate additional income and to satisfy parental demand;
- Regularly reviewing contracts and service level agreements;
- Ensuring appropriate procurement procedures have been undertaken when securing larger contracts;
- Developing curriculum led financial planning to provide a clear process for bench marking across the academies; and,
- Planning for the centralisation of finance and HR across the Trust to ensure economies of scale.

DFE offered the Trust SRMA (Schools Resource Management Advisor) support in 2022/23. The Trustees have reflected on and accepted some of the recommendations put forward by the advisor.

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 Schools Academy Trust for the period 1 September 2022 to 31 August 2023 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 period 1 September 2022 to 31 August 2023 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 SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- 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; and
- independent internal audit.

The Board of Trustees has considered the need for a specific internal audit function and for the year ended 31 August 2023 this service was provided by Azets LLP.

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

- HR functions – focus on starters, leavers and contractual changes
- Budgetary controls

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

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

Review of effectiveness

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

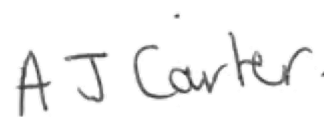
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



.....
S Pinder
Chair of Trustees



.....
A Carter
Accounting Officer

CONNECT SCHOOLS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of Connect Schools Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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

A Carter
Accounting Officer

A J Carter.

CONNECT SCHOOLS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Connect Schools Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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~~13 December 20~~ and signed on its behalf by:



S Pinder

Chair of Trustees

13 December 2023

CONNECT SCHOOLS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT SCHOOLS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the Financial Statements of Connect Schools Academy Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CONNECT SCHOOLS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT SCHOOLS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

CONNECT SCHOOLS ACADEMY TRUST


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT SCHOOLS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

21 December 2023

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

CONNECT SCHOOLS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 27 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connect Schools Academy Trust during the period 1 September 2022 to 31 August 2023 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 Schools Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Connect Schools 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 Schools Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Connect Schools Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Connect Schools Academy Trust's funding agreement with the Secretary of State for Education dated 27 February 2019 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

CONNECT SCHOOLS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: ...21 December 2023

CONNECT SCHOOLS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds	Restricted funds:		Total 2023	Total 2022 as restated
	Notes	£'000	General	Fixed asset	£'000	£'000
			£'000	£'000		
Income and endowments from:						
Donations and capital grants	3	45	45	1,892	1,982	997
Charitable activities:						
- Funding for educational operations	4	175	15,396	-	15,571	14,910
Other trading activities	5	1,566	-	-	1,566	1,387
Total		<u>1,786</u>	<u>15,441</u>	<u>1,892</u>	<u>19,119</u>	<u>17,294</u>
Expenditure on:						
Raising funds	6	-	5	-	5	2
Charitable activities:						
- Educational operations	8	2,362	15,154	1,117	18,633	18,322
Total	6	<u>2,362</u>	<u>15,159</u>	<u>1,117</u>	<u>18,638</u>	<u>18,324</u>
Net income/(expenditure)		(576)	282	775	481	(1,030)
Transfers between funds	18	-	(277)	277	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	312	-	312	7,160
Net movement in funds		<u>(576)</u>	<u>317</u>	<u>1,052</u>	<u>793</u>	<u>6,130</u>
Reconciliation of funds						
Total funds brought forward		<u>1,863</u>	<u>(240)</u>	<u>52,572</u>	<u>54,195</u>	<u>48,065</u>
Total funds carried forward		<u>1,287</u>	<u>77</u>	<u>53,624</u>	<u>54,988</u>	<u>54,195</u>

CONNECT SCHOOLS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022 As restated	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000
Income and endowments from:					
Donations and capital grants	3	93	-	904	997
Charitable activities:					
- Funding for educational operations	4	172	14,738	-	14,910
Other trading activities	5	1,387	-	-	1,387
Total		<u>1,652</u>	<u>14,738</u>	<u>904</u>	<u>17,294</u>
Expenditure on:					
Raising funds	6	-	2	-	2
Charitable activities:					
- Educational operations	8	-	17,201	1,121	18,322
Total	6	<u>-</u>	<u>17,203</u>	<u>1,121</u>	<u>18,324</u>
Net income/(expenditure)		1,652	(2,465)	(217)	(1,030)
Transfers between funds	18	(1,497)	1,266	231	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	7,160	-	7,160
Net movement in funds		155	5,961	14	6,130
Reconciliation of funds					
Total funds brought forward		<u>1,708</u>	<u>(6,201)</u>	<u>52,558</u>	<u>48,065</u>
Total funds carried forward		<u>1,863</u>	<u>(240)</u>	<u>52,572</u>	<u>54,195</u>

CONNECT SCHOOLS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		52,753		51,982
Current assets					
Debtors	14	2,163		1,230	
Cash at bank and in hand		2,885		3,291	
			5,048		4,521
Current liabilities					
Creditors: amounts falling due within one year	15	(2,778)		(2,001)	
Net current assets			2,270		2,520
Total assets less current liabilities			55,023		54,502
Creditors: amounts falling due after more than one year	16		(35)		(67)
Net assets excluding pension liability			54,988		54,435
Defined benefit pension scheme liability	20		-		(240)
Total net assets			54,988		54,195
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			53,624		52,572
- Restricted income funds			77		-
- Pension reserve			-		(240)
Total restricted funds			53,701		52,332
Unrestricted income funds	18		1,287		1,863
Total funds			54,988		54,195

The Financial Statements on pages 25 to 51 were approved by the Trustees and authorised for issue on and are signed on their behalf by:



13 December 2023

.....
S Pinder

Chair of Trustees

Company registration number 07824714 (England and Wales)

CONNECT SCHOOLS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(409)		1,257
Cash flows from investing activities					
Capital grants from DfE Group		1,892		904	
Purchase of tangible fixed assets		(1,888)		(1,614)	
Net cash provided by/(used in) investing activities			4		(710)
Cash flows from financing activities					
Repayment of long term loan		(1)		(3)	
Net cash used in financing activities			(1)		(3)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(406)		544
Cash and cash equivalents at beginning of the year			3,291		2,747
Cash and cash equivalents at end of the year			<u>2,885</u>		<u>3,291</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 period in which it is receivable (where there are no performance-related conditions), where the 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.

Other income

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

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the Financial Statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

Assets costing £2,500 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £5,000) 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 that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

Freehold Land and buildings	2%
Leasehold Land and buildings	2%
Computer equipment	33.33%
Fixtures, fittings & equipment	20%

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.

1.6 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.

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

1.9 Taxation

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

1.10 Pensions benefits

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

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting 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 note,note36, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and areas of judgement (Continued)

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Capital grants	-	1,892	1,892	904
Other donations	45	45	90	93
	<u>45</u>	<u>1,937</u>	<u>1,982</u>	<u>997</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000 as restated
DfE/ESFA grants				
General annual grant (GAG)	-	11,976	11,976	11,717
Other DfE/ESFA grants:				
- UIFSM	-	433	433	388
- Pupil premium	-	482	482	440
- Start up grants	-	42	42	56
- Others	-	691	691	297
	<u>-</u>	<u>13,624</u>	<u>13,624</u>	<u>12,898</u>
Other government grants				
Local authority grants	-	1,441	1,441	1,471
	<u>-</u>	<u>1,441</u>	<u>1,441</u>	<u>1,471</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	55	55	133
	<u>-</u>	<u>55</u>	<u>55</u>	<u>133</u>
Other funding				
Catering income	-	276	276	236
Trips income	175	-	175	172
	<u>175</u>	<u>276</u>	<u>451</u>	<u>408</u>
Total funding	<u>175</u>	<u>15,396</u>	<u>15,571</u>	<u>14,910</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Academy Trust's educational operations (Continued)

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for coronavirus exceptional support covers £55k of staff costs. These costs are included in notes 6 and 8 below as appropriate.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000 as restated
Hire of facilities	100	-	100	83
Income from facilities and services	94	-	94	110
Income from clubs	1,372	-	1,372	1,188
Supply teacher insurance claim	-	-	-	6
	<u>1,566</u>	<u>-</u>	<u>1,566</u>	<u>1,387</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2023 £'000	Total 2022 £'000 as restated
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	5	5	2
Academy's educational operations					
- Direct costs	11,191	894	1,117	13,202	12,771
- Allocated support costs	2,310	1,644	1,477	5,431	5,551
	<u>13,501</u>	<u>2,538</u>	<u>2,599</u>	<u>18,638</u>	<u>18,324</u>

Net income/(expenditure) for the year includes:

	2023 £'000	2022 £'000
Operating lease rentals	16	25
Depreciation of tangible fixed assets	1,117	1,121
Fees payable to auditor for:		
- Audit	15	19
- Other services	6	3
Net interest on defined benefit pension liability	(13)	96
	<u>1,131</u>	<u>1,364</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Expenditure (Continued)

Included within expenditure are the following transactions:

	Total	Individual items over £5,000
	2023	2023
	£	£
Gifts made by the Academy Trust - total	159	
	<u> </u>	<u> </u>

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts made is not. The value of gifts for the year is £159 (and not £159k).

7 Central services

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

- school improvement plan;
- financial and budgeting support;
- compliance and statutory policies;
- health and safety checks;
- human resources and legal support;
- procurement services to ensure value for money.

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

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

The amounts charged during the year were as follows:	2023	2022
	£'000	£'000
Crofton Junior School	162	165
Crofton Infant School	130	133
Valley Primary School	107	108
Raglan Primary School	99	104
Cage Green Primary School	71	66
River Mill Primary School	58	52
	<u> </u>	<u> </u>
	627	628
	<u> </u>	<u> </u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Direct costs				
Educational operations	2,362	10,840	13,202	12,771
Support costs				
Educational operations	-	5,431	5,431	5,551
	<u>2,362</u>	<u>16,271</u>	<u>18,633</u>	<u>18,322</u>

Analysis of costs

	2023 £'000	2022 £'000 as restated
Direct costs		
Teaching and educational support staff costs	11,191	10,537
Staff development	38	42
Depreciation	894	1,121
Technology costs	157	165
Educational supplies and services	231	255
Educational consultancy	399	386
Other direct costs	292	265
	<u>13,202</u>	<u>12,771</u>
Support costs		
Support staff costs	2,225	2,145
Defined benefit pension scheme - staff costs (FRS102 adjustment)	85	1,053
Depreciation	223	-
Technology costs	227	163
Maintenance of premises and equipment	241	378
Cleaning	289	256
Energy costs	612	191
Rent, rates and other occupancy costs	210	128
Insurance	69	67
Catering	883	733
Defined benefit pension scheme - finance costs (FRS102 adjustment)	(13)	96
Other support costs	345	298
Governance costs	35	43
	<u>5,431</u>	<u>5,551</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£'000	£'000
Wages and salaries	9,882	9,348
Social security costs	927	888
Pension costs	2,224	2,087
Defined benefit pension scheme - staff costs (FRS102 adjustment)	85	1,053
	<u> </u>	<u> </u>
Staff costs - employees	13,118	13,376
Agency staff costs	379	359
Staff restructuring costs	4	-
	<u> </u>	<u> </u>
Total staff expenditure	<u>13,501</u>	<u>13,735</u>

Staff restructuring costs comprise:

Severance payments	4	-
	<u> </u>	<u> </u>

Severance payments

The Academy Trust paid 2 severance payments in the year, disclosed in the following bands:

£0 - £25,000	2
--------------	---

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs is one special severance payment totalling £2k (2022: £nil).

Staff numbers

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

	2023	2022
	Number	Number
Teachers	118	129
Administration and support	258	275
Management	27	29
	<u> </u>	<u> </u>
	<u>403</u>	<u>433</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	4	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>1</u>	<u>8</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £938,004 (2022: £760,327).

10 Trustees' remuneration and expenses

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

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

A Carter (CEO):

- Remuneration: £120,000 - £125,000 (2022: £115,000 - £120,000)
- Employer's pension contributions: £25,000 - £30,000 (2022: £25,000 - £30,000)

During the year ended 31 August 2023, expenses totalling £67 (2022: £nil) were reimbursed to 1 Trustees (2022: 0 Trustees).

Other related party transactions involving the Trustees are set out within the related parties note.

11 Trustees' and officers' insurance

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

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

12 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2022 and at 31 August 2023	15
Amortisation	
At 1 September 2022 and at 31 August 2023	15
Carrying amount	
At 31 August 2023	-
At 31 August 2022	-

13 Tangible fixed assets

	Freehold Land and buildings £'000	Leasehold Land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost					
At 1 September 2022	28,774	24,245	1,335	3,174	57,528
Additions	1,336	314	128	110	1,888
At 31 August 2023	30,110	24,559	1,463	3,284	59,416
Depreciation					
At 1 September 2022	1,440	1,892	1,002	1,212	5,546
Charge for the year	217	321	204	375	1,117
At 31 August 2023	1,657	2,213	1,206	1,587	6,663
Net book value					
At 31 August 2023	28,453	22,346	257	1,697	52,753
At 31 August 2022	27,334	22,353	333	1,962	51,982

Included in land and buildings is freehold land at a valuation of £16,484k (2022: £16,484k) and leasehold land at a valuation of £8,193k(2022: £8,193k), which are not depreciated.

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Debtors

	2023	2022
	£'000	£'000
Trade debtors	27	43
VAT recoverable	375	452
Other debtors	-	10
Prepayments and accrued income	1,761	725
	<u>2,163</u>	<u>1,230</u>

15 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
		as restated
Government loans	3	11
Trade creditors	1,552	981
Other taxation and social security	201	233
ESFA creditors	42	-
Other creditors	267	219
Accruals and deferred income	713	557
	<u>2,778</u>	<u>2,001</u>

16 Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Government loans	16	9
Other creditors	19	-
Other accruals	-	58
	<u>35</u>	<u>67</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due after more than one year	(Continued)	
	2023 £'000	2022 £'000
Analysis of loans		
Not wholly repayable within five years by instalments	4	-
Wholly repayable within five years	15	20
	<u>19</u>	<u>20</u>
Less: included in current liabilities	(3)	(11)
	<u>16</u>	<u>9</u>
Loan maturity		
Debt due in one year or less	3	11
Due in more than one year but not more than two years	3	9
Due in more than two years but not more than five years	9	-
Due in more than five years	4	-
	<u>19</u>	<u>20</u>

The Salix energy loan is repayable over eight years. Annual repayments of £2,872 are made in two instalments of £1,436 each per annum. The loan is interest free.

17 Deferred income	2023 £'000	2022 £'000
Deferred income is included within:		
Creditors due within one year	320	230
	<u>320</u>	<u>230</u>
Deferred income at 1 September 2022	230	348
Released from previous years	(230)	(348)
Resources deferred in the year	320	230
	<u>320</u>	<u>230</u>
Deferred income at 31 August 2023	320	230

Deferred Income at 31 August 2023 includes grant income received in advance for UIFSM of £258k (2022: £230k), breakfast and after school club in advance of £57k (2022: £nil), nursery deposits of £4k (2022: £nil) and trip income in advance of £1k (2022: £nil).

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	-	11,976	(11,647)	(252)	77
Start up grants	-	42	(42)	-	-
UIFSM	-	433	(433)	-	-
Pupil premium	-	482	(482)	-	-
Other DfE/ESFA COVID-19 funding	-	55	(55)	-	-
Other DfE/ESFA grants	-	691	(691)	-	-
Other government grants	-	1,441	(1,441)	-	-
Other restricted funds	-	321	(296)	(25)	-
Pension reserve	(240)	-	(72)	312	-
	<u>(240)</u>	<u>15,441</u>	<u>(15,159)</u>	<u>35</u>	<u>77</u>
Restricted fixed asset funds					
Inherited on conversion	45,258	-	57	-	45,315
DfE group capital grants	5,885	1,892	(708)	-	7,069
Capital expenditure from GAG and other funds	1,156	-	(249)	252	1,159
Donated and other assets	273	-	(217)	25	81
	<u>52,572</u>	<u>1,892</u>	<u>(1,117)</u>	<u>277</u>	<u>53,624</u>
Total restricted funds	<u>52,332</u>	<u>17,333</u>	<u>(16,276)</u>	<u>312</u>	<u>53,701</u>
Unrestricted funds					
General funds	1,863	1,786	(2,362)	-	1,287
	<u>1,863</u>	<u>1,786</u>	<u>(2,362)</u>	<u>-</u>	<u>1,287</u>
Total funds	<u>54,195</u>	<u>19,119</u>	<u>(18,638)</u>	<u>312</u>	<u>54,988</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets plus the unspent element of Capital funds, less Capital Loans. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustees to support any of the Academy's charitable purposes.

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	-	11,717	(12,983)	1,266	-
Start up grants	-	56	(56)	-	-
UIFSM	-	388	(388)	-	-
Pupil premium	50	440	(490)	-	-
Other DfE/ESFA COVID-19 funding	-	133	(133)	-	-
Other DfE/ESFA grants	-	297	(297)	-	-
Other government grants	-	1,471	(1,471)	-	-
Other restricted funds	-	236	(236)	-	-
Pension reserve	(6,251)	-	(1,149)	7,160	(240)
	<u>(6,201)</u>	<u>14,738</u>	<u>(17,203)</u>	<u>8,426</u>	<u>(240)</u>
Restricted fixed asset funds					
Inherited on conversion	46,223	-	(965)	-	45,258
DfE group capital grants	5,107	904	(126)	-	5,885
Capital expenditure from GAG and other funds	950	-	(25)	231	1,156
Donated and other assets	278	-	(5)	-	273
	<u>52,558</u>	<u>904</u>	<u>(1,121)</u>	<u>231</u>	<u>52,572</u>
Total restricted funds	<u>46,357</u>	<u>15,642</u>	<u>(18,324)</u>	<u>8,657</u>	<u>52,332</u>
Unrestricted funds					
General funds	<u>1,708</u>	<u>1,652</u>	<u>-</u>	<u>(1,497)</u>	<u>1,863</u>
Total funds	<u>48,065</u>	<u>17,294</u>	<u>(18,324)</u>	<u>7,160</u>	<u>54,195</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

Total funds analysis by academy

	2023	2022
	£'000	£'000
Fund balances at 31 August 2023 were allocated as follows:		
Crofton Junior School	707	751
Crofton Infant School	756	735
Valley Primary School	6	151
Raglan Primary School	10	272
Cage Green Primary School	418	296
River Mill Primary School	210	207
Central services	(743)	(549)
	<u>1,364</u>	<u>1,863</u>
Total before fixed assets fund and pension reserve	1,364	1,863
Restricted fixed asset fund	53,624	52,572
Pension reserve	-	(240)
	<u>54,988</u>	<u>54,195</u>
Total funds	<u><u>54,988</u></u>	<u><u>54,195</u></u>

Connect Schools Academy Trust central services is carrying a revenue deficit of £743k. This has accumulated following a decision to maintain a low top-slice, whilst still providing a high quality central service. In the budget for 2023/24 the revenue reserves balance following a resignation of the Growth Standards team, who will not be replaced. The finance function also has engaged a temporary contracted CFO for 3 days a week until the Trust merge with Compass Academy Trust.

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Crofton Junior School	2,511	416	44	993	3,964	3,561
Crofton Infant School	2,288	374	46	792	3,500	3,228
Valley Primary School	1,761	388	41	599	2,789	2,644
Raglan Primary School	2,004	341	51	633	3,029	2,669
Cage Green Primary School	1,164	109	24	390	1,687	1,838
River Mill Primary School	1,103	168	25	355	1,651	1,241
Central services	360	514	-	27	901	2,022
	<u>11,191</u>	<u>2,310</u>	<u>231</u>	<u>3,789</u>	<u>17,521</u>	<u>17,203</u>
	<u><u>11,191</u></u>	<u><u>2,310</u></u>	<u><u>231</u></u>	<u><u>3,789</u></u>	<u><u>17,521</u></u>	<u><u>17,203</u></u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	52,753	52,753
Current assets	1,287	2,890	871	5,048
Current liabilities	-	(2,778)	-	(2,778)
Non-current liabilities	-	(35)	-	(35)
Total net assets	<u>1,287</u>	<u>77</u>	<u>53,624</u>	<u>54,988</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	51,982	51,982
Current assets	1,863	2,068	590	4,521
Current liabilities	-	(2,001)	-	(2,001)
Non-current liabilities	-	(67)	-	(67)
Pension scheme liability	-	(240)	-	(240)
Total net assets	<u>1,863</u>	<u>(240)</u>	<u>52,572</u>	<u>54,195</u>

20 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

Contributions amounting to £278k were payable to the schemes at 31 August 2023 (2022: £209k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,350k (2022: £1,281k).

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 contributions are as noted below. The agreed contribution rates for future years are 20.1% to 20.3% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £'000	2022 £'000
Employer's contributions	864	868
Employees' contributions	219	219
Total contributions	1,083	1,087

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.85 to 4.30	3.90 to 4.30
Rate of increase for pensions in payment/inflation	2.85 to 2.90	2.90
Discount rate for scheme liabilities	5.30 to 5.40	4.25 to 4.30
Inflation assumption (CPI)	2.80 to 2.85	2.80 to 2.90
	<u> </u>	<u> </u>

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

	2023 Years	2022 Years
Retiring today		
- Males	20.70 to 21.70	21.00 to 22.80
- Females	23.20 to 24.00	23.50 to 25.30
Retiring in 20 years		
- Males	22.00 to 22.70	22.30 to 24.60
- Females	24.60 to 25.70	24.90 to 27.20
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £'000	2022 £'000
Discount rate + 0.1%	10,535	11,180
Discount rate - 0.1%	10,935	11,710
Mortality assumption + 1 year	10,957	11,685
Mortality assumption - 1 year	10,516	11,202
Salary rate + 0.1%	10,754	11,458
Salary rate - 0.1%	10,714	11,426
Pensions rate + 0.1%	10,935	11,701
Pensions rate - 0.1%	10,630	11,183
	<u> </u>	<u> </u>

Defined benefit pension scheme net asset/(liability)	2023 £'000	2022 £'000
Scheme assets	12,250	11,202
Scheme obligations	(12,250)	(11,442)
	<u> </u>	<u> </u>
Net asset/(liability)	-	(240)
	<u> </u>	<u> </u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme	2023 Fair value £'000	2022 Fair value £'000
Equities	7,655	7,249
Government bonds & Gilts	259	222
Other bonds	1,089	940
Cash	311	181
Property	833	870
Other assets	2,103	1,740
Total market value of assets	<u>12,250</u>	<u>11,202</u>

The actual return on scheme assets was £203,000 (2022: £(976,000)).

Amount recognised in the statement of financial activities	2023 £'000	2022 £'000
Current service cost	918	1,898
Interest income	(500)	(200)
Interest cost	487	296
Administration expenses	31	23
Total operating charge	<u>936</u>	<u>2,017</u>

Changes in the present value of defined benefit obligations	2023 £'000
At 1 September 2022	11,442
Current service cost	918
Interest cost	487
Employee contributions	219
Actuarial (gain)	(609)
Benefits paid	(207)
At 31 August 2023	<u>12,250</u>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

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

	2023 £'000
At 1 September 2022	11,202
Interest income	500
Actuarial (loss)	(297)
Employer contributions	864
Employee contributions	219
Benefits paid	(207)
Administration expenses	(31)
	<hr/>
At 31 August 2023	12,250
	<hr/> <hr/>

The asset ceiling adjustment has been accounted for via FRS102 adjustment of £1,516k to the actuarial (gain) / loss.

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £'000	2022 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	481	(1,030)
Adjusted for:		
Capital grants from DfE and other capital income	(1,892)	(904)
Defined benefit pension costs less contributions payable	20 85	1,053
Defined benefit pension scheme finance (income)/cost	20 (13)	96
Depreciation of tangible fixed assets	1,117	1,121
(Increase)/decrease in debtors	(933)	875
Increase in creditors	746	46
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(409)	1,257
	<hr/> <hr/>	<hr/> <hr/>

22 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	3,291	(406)	2,885
Loans falling due within one year	(11)	8	(3)
Loans falling due after more than one year	(9)	(7)	(16)
	<hr/>	<hr/>	<hr/>
	3,271	(405)	2,866
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £'000	2022 £'000
Amounts due within one year	31	14
Amounts due in two and five years	42	8
	<u>73</u>	<u>22</u>

24 Capital commitments

	2023 £'000	2022 £'000
Expenditure contracted for but not provided in the Financial Statements	779	522
	<u>779</u>	<u>522</u>

Crofton Junior School:

At 31 August 2023, the Trust was committed to completing a boiler project, funded by CIF and reserves with total expected costs of £617k. Costs of £500k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £117k.

At 31 August 2023, the Trust was committed to completing a lighting project, funded by CIF with total expected costs of £395k. Costs of £281k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £114k.

Cage Green Primary School:

At 31 August 2023, the Trust was committed to completing a fire door project, funded by CIF and DfE capital reserves with total expected costs of £276k. Costs of £173k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £103k.

At 31 August 2023, the Trust was committed to completing a water distribution project, funded by CIF with total expected costs of £341k. Costs of £72k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £269k.

At 31 August 2023, the Trust was committed to completing a boiler project, funded by CIF with total expected costs of £540k. Costs of £522k were incurred during to date, with anticipated costs to completion as at 31 August 2023 of £18k.

Valley Primary School:

At 31 August 2023, the Trust was committed to completing a roofing project, funded by CIF with total expected costs of £451k. Costs of £293k were incurred during the year, with anticipated costs to completion as at 31 August 2023 of £158k.

CONNECT SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period.

Crofton Infant School received £32,645 (2022: £31,515) from the Crofton Infant School PTA and £nil (2022: £5,027) from the Crofton Infant School Voluntary Fund.

Crofton Junior School received £8,466 (2022: £18,338) from the Crofton Junior School PTA and £nil (2022: £4,243) from the Crofton Junior School Voluntary Fund.

Cage Green Primary School received £947 (2022: £913) from the Cage Green Primary School PTA.

Raglan Primary School received £651 (2022: £23,996) from the Friends of Raglan and £9,991 from Raglan Primary School Voluntary Fund (2022: £nil).

Valley Primary School received £19,241 (2022: £16,707) from the Valley Primary School PTA.

River Mill Primary School received £nil (2022: £522) from the River Mill Voluntary Fund and £2,487 from River Mill Primary School PTA (2022: £nil).

In entering into the above transactions, the Academy Trust has complied with the requirements of ESFA's Academies Trust Handbook 2022.

26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

27 Prior period adjustment

The allocation of income and expenditure and creditors falling due within one year in the prior year have been amended to be in line with the Academies Accounts Direction and the ESFA chart of accounts. There is no impact on the reported surplus for the year or reserves at the year end.