

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Morrall Andrew Nicholas Tom Sheldon Anthony Wilde Margaret McAlpine
Trustees	John West, Chair of Trustees Sarah Turner, Chief Executive (resigned 31 December 2021) Karen Mautner Alex Monk Stephen Way, Vice Chair of Trustees Julie Rayson Keith Carrano Vincent McInerney Jonathan Simms (appointed 17 November 2022)
Company registered number	10309116
Company name	Connect Education Trust
Principal and registered office	Hazelbury Road Edmonton London N9 9TT
Accounting Officer	Sarah Turner (resigned 31 December 2021) Androulla Nicou (appointed 1 January 2022)
Executive Leadership Team	Androulla Nicou (appointed 1 January 2022), Accounting Officer/CEO Sarah Turner (resigned 31 December 2021), Accounting Officer/CEO Estelle Tierney, COO Allan McLean, Chief Education Officer Zoe Hussain (appointed April 2022), Director of Education Paul Barraclough (resigned April 2022), CSO Alison Cannur, CFO
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Connect Education Trust (the Trust or the Charitable Company) for the year ended 31 August 2022.

The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

In June 2022 ELT Partnership changed its name to the Connect Education Trust. This report will refer to Connect Education Trust which was formerly known as the ELT Partnership.

During 2021/22 the Trust operated six Primary Academies and one All Through Special Academy. At the October 2021 census the Schools had a combined pupil roll of 3,510 pupils of which 212 are nursery. This figure was 3,766 in the October 2020 census. The Trust employed a total of 517 staff.

Introduction

We are Connect. A leading Multi-Academy Trust creating remarkable futures for thousands of pupils through educational excellence. With seven schools, 500 people, and over 3,500 pupils under our care, we are proud to be making a difference to the communities we serve.

Since 2016, we've welcomed Bowes, Carterhatch Junior, Chesterfield, Delta, Grange Park and Hazelbury Primary Schools to our Multi Academy Trust, as well as Fern House – a Special School for 5-16 year olds.

We firmly believe that we are better together and the collective experience of our people and our individual communities allows us to achieve far more than we ever could alone.

Connect schools offer exceptional education to our pupils. A place where pupils and our people enjoy coming to school and where their full potential is realised.

Our mission is to connect with our pupils and offer them an exceptional education. Recruiting inspirational and committed teachers, school leaders and people to empower each and every one of the children in our care.

Structure, Governance and Management

The Trust is a company (number 10309116) limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Schools:

- Bowes Primary School converted on 1st September 2016
- Chesterfield Primary School converted on 1st September 2016
- Hazelbury Primary School converted on 1st September 2016
- Grange Park Primary School converted on 1st November 2017
- Fern House School sponsored on 1st November 2017
- Carterhatch Junior School converted on 1st January 2018
- Delta Primary School opened 1st September 2018

The operation of the Schools and employment of staff are the responsibility of the Trustees. The Trust retains control of School budgets and finances, and monitors these through its Board of Trustees (the Board).

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee or Director refers to a member of the Board of Trustees and the term Governor to a member of a Local Governing Body (LGB).

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 they ceased to be a Member.

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Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any one claim and details of the costs are disclosed in Note 13 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed for a fixed term, normally four years. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are appointed by the Members or by the Board of Trustees. The Articles of Association make provision for ten Trustees plus the CEO.

Towards the end of the last financial year, one Trustee resigned. The Trust Board consisted of seven Trustees.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

In 2021-22 the Trustees met 14 times a year in total; 4 full Trust Board meetings, 3 Education Committee meetings, 4 Finance and Resources meetings and 3 SHaW meetings (Safety Health and Wellbeing) and the Board has a lead Trustee for specific areas of responsibility meeting senior leaders between meetings and reporting back to the Board. The pay committee also meets once per year.

The Trustees are responsible for setting strategic policy and monitoring the Trust budget. Through monitoring the budget, they make major decisions about the direction of the Trust, capital expenditure and senior appointments. The Trustees monitor standards, performance and pupil outcomes, ensuring each School retains or improves their Ofsted judgement and is working to achieve best possible outcomes for all pupils.

The CEO of Connect Education Trust is the Accounting Officer.

The Executive Leadership Team comprises four Chief Officers who work together to provide strategic leadership across the Trust. They work with Headteachers to ensure each School is compliant with the strategic aims of the Trust. During the autumn 2021 term the CEO retired, and the Trust undertook a recruitment exercise, resulting in the successful appointment of a new CEO.

The Headteachers along with their Senior Leadership Team (SLT) are responsible for the day-to-day operation of their School, in particular organising staff, resources and pupils. The Headteachers are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. The Trust has adopted the national pay and conditions for teaching and local agreements for support staff.

Pay and remuneration of senior leaders are decided by a variety of contributory factors, such as the school group size, performance management and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Connect Education Trust's appointment and pay policies.

The remuneration for the Chief Executive Officer is considered and approved by the Pay Committee which is a panel of the Board of Trustees.

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Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. All Trustees, Local Governing Body Members and staff complete a register of business interest to declare their interests annually. The Trust does not have a formal sponsor.

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

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to.

The Trustees consider pupils and parents to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents is carried out through regular newsletters and face to face meetings.

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academy Schools to provide free education and care for pupils of different abilities within its local community between the ages of 2 and 16.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- All Schools have maintained the highest quality of provision for all pupils.
- Continuing to develop outstanding governance and leadership.
- Continuing to achieve financial stability and maximising the best use of staff and resources.
- Ensuring that each School retains or improves their existing Ofsted judgement and that they are working to achieve best possible outcomes for all pupils.
- Continuing to ensure that our sponsored Academy improves rapidly and is judged as good within three years.

Our success in fulfilling our aims can be measured by:

- Achievement in the Early Years Foundation Stage (EYFS), Key Stage 1 (KS1) and Key Stage 2 (KS2).
- The retention and recruitment of high quality staff.
- External School Improvement Reports.
- The provision of high quality training (CPD) for all staff, Trustees and LGB members.
- Monitoring pupil numbers to ensure that School budgets are healthy and resources are used effectively.
- Effective succession planning in key roles.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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Achievements and Performance

The children completed SATS assessments in 2022. However, as with last year, the data will not be used for school accountability. There will be no DfE performance tables. However, the data will be available from October /November through the ASP (Analyse School Performance) and IDSR (Inspection Data Summary Report). Despite the challenges of the past 2 years many of our Schools results either matched or improved on outcomes from 2019.

The national average combined score fell from 65% to 59%. The national data gap between disadvantaged and non-disadvantaged pupils widened further as a result of the pandemic. Figures show 43% of disadvantaged pupils met the attainment target, compared with 65% of non-disadvantaged pupils. Bowes, Grange Park and Hazelbury are all well above the national average for attainment. Carterhatch Junior School is in line with the national average. Hazelbury and Carterhatch have far higher numbers of disadvantaged pupils than the national average. All of these schools have set accurate targets and performed extremely well.

Chesterfield and Delta both have extremely high numbers of disadvantaged pupils. Attainment at Chesterfield in 2022 was similar to the results in 2019. Outcomes at Delta were low but based on a very small cohort of pupils. As a result the school shows large fluctuations in results from 2018 and 2019 and so results need to be treated with caution.

Progress data is currently known for five of our schools. Of these five schools, four have strong progress data that is above the national average and one school has a mixture of average and below average progress measures. The Trust has a clear annual Education Action Plan and a three year Education Strategy in place to tackle any underachievement, whilst also being mindful of the national context in 2022 and the impact on outcomes for disadvantaged pupils following the pandemic.

Ofsted Visits

Both Grange Park Primary School and Fern House School had Ofsted inspections in March 2022. Grange Park retained a "Good" grading with a very positive report. Fern House was a sponsored school having previously been in "Special Measures". We have secured one of our key objectives having secured a "Good" Ofsted judgement with "Outstanding" Personal development.

Achievements and Performance

The Trusts main key performance indicators are as follows:

Pupil Outcomes

- End of year statutory tests for Key Stage 1 and 2, Phonics check in Year 1 and Early Years Foundation Stage outcomes.
- Reports from Ofsted.
- Reports from the School Improvement Advisor and external consultants.

Financial Performance

- As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers at Spring 2022 census were 3,549 (including nursery) This number was 3,510 in the previous Autumn census. Pupil numbers are closely monitored as falling pupil numbers present a financial risk to the schools.
- Another key financial performance indicator is staffing costs as a percentage of total income. For 2021/22 this was 87.86%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.
- The Board of Trustees also monitor premises costs against the General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

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The Chair of the Finance and Resource Committee examines the financial performance of the Trust on a monthly Going Concern basis with a detailed review of the accounts.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it has adopted 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.

Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal risks and uncertainties later within this Strategic Report.

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2022 the Trust received £17,180,725 GAG and other Government funding of £5,749,970 (excluding capital). Total income for the year was £25,790,179. A high percentage of income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £24,573,979 on general running expenses. The carry forward for 2021/22 is £122,871 restricted funding and £2,466,942 unrestricted funding. The surplus for the year was £176,111 excluding charges relating to the LGPS and movements in fixed assets.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a £Nil balance on the pension deficit. The actuarial valuation obtained calculated a net asset position for the trust. As there is insufficient certainty as to whether the Trust would ever be able access the future economic benefit associated with this calculation, the asset has not been recognised on the Balance Sheet at 31 August 2022.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the regular reports from the Chief Financial Officer and Finance Director. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,466,942. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

Trustees had agreed to review the level of reserves in 2021-22 and in July 2022 an updated Capital and Revenue reserves policy was approved by the Board.

The Trust Board agreed that all schools within the Trust should have a 3-year financial plan to set aside a school reserve, equal to 6% of GAG and associated income. The school reserve will be the funds that the school draws

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on initially in the event of a requirement of additional funding. The Trust will consider placing the school reserve in the 32-day notice account, in the cases where it will not adversely affect the school cash flow position.

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £2,589,813.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £4,471,324. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Committee financial reports and attempt to hold a minimum of £60,000 to cover short term cash flow variances.

Investment Policy

The Investment Policy was reviewed and approved by the Board of Trustees on 12th July 2022.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Board of Trustees works to maintain a central risk register identifying the major risks, to which each School is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at Committee meetings.

The principal risks facing the Trust are outlined below; those facing the Schools at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as staff sickness and maternity leave.

The Trustees assess the other principal risks and uncertainties facing the Connect Education Trust as follows:

- Each School within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to manage effectively the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the individual Schools is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed;

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- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - The Trustees have appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan; and
- Data protection/cyber security risks are increasing.

The Trust and each School have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Streamlined Energy and Carbon Reporting

Greenhouse gas emissions and energy use data for the period to 31 August 2022 – UK:	
Energy consumption used to calculate emissions (kWh)	951,435
Energy consumption break down (kWh)	
• gas,	268,803
• electricity,	675,523
• transport fuel - owned transport (e.g. mini bus)	6,777
• transport fuel - employee vehicles	332
Scope 1 emissions in metric tonnes CO₂e	
Gas consumption	49.23
Owned transport – mini-buses	6.51
Total scope 1	55.71
Scope 2 emissions in metric tonnes CO₂e	
Electricity	143.43
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	81.68
Total gross emissions in metric tonnes CO₂e	280.87
Intensity ratio	
Number of pupils at the balance sheet date	3487
Tonnes CO ₂ e per pupil	0.08

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 2020 UK Government’s Conversion Factors for Company Reporting.

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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

The use of video conferencing which was crucial during the lockdown period has continued to be encouraged as an effective way to hold meetings. Central team staff have embraced a working from home model, which has saved on car journeys to and from the place of work.

Plans for Future Periods

The Board of Trustees have agreed six key strategic intentions for the Trust that will steer our growth and development over the next three years:

1. People and Partners
2. Teaching, Learning and Assessment
3. Curriculum and Opportunity
4. Standards and Outcomes
5. Governance and Leadership
6. Sustainability

It is essential that our strategic planning is realised through effective operational delivery. There are a collection of strategies and associated delivery plans which guide the work of the Trust and that of our Schools. Our approach to managing change is founded on a systematic approach, where each area of work has its own plan. As the Trust develops and with the changing educational landscape, as a provider, it is critical that we remain flexible and are able to quickly adapt and change to deliver the most effective services for our children and young people.

Fundraising

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Trade Unions

During the year the Trust spent £15,000 on the Trade Union facilities' time SLA.

Employee involvement

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. Central conferences and workshops are provided to Trustees, Headteachers and School Leaders. In 2022 the Trust launched a People Strategy. The People Strategy steers our way as an established Multi Academy Trust and ascertains our people-based priorities to ensure that we will achieve our mission. The strategy outlines what our staff can expect from the trust and what the trust expects from its staff.

The People Strategy establishes a two-way working relationship. It is the key to delivering our Multi Academy Trust Development Plan. The People Strategy will make our vision a reality. We will continue to consult with staff as we further develop the strategy. The Strategy is based on a continuous development process and its content will continue to change as we move forward as an inclusive trust.

At each of the Schools, information is channelled via the Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil progress and attainment statistics when they are made available.

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Equal Opportunities Policy

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Funds Held as Custodian Trustee on Behalf of Others

No funds were held as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

John West
Chair of Trustees

Date: 16 December 2022

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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met four times a year during 2021-22. While the Board met less than 6 times, through the use of committees, the Trustees are confident that it maintained effective oversight of funds

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

Trustee	Meetings attended	Out of a possible
John West, Chair of Trustees	4	4
Sarah Turner, Chief Executive	0	1
Karen Mautner	4	4
Alex Monk	4	4
Stephen Way, Vice Chair of Trustees	4	4
Julie Rayson	3	4
Keith Carrano	3	4
Vincent McInerney	4	4
Jonathan Simms	0	0

Review of year

The Trust Board in 2021-22 had seven Trustees and one vacancy.

The full Board of Trustees met on 4 occasions during the year with lead Trustees for specific areas of responsibility meeting senior leaders between meetings and reporting back to the Board. The three additional Trustee committees are for Education, Finance and Resources, and Safeguarding, Health and Safety & Wellbeing (SHaW). The Shaw Committee met twice, the Education Committee met twice, subsequently the Education and SHAW Committee had a combined meeting in the summer term with one set of minutes. The Finance and Resources Committee met 4 times during the year. The Pay Committee met once to review performance management for the Trust.

Governance reviews

A skills audit took place in March 2022 to review the skills of the Trust Board. It was reassuring to see the breadth and range of diversity of perspectives represented at Board level with increasing levels of equality on the Local Governing Body.

The implementation of the Safeguarding, Health and Wellbeing (SHaW) committee proved invaluable during the year in managing risk and communicating strategies during the pandemic.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Committees

The Finance and Resources Committee – This is attended by 4 Trustees and the CEO, this Committee deals with finance, resources, risk management, audit and asset management. The Committee met four times during 2021-22, during which there was a review of the end of year accounts.

In between committee meetings, a monthly review of the Trust and individual school accounts and cash flow is undertaken by the Chair of the Finance and Resources Committee and the Chief Financial Officer, joined by the CEO and COO to ensure that the Trust Board has full financial oversight of the Trust and that the programme of audit is carried out effectively.

Attendance of the Finance and Resources Committee during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Turner	0	2
John West	4	4
Keith Carrano	3	4
Julie Rayson	3	4
Stephen Way	4	4

The Education Committee - This Committee deals with all aspects of the curriculum, performance and achievement. The Committee met three during 2021-22. Four Trustees are members of this Sub-Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Turner	1	1
John West	2	3
Vincent McInerney	3	3
Julie Rayson	3	3

The Pay Committee - This Committee deals with executive pay, the pay policy and monitors performance management across the Trust. Three Trustees are members of this Sub-Committee.

The Safeguarding, Health and Wellbeing (SHaW) committee - Membership includes three Trustees, the Executive Officer for Safeguarding and Health and Safety, the HR Business Manager, the Asset Business Manager. The committee reviews, monitors and challenges policies, systems and data to advise the Board on compliance, culture and best practice promoted across all the Connect Education schools. The three key areas of responsibility include:

1. Safeguarding
2. Health and Safety
3. Staff Wellbeing

The committee met three times during 2021/22

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Turner	1	1
Alex Monk	3	3
Karen Mautner	3	3
Vincent McInery	3	3

Review of value for money

As Accounting Officer, the Chief Executive Officer 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 the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Restructuring the central team, following the retirement of the CEO, resulting in significant savings, which will be passed on through the management fee.
- A focus on the management of the Trust reserves, ensuring a secure future for all schools within the Trust.
- A continuation of the focus on the efficient and effective use of the School Condition Funding to ensure our buildings are fit for purpose and kept in good condition, by focusing on the outcomes of the school condition surveys.

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 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 Education Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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

The Board of Trustees has decided to employ Azets as internal auditor.

It is a requirement of the Academy Trust Handbook that all academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively. On 13th May 2022 a company called Azets carried out our internal audit. The audit covered the following areas;

- Financial Competencies
- Intra-company transactions
- Procurement
- Gifts and Hospitality
- VAT and Corporation Tax
- Expenses
- Tendering

The internal auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the internal auditor's work. During the summer term basis, the internal auditor reports were presented to the Board of Trustees.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 or the School resource management self-assessment tool;
- The work of the executive officers 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 Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

John West
Chair of Trustees

Androulla Nicou
Accounting Officer

Date: 16 December 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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

Androulla Nicou
Accounting Officer
Date: 16 December 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

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

John West
Chair of Trustees
Date: 16 December 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)**

Opinion

We have audited the financial statements of Connect Education Trust (Formally ELT Partnership) (the 'Trust') for the Year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP) (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP) (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and Trust sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management overrides. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP) (CONTINUED)**

Use of our report

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

Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

16 December 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CONNECT
EDUCATION TRUST (FORMALLY ELT PARTNERSHIP) AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Connect Education Trust (Formally ELT Partnership) during the Year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Connect Education Trust (Formally ELT Partnership) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Connect Education Trust (Formally ELT Partnership) 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 Education Trust (Formally ELT Partnership) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Connect Education Trust (Formally ELT Partnership)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Connect Education Trust (Formally ELT Partnership)'s funding agreement with the Secretary of State for Education dated 31 August 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

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

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP

Date: 16 December 2022

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	6,861	229,075	1,162,118	1,398,054	1,890,388
Other trading activities	5	1,118,726	3,624	-	1,122,350	465,375
Investments	6	1,406	-	-	1,406	1,456
Charitable activities	4	333,724	22,930,695	-	23,264,419	22,559,887
Teaching schools		-	3,950	-	3,950	140,185
Total income		1,460,717	23,167,344	1,162,118	25,790,179	25,057,291
Expenditure on:						
Charitable activities	7	1,369,254	25,634,988	3,027,672	30,031,914	28,803,945
Teaching schools		-	210	-	210	152,284
Total expenditure		1,369,254	25,635,198	3,027,672	30,032,124	28,956,229
Net income/ (expenditure)		91,463	(2,467,854)	(1,865,554)	(4,241,945)	(3,898,938)
Transfers between funds	17	-	118,502	(118,502)	-	-
Net movement in funds before other recognised gains		91,463	(2,349,352)	(1,984,056)	(4,241,945)	(3,898,938)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	12,086,000	-	12,086,000	524,000
Net movement in funds		91,463	9,736,648	(1,984,056)	7,844,055	(3,374,938)
Reconciliation of funds:						
Total funds brought forward		2,375,479	(9,613,777)	134,302,269	127,063,971	130,438,909
Net movement in funds		91,463	9,736,648	(1,984,056)	7,844,055	(3,374,938)
Total funds carried forward		2,466,942	122,871	132,318,213	134,908,026	127,063,971

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

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)

(A Company Limited by Guarantee)

REGISTERED NUMBER: 10309116

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	131,321,117	132,776,450
		<u>131,321,117</u>	<u>132,776,450</u>
Current assets			
Debtors	15	1,021,728	848,165
Cash at bank and in hand		4,471,324	4,948,803
		<u>5,493,052</u>	<u>5,796,968</u>
Creditors: amounts falling due within one year	16	(1,906,143)	(1,857,447)
Net current assets		<u>3,586,909</u>	<u>3,939,521</u>
Total assets less current liabilities		<u>134,908,026</u>	<u>136,715,971</u>
Defined benefit pension scheme asset / liability	24	-	(9,652,000)
Total net assets		<u><u>134,908,026</u></u>	<u><u>127,063,971</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	132,318,213	134,302,269
Restricted income funds	17	122,871	38,223
Restricted funds excluding pension liability	17	<u>132,441,084</u>	<u>134,340,492</u>
Pension reserve	17	-	(9,652,000)
Total restricted funds	17	<u>132,441,084</u>	<u>124,688,492</u>
Unrestricted income funds	17	<u>2,466,942</u>	<u>2,375,479</u>
Total funds		<u><u>134,908,026</u></u>	<u><u>127,063,971</u></u>

The financial statements on pages 23 to 49 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

John West

Chair of Trustees

Date: 16 December 2022

The notes on pages 26 to 49 form part of these financial statements.

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	19	(1,516,004)	(2,662,758)
Cash flows from investing activities	21	1,037,119	995,853
Cash flows from financing activities	20	1,406	1,456
Change in cash and cash equivalents in the Year		(477,479)	(1,665,449)
Cash and cash equivalents at the beginning of the Year		4,948,803	6,614,252
Cash and cash equivalents at the end of the Year	22, 23	<u><u>4,471,324</u></u>	<u><u>4,948,803</u></u>

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

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

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic. The Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.3 Income

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

• **Grants**

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

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

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

CONNECT EDUCATION TRUST (FORMALLY ELT PARTNERSHIP)
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **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 year it is receivable and to the extent the Trust has provided the goods or services.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold land	- 125 years straight line
Long term leasehold buildings	- 50 years straight line
Furniture and fixtures	- 5 years straight line
Computer equipment	- 4 years straight line
Motor vehicles	- 4-7 years straight line

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.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1.11 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	6,861	191,684	-	198,545	56,848
Capital grants	-	37,391	1,162,118	1,199,509	1,833,540
Total 2022	<u>6,861</u>	<u>229,075</u>	<u>1,162,118</u>	<u>1,398,054</u>	<u>1,890,388</u>
Total 2021	<u>5,949</u>	<u>50,899</u>	<u>1,833,540</u>	<u>1,890,388</u>	

In 2021, income from donations was £56,848, of which £5,949 was unrestricted and £50,899 restricted.

In 2021, capital grants of £1,833,540 were in relation to restricted fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Trust's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of education				
DfE/ESFA grants				
General Annual Grant (GAG)	-	17,180,725	17,180,725	16,250,228
Other DfE/ESFA grants				
Other DfE/ESFA grants	-	583,317	583,317	178,722
Pupil Premium	-	1,511,626	1,511,626	1,423,572
UIFSM	-	356,291	356,291	447,635
PE & sports grants	-	178,722	178,722	142,250
Teachers pension & pay grants	-	51,917	51,917	768,549
	-	-	19,862,598	19,210,956
Other Government grants				
Local Authority grants	-	3,068,097	3,068,097	2,893,317
	-	3,068,097	3,068,097	2,893,317
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	247,700
	-	-	-	247,700
Other funding				
Catering income	333,724	-	333,724	207,914
Total Provision of education	333,724	22,930,695	23,264,419	22,559,887
	333,724	22,930,695	23,264,419	22,559,887
Total 2021	207,914	22,351,973	22,559,887	

The Trust received £247,700 of funding for catch-up premium, this was fully spent in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Lettings income	63,927	-	63,927	6,845
Other activities	1,054,799	3,624	1,058,423	458,530
Total 2022	<u>1,118,726</u>	<u>3,624</u>	<u>1,122,350</u>	<u>465,375</u>
Total 2021	<u>457,015</u>	<u>8,360</u>	<u>465,375</u>	

In 2021, all income from other trading activities was all unrestricted.

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	<u>1,406</u>	<u>1,406</u>	<u>1,456</u>

In 2021, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Provision of education:					
Direct costs	17,607,597	-	1,062,400	18,669,997	17,670,835
Allocated support costs	5,025,610	2,972,223	3,364,084	11,361,917	11,133,110
Teaching school	-	-	210	210	152,284
Total 2022	<u>22,633,207</u>	<u>2,972,223</u>	<u>4,426,694</u>	<u>30,032,124</u>	<u>29,122,706</u>
Total 2021	<u>21,790,602</u>	<u>2,848,210</u>	<u>4,483,894</u>	<u>29,122,706</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure (continued)

In 2022, of total expenditure, £1,369,254 (2021 - £1,599,696) was from unrestricted funds, £25,634,198 (2021 - £24,486,980) was from restricted funds and £3,027,662 (2021 - £2,869,553) was to restricted fixed asset funds.

In 2021, direct expenditure consisted of £16,897,351 staff costs and £773,484 other costs.

In 2021, support expenditure consisted of £4,885,991 staff costs, £2,848,210 premises costs and £3,398,909 other costs.

In 2021, teaching school expenditure consisted of £7,260 staff costs and £145,024 other costs.

8. Charitable activities

	2022 £	2021 £
Analysis of support costs		
Support staff costs and educational support	5,025,610	4,885,991
Depreciation	1,614,195	1,599,445
Technology costs	279,716	247,211
Premises costs	1,358,028	1,571,148
Other support costs	3,019,705	2,766,159
Governance costs	41,386	51,868
Legal	23,277	11,288
	11,361,917	11,133,110

9. Net income/(expenditure)

Net income/(expenditure) for the Year includes:

	2022 £	2021 £
Operating lease rentals	17,821	46,780
Depreciation of tangible fixed assets	1,614,195	1,599,445
Fees paid to Auditors for:		
- Audit	14,065	12,230
- Other services	8,040	6,990
	14,105	29,995

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the Year were as follows:

	2022 £	2021 £
Wages and salaries	14,732,102	14,701,899
Social security costs	1,538,957	1,483,026
Pension costs	5,192,551	4,314,552
	<u>21,463,610</u>	<u>20,499,477</u>
Agency staff costs	1,169,597	1,278,865
Staff restructuring costs	-	5,000
	<u>22,633,207</u>	<u>21,783,342</u>

b. Staff numbers

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

	2022 No.	2021 No.
Management	10	9
Teaching	204	182
Educational support	307	304
	<u>521</u>	<u>495</u>

c. Higher paid staff

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

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10. Staff (continued)

c. Higher paid staff (continued)

	2022 No.	2021 No.
In the band £60,001 - £70,000	17	10
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	2
In the band £130,001 - £140,000	-	2
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £763,669 (2021 - £639,593).

Included in the above are employer National Insurance contributions of £75,420 (2021 - £59,2867) and employer pension contributions of £110,607 (2021 - £106,655).

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11. Central services

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

- Pay costs for the Executive team and the Central team Pay costs for the Executive team and the Central team

The Trust charges for these services on the following basis:

To fund these costs, the Trust charges a top slice equivalent to 6.25% (2021 - 5.5%) of each Academy's funding. The funding includes the total GAG and LEA funding - Early years and high needs funding.

The actual amounts charged during the Year were as follows:

	2022 £	2021 £
Hazelbury Primary School	328,382	275,992
Bowes Primary School	184,248	154,868
Chesterfield Primary School	233,130	189,044
Grange Park Primary School	228,350	187,846
Fern House Primary School	85,303	58,575
Carterhatch Primary School	114,423	98,217
Delta Primary School	48,450	37,618
Total	<u>1,222,286</u>	<u>1,002,160</u>

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO who resigned during the year only received remuneration in respect of services they provided undertaking the role of CEO under their contract of employment. The newly appointed CEO was not appointed to the Board of Trustees.

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

		2022 £	2021 £
Sarah Turner, Chief Executive	Remuneration	85,000 - 90,000	135,000 - 140,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the Year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the Year ended 31 August 2022 was included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	138,701,940	414,125	1,454,238	15,429	140,585,732
Additions	-	45,853	116,537	-	162,390
Disposals	-	-	-	(15,429)	(15,429)
At 31 August 2022	<u>138,701,940</u>	<u>459,978</u>	<u>1,570,775</u>	<u>-</u>	<u>140,732,693</u>
Depreciation					
At 1 September 2021	6,683,800	386,947	726,633	11,902	7,809,282
Charge for the Year	1,330,838	23,125	260,233	-	1,614,196
On disposals	-	-	-	(11,902)	(11,902)
At 31 August 2022	<u>8,014,638</u>	<u>410,072</u>	<u>986,866</u>	<u>-</u>	<u>9,411,576</u>
Net book value					
At 31 August 2022	<u><u>130,687,302</u></u>	<u><u>49,906</u></u>	<u><u>583,909</u></u>	<u><u>-</u></u>	<u><u>131,321,117</u></u>
At 31 August 2021	<u><u>132,018,140</u></u>	<u><u>27,178</u></u>	<u><u>727,605</u></u>	<u><u>3,527</u></u>	<u><u>132,776,450</u></u>

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	173,811	57,052
Other debtors	45,177	35,183
Prepayments and accrued income	326,398	328,118
VAT recoverable	476,342	427,812
	<u><u>1,021,728</u></u>	<u><u>848,165</u></u>

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,206,912	966,452
Other taxation and social security	351,669	358,452
Other creditors	3,366	5,940
Accruals and deferred income	344,196	526,603
	1,906,143	1,857,447
	1,906,143	1,857,447
	2022 £	2021 £
Deferred income brought forward	257,199	613,832
Resources deferred during the Year	242,459	257,199
Amounts released from previous periods	(257,199)	(613,832)
Deferred income carried forward	242,459	257,199
	242,459	257,199

Deferred income relates to income received in advance for 2022-23 for Universal Infant free School meals and rates relief.

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

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	2,375,479	1,460,717	(1,369,254)	-	-	2,466,942
Restricted general funds						
General Annual Grant (GAG)	34,793	17,184,349	(17,214,773)	118,502	-	122,871
Other DfE / ESFA grants	-	2,681,873	(2,681,873)	-	-	-
Other Government grants	-	3,105,488	(3,105,488)	-	-	-
Restricted donations	-	191,684	(191,684)	-	-	-
Teaching School	3,430	3,950	(7,380)	-	-	-
Pension reserve	(9,652,000)	-	(2,434,000)	-	12,086,000	-
	<u>(9,613,777)</u>	<u>23,167,344</u>	<u>(25,635,198)</u>	<u>118,502</u>	<u>12,086,000</u>	<u>122,871</u>
Restricted fixed asset funds						
Restricted fixed asset fund	132,776,448	-	(1,617,722)	162,390	-	131,321,116
Devolved Formula Capital (DFC)	35,593	70,568	-	(106,161)	-	-
SCA Grant	1,490,228	1,091,550	(1,409,950)	(174,731)	-	997,097
	<u>134,302,269</u>	<u>1,162,118</u>	<u>(3,027,672)</u>	<u>(118,502)</u>	<u>-</u>	<u>132,318,213</u>
Total Restricted funds	<u>124,688,492</u>	<u>24,329,462</u>	<u>(28,662,870)</u>	<u>-</u>	<u>12,086,000</u>	<u>132,441,084</u>
Total funds	<u><u>127,063,971</u></u>	<u><u>25,790,179</u></u>	<u><u>(30,032,124)</u></u>	<u><u>-</u></u>	<u><u>12,086,000</u></u>	<u><u>134,908,026</u></u>

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17. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Other DfE and ESFA funding

This represents funding received from the DfE/ESFA which is restricted in nature.

Other Government grants

This represents funding received from other Government bodies, local and national, which are restricted in nature to help for example, raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals or special educational needs pupils.

Restricted donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through GAG funding.

Devolved Formula Capital (DFC)

This represents funding received from the ESFA specifically for the maintenance and improvements of the Trust's building facilities.

School Condition Allocation (SCA)

This represents a Government grant allocation for Trust-wide capital or repair projects.

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17. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	3,310,010	680,694	(1,599,696)	(15,529)	-	2,375,479
Restricted general funds						
General Annual Grant (GAG)	427,895	16,250,228	(16,586,052)	(57,278)	-	34,793
Other DfE / ESFA grants	-	3,208,428	(3,208,428)	-	-	-
Other Government grants	-	2,893,317	(2,893,317)	-	-	-
Restricted donations	-	50,899	(50,899)	-	-	-
Teaching School	-	140,185	(152,284)	15,529	-	3,430
Pension reserve	(8,580,000)	-	(1,596,000)	-	524,000	(9,652,000)
	<u>(8,152,105)</u>	<u>22,543,057</u>	<u>(24,486,980)</u>	<u>(41,749)</u>	<u>524,000</u>	<u>(9,613,777)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	133,538,406	-	(1,599,645)	837,687	-	132,776,448
Devolved Formula Capital (DFC)	34,835	66,151	-	(65,393)	-	35,593
SCA Grant	1,707,763	1,767,389	(1,269,908)	(715,016)	-	1,490,228
	<u>135,281,004</u>	<u>1,833,540</u>	<u>(2,869,553)</u>	<u>57,278</u>	<u>-</u>	<u>134,302,269</u>
Total Restricted funds	<u>127,128,899</u>	<u>24,376,597</u>	<u>(27,356,533)</u>	<u>15,529</u>	<u>524,000</u>	<u>124,688,492</u>
Total funds	<u><u>130,438,909</u></u>	<u><u>25,057,291</u></u>	<u><u>(28,956,229)</u></u>	<u><u>-</u></u>	<u><u>524,000</u></u>	<u><u>127,063,971</u></u>

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Hazelbury Primary School	244,600	459,301
Bowes Primary School	213,570	186,044
Chesterfield Primary School	(7,089)	(41,836)
Grange Park Primary School	370,561	327,369
Fern House Primary School	(23,096)	(85,361)
Carterhatch Junior School	414,862	437,216
Delta Primary School	2,205	(7,245)
Central Services	1,374,200	1,138,214
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,589,813	2,413,702
Restricted fixed asset fund	132,318,213	134,302,269
Pension reserve	-	(9,652,000)
	<hr/>	<hr/>
Total	134,908,026	127,063,971
	<hr/> <hr/>	<hr/> <hr/>

The following Academy is carrying a net deficit on their portion of the funds as follows:

	Deficit £
Fern House Primary School	(23,096)
Chesterfield Primary School	(7,089)
	<hr/> <hr/>

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

Fern House Primary School

Following previous years of overspend Fern House have done exceptionally well to manage their budget and reduce their deficit carryforward, through good budget management. The fact that the income is demand led can be a challenge for the budget, however the good financial management, in particular around the school staffing structure is having an impact on the resources. Pupil numbers below 70 will continue to pose a financial risk to the school and the Trust.

Chesterfield Primary School

Chesterfield, have managed the budget exceptionally well this year, by adhering to a budget recovery plan, which has generated a small in year surplus. This has been offset against the small deficit carryforward from the previous year. This work will continue as the school budget adapts to manage the reducing pupil numbers.

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Hazelbury Primary School	4,515,543	752,629	229,550	1,010,349	6,508,071	6,883,491
Bowes Primary School	2,212,903	635,947	138,914	514,522	3,502,286	3,641,744
Chesterfield Primary School	3,221,131	476,419	115,270	343,344	4,156,164	4,522,318
Grange Park Primary School	2,439,040	1,070,128	173,554	715,349	4,398,071	4,223,252
Fern House Primary School	1,261,025	224,618	28,017	235,451	1,749,111	1,277,191
Carterhatch Junior School	1,400,863	259,414	98,815	386,636	2,145,728	2,229,583
Delta Primary School	546,031	173,124	24,406	156,223	899,784	778,075
Trust - Central Services	2,011,061	1,433,331	9,592	1,604,730	5,058,714	3,801,130
Trust	<u><u>17,607,597</u></u>	<u><u>5,025,610</u></u>	<u><u>818,118</u></u>	<u><u>4,966,604</u></u>	<u><u>28,417,929</u></u>	<u><u>27,356,784</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	131,321,117	131,321,117
Current assets	2,466,942	2,029,014	997,096	5,493,052
Creditors due within one year	-	(1,906,143)	-	(1,906,143)
Total	<u><u>2,466,942</u></u>	<u><u>122,871</u></u>	<u><u>132,318,213</u></u>	<u><u>134,908,026</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	132,776,450	132,776,450
Current assets	2,375,479	1,656,986	1,764,503	5,796,968
Creditors due within one year	-	(1,618,763)	(238,684)	(1,857,447)
Provisions for liabilities and charges	-	(9,652,000)	-	(9,652,000)
Total	<u>2,375,479</u>	<u>(9,613,777)</u>	<u>134,302,269</u>	<u>127,063,971</u>

19. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(4,241,945)	(3,898,938)
Adjustments for:		
Depreciation	1,614,195	1,599,644
Capital grants from DfE and other capital income	(1,199,509)	(1,833,540)
Interest receivable	(1,406)	(1,456)
Pension liability movements	2,434,000	1,596,000
Increase in debtors	(173,559)	(66,707)
Increase/(decrease) in creditors	48,694	(57,761)
Disposal of tangible fixed assets	3,526	-
Net cash used in operating activities	<u>(1,516,004)</u>	<u>(2,662,758)</u>

20. Cash flows from financing activities

	2022 £	2021 £
Interest received	1,406	1,456
Net cash provided by financing activities	<u>1,406</u>	<u>1,456</u>

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21. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(162,390)	(837,687)
Capital grants from DfE and other capital income	1,199,509	1,833,540
Net cash provided by investing activities	1,037,119	995,853

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	4,471,324	4,948,803

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	4,948,803	(477,479)	4,471,324
	4,948,803	(477,479)	4,471,324

24. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the Year amounted to £1,923,947 (2021 - £1,809,751).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2022 was £1,293,000 (2021 - £1,263,000), of which employer's contributions totalled £989,000 (2021 - £968,000) and employees' contributions totalled £304,000 (2021 - £295,000). The agreed contribution rates for future years are 19.7 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the Year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.

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24. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment / inflation	2.7	2.6
Rate of increase for pension accounts revaluation rate	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.7	2.6
Inflation assumption (RPI)	3.7	3.6

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

	2022	2021
	Years	Years
Retiring today		
Males	22.3	22.5
Females	24.2	24.4
Retiring in 20 years		
Males	23	23.1
Females	25	25.1

As at the 31 August 2022 the Trust had a pension liability £Nil (2021 - £9,652,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(408)	(653)
Discount rate -0.1%	408	653
Mortality assumption - 1 year increase	(440)	954
Mortality assumption - 1 year decrease	440	(929)
CPI rate +0.1%	361	577
CPI rate -0.1%	(361)	(577)

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24. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	7,999,000	7,848,000
Gilts	957,000	989,000
Corporate bonds	1,817,000	2,055,000
Property	3,164,000	2,781,000
Cash and other liquid assets	1,493,000	1,097,000
Other managed funds	794,000	680,000
Total market value of assets	16,224,000	15,450,000

The actual return on scheme assets was £272,000 (2021 - £213,000).

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

	2022 £	2021 £
Current service cost	(2,739,000)	(2,426,000)
Interest income	272,000	213,000
Interest cost	(428,000)	(351,000)
Total amount recognised in the Statement of Financial Activities	(2,895,000)	(2,564,000)

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

	2022 £	2021 £
At 1 September	25,102,000	20,544,000
Current service cost	2,739,000	2,426,000
Interest cost	428,000	351,000
Employee contributions	304,000	295,000
Actuarial (gains)/losses	(12,512,000)	1,616,000
Benefits paid	(4,000)	(130,000)
At 31 August	16,057,000	25,102,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	15,450,000	11,964,000
Interest income	272,000	213,000
Actuarial (losses)/gains	(426,000)	2,140,000
Employer contributions	989,000	968,000
Employee contributions	304,000	295,000
Benefits paid	(204,000)	(130,000)
At 31 August	16,385,000	15,450,000

The actuarial valuation obtained calculated a net asset position for the trust. As there is insufficient certainty as to whether the Trust would ever be able access the future economic benefit associated with this calculation, the asset has not been recognised on the Balance Sheet at 31 August 2022

25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	38,766	34,278
Later than 1 year and not later than 5 years	17,821	20,946
	56,587	55,224

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

27. Related party transactions

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