

Company Registration Number: 10151730 (England & Wales)

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**REACH SOUTH ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Ellison Professor S Simon Sir S Lancashire
Trustees	Mr M Agius CBE, Chair of Trustees ^{1,5} Ms S Inglish, Vice Chair of Trustees ^{2,5} Mr D Ashton, Chief Executive Officer ^{1,3,4,5} Mr A Gunn ^{1,3} Mr M Papworth ^{2,5} Ms A Stevens ^{3,4} Dr C Gentle ^{1,3} Lady P Marland ⁴ Ms B Lacey (resigned 31 January 2021) ^{1,4,5} Mr A Newton ^{3,4} Ms G Beaver ² Ms H Tomlinson (appointed 1 February 2021) ⁴ Mr A Crossman (appointed 1 February 2021) ⁴ ¹ Finance ² Risk & Audit ³ HR ⁴ Education Performance & Standards ⁵ Covid-19 Recovery
Company registered number	10151730
Company name	Reach South Academy Trust
Principal and registered office	C/O UTC Plymouth Park Avenue Devonport Plymouth Devon PL1 4RL
Chief executive officer	Mr D Ashton
Senior Management Team	Mr D Ashton, Chief Executive Officer Mr C Toye, Deputy Chief Executive Officer Ms M Wilkins, Director of Finance Ms O Frings, Director of HR Mr M Elms, Director of Education Mr I Carnwell, Director of Operations Mr T Kirk, Director of Finance (Interim)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Solicitors

Veale Wasborough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

**REACH SOUTH ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates eight primary academies, one all-through 3-16 academy and one University Technical College in Plymouth; two primary academies and one all-through 4-16 academy in Bournemouth, Christchurch and Poole; and a special academy in Wiltshire.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Reach South Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Reach South Academy Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Members' Liability

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

Trustees' Indemnities

The Trust requires all academies within the Trust to opt into the academies Risk Protection Arrangement (RPA) <https://www.gov.uk/government/publications/risk-protection-arrangement-rpa-for-academies/academies-risk-protection-arrangement-rpa>

RPA cover applies to the central infrastructure of the MAT as well as the individual academies. The RPA provides indemnity for Trustees / Governors to a maximum aggregated value of £10 million during any one membership year.

Method of recruitment and appointment or election of Trustees

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

- The number of Trustees shall be not less than three and the maximum number shall be twelve.
- Up to eight Trustees who are appointed by Members.
- Co-opted Trustees appointed by the Board.
- The CEO appointed by Members, providing the CEO agrees so to act which was the case for the accounting period.

Parental representation in the governance structure is through election to the relevant Local Governing Body.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

The Board has established a Nominations Committee to consider the candidature of potential new Trustees prior to recommendation for full Board consideration. When appointing new Trustees, the Board will give

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. During 2020-21 the training programme has been impacted by the Covid-19 pandemic and the move to virtual meetings from March 2020. Two new Trustees, requiring induction, joined the Board during this period. As part of their induction, they had the opportunity to 'virtually' visit each academy and received briefing papers from the CEO.

Trustees have received briefings and training on:

- Governance; reviewing the effectiveness of the Board, the completion of a Trustees Skills Audit and Succession Planning.
- Covid-19 infection nature, risks and government guidance.
- The Trust's approach for tackling racism.
- Management Accounts.
- Financial Insights.
- Safeguarding.

Organisational Structure

The Trust has adopted a scheme of delegation of governance set out:

<http://www.reachsouth.org/governance/gov>

The Board of Trustees meets at least six times each year. The Board establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committee Chairman reports. It monitors the activities of the Committees through the minutes of their meetings and their reports to the full Board. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are seven Committees as follows:

- Finance Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management.
- Risk and Audit Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing compliance with reporting and regulatory requirements. The Committee also receives reports from the Responsible Officer/internal audit and the external auditors and provides overview and scrutiny of management response to audit findings.
- Education Performance and Standards Committee - this meets at least three times a year to monitor, evaluate and review Academy policy, practice and performance in relation to education performance, target setting and assessment, examinations and all pastoral issues.
- Human Resources Committee - this meets at least three times a year to monitor, evaluate and review policy and regulatory compliance in relation to all matters relating to staffing.
- Trustee Nominations Committee – considers the person specification for recruiting new Trustees and candidate eligibility prior to recommendation to the full Board for consideration.
- Remuneration Committee – considers salary and performance of the CEO and Executive staff.
- Covid-19 Recovery Committee – this was set up during the Covid-19 pandemic, to scrutinise and authorise plans for the wider opening of academies.

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Academy to the CEO and Executive Team through the 'Terms of Reference for Delegation to the Executive'.

The CEO is the Accounting Officer.

The Executive comprises the CEO, Deputy CEO, Director of Education, Director of Individual Needs, Director of Finance, Director of HR and Director of Operations. The Executive implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, Executive Team and Academy Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. Each academy has its own Local Governing Body responsible for day-to-day overview and scrutiny of the school's budget.

The Trust directly managed and governed academies between March 2020 and August 2020, and from September 2020 when schools re-opened fully again, the Chairman requested Local Governing Bodies were reconstituted.

The Trust Board has a Covid-19 Recovery Sub-Committee that has scrutinised and authorised the plans for the wider opening of our academies, reviewed recommendations for the use of face coverings, clinically extremely vulnerable staff working from home and agreed on-site testing arrangements for pupils and staff.

That Committee consists of:

- Marcus Agius CBE (Chair)
- Dean Ashton (CEO)
- Sue English
- Bronwen Lacey (Resigned on 31st January 2021)
- Mark Papworth

The Committee met on the 18th September and 3rd November 2020, 4th and 14th January 2021.

The Trust has produced a range of documents to support the process of ensuring that academies are as safe as they can be, during the pandemic. All of these documents are published at <https://www.reachsouth.org/covid-19>

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Chief Executive Officer comprises the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The Trustees have established a Remuneration Committee for reviewing executive pay and performance management. The pay of key management personnel is reviewed annually and normally increased in accordance with relevant national pay awards. When reviewing executive pay, the Remuneration Committee takes account of national and local salary benchmarks, relevant labour market pressures on recruitment and retention, performance of the individual against agreed targets and value for money.

The Remuneration Committee conducts the performance review of the Chief Executive Officer.

Trade union facility time

There were no relevant union officials for the year/period ended 31 August 2021.

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FOR THE YEAR ENDED 31 AUGUST 2021**

Related Parties and other Connected Charities and Organisations

There are no related parties that either control or significantly influence the decisions and operations of Reach South Academy Trust.

Engagement with employees (including disabled persons)

Reach South Academy Trust recognises the benefits of having a diverse workforce and welcomes applications from all sections of the community. This applies to those accessing training, career progression and promotion within the Trust. Under the provisions of the Equality Act 2010, the Trust is required to demonstrate that our recruitment processes are fair and that we are not discriminating against or disadvantaging anyone because of their age, disability, gender reassignment status, marriage or civil partnership status, pregnancy or maternity, race, religion or belief, sex or sexual orientation. A series of questions are asked at application stage in order to ascertain who is applying for each position and to ensure that no one is being unfairly discriminated against or disadvantaged. All staff have equal access to training and development, career progression and promotion.

We ask applicants to tell us if they have a disability so that we can make reasonable adjustments to ensure that any selection processes, including the interview, are fair and equitable and are complying with the Equality Act 2010.

We offer a guaranteed interview scheme if the applicant meets the minimum criteria as specified in the person specification.

For employees who become disabled during their employment we support the Headteacher/Director in determining the reasonable adjustments that need to be put into place to support the employee. We do this through occupational health referral as well as other support services.

The Trust has developed a Recruitment and Selection Policy and Procedure which was implemented in October 2021. This policy will in addition to fair and transparent recruitment practices, include opportunities for career progression and promotion for all staff within the Trust irrespective of their age, disability, gender reassignment status, marriage or civil partnership status, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials.
- A staff representative on all Academy Local Governing Bodies.
- Trust wide Inset Days.
- Trust wide Network groups including BAME Network Group and newly formed Network Groups such as Staff with Disabilities Network Group, LGBTQ Network Group which will be in place in 2021/2022.
- Regular updates to all staff, via schools, email and briefings.

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

The Academy Trust works closely with suppliers and aims to process and pay all invoices within the agreed payment terms. The Academy Trust is now required to publish its payment practices every 6 months on the gov.uk website. For the period 1 March 2021 to 31 August 2021, the average time taken to pay invoices was 14 days. The Academy Trust paid 98% of invoices within 30 days, 1% in 31 to 60 days and 1% in 61 days or more.

During Covid-19, the Government issued new procurement policy notes (PPN 02/20 and PPN 04/20) which encouraged maintained schools and academy trusts to continue to ensure key suppliers were paid, even when supplies were either reduced or paused temporarily. The Academy Trust supported this policy and paid these essential suppliers to ensure services could resume promptly when Government guidance allowed.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit, education in the United Kingdom. It seeks to achieve this by establishing, maintaining, carrying on, managing and developing: mainstream academies offering a broad range of curriculum for pupils of different abilities; as well as special academies organised to make special educational provision for pupils with special educational needs; and 16-19 academies offering a curriculum appropriate to the needs of their students.

The Trust aims to establish academies principally in the South West region of England.

At Reach South Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment. The Board set out 15 statements of intent, when it formed in 2016, to guide the Trust in its development and in its achievement of its charitable objects.

The 15 statements of intent are summarised as a set of core values, curriculum principles and organisational behaviours:

Core Values.

- Inclusivity.
- Promoting social mobility.
- Serving our local communities.
- Believing in the potential of our young people.
- Preparing tomorrow's adults to contribute to social, economic, environmental and cultural sustainable development.

Curriculum Principles

- High standards of educational achievement.
- A broad, rich and experiential curriculum.
- Relevant learning pathways for our young people.
- A verifiable research evidence base to our curriculum.
- Teaching young people to be effective learners.

Organisational Behaviours

- Encouraging professional freedoms within consistent boundaries.
- Championing young people rather than institutions.
- Collaboration rather than competition where it adds value to positively impacting on pupil outcomes.
- Integrity and trust.
- Developing our people.

Objectives, Strategies and Activities

The Trustees set a three-year Strategic Plan for the period September 2018-August 2021. The Strategic Plan set out a clear vision for the Trust and seven strategic priorities:

1. Every pupil makes progress.
2. Develop a STEAM (science, technology, engineering, arts and maths) curriculum to raise aspiration through relevant pathways.
3. Strengthen effective school intervention capacity.
4. Growth strategy.
5. Implement shared central services.
6. A people strategy for talent.
7. An estates strategy to inspire learning.

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FOR THE YEAR ENDED 31 AUGUST 2021**

Our strategic intent was affected by the Covid-19 pandemic over the last two academic years. Our priorities, as a result of the pandemic, became:

1. The safe operation of our academies through risk assessments and infection controls.
2. Maintain on-site operations at all times to protect our most vulnerable pupils and the children of key workers.
3. Provide effective remote learning for all pupils that could not access on-site learning during national 'lock-downs' or when pupils had to self-isolate.
4. Develop 'catch-up' strategies for pupils who had suffered lost learning and/or emotional trauma during the pandemic period.

Despite the necessary focus on managing the consequences of the pandemic, the Trust maintained a drive to continue to achieve against its wider strategic activities. Of particular note, in December 2020, the Board approved the move to a new organisational structure that further strengthened our effective school intervention capacity and prepared us for the next stage of the Trust's development. The new structure includes:

- The appointment of a Deputy CEO with National Leader of Education (NLE) experience.
- The appointment of a Director of Education with NLE experience.
- The appointment of three Deputy Directors of Education each responsible for 3-4 academies.
- The appointment of ten Specialist Leaders of Education (SLEs) from within our academies who continue as practitioners in their own schools and are also deployed for a part of their time to support colleagues in other schools.
- The replacement of a Director of Learning Environment post with the Director of Operations post.

Many of these posts became effective from September 2021.

Public Benefit

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

The Multi Academy Trust aims to advance for the public benefit, education in the South West of England. During the period to 31st August 2021, the focus of The Trust's objective to advance education for the public benefit has been to:

- Operate eight primary academies in Plymouth offering a broad and balanced curriculum.
- Operate two primary academies in Bournemouth offering a broad and balanced curriculum.
- Operate a special academy in Wiltshire providing a curriculum to meet the needs of children with Autistic Spectrum Disorder (ASD), Social, Emotional and Mental Health needs (SEMH) ASD, Specific Learning Disorder (SpLd), Attachment Disorder, Oppositional Defiance Disorder and Social Communication Disorder. The academy operates its main site in Calne, Wiltshire; and a satellite provision, Springfields South, in Salisbury, Wiltshire.
- Operate an all-through 3-16 free school in Plymouth and an all-through 5-16 free school in Bournemouth, Christchurch and Poole offering a broad and balanced curriculum.
- Operate the UTC Plymouth, for 11-19 year olds, offering a specialist science, technology, engineering and maths (STEM) curriculum with a focus on engineering.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

STRATEGIC REPORT

Achievements and Performance

In the Summer term 2021, the Parliamentary Under Secretary of State for the Schools System, Baroness Berridge, gave a speech at the 'Challenge Partners Annual Trust Leaders Conference'. As part of her speech, the Minister said:

"In a recent Ofsted blog entitled 'The trust in testing times: the role of multi-academy trusts during the pandemic', leaders in schools that were part of MATs told Ofsted that "the support they received from their trusts was invaluable.' There are so many of these that I could mention today, but one I would like to highlight is Reach South, a MAT of 14 academies serving pupils in Plymouth, Bournemouth, Dorset and Wiltshire. The Trust's response to the pandemic has been exemplary over the last year. They have focused relentlessly on pupil attendance and learning – virtual and real – with seamless transition from face-to-face teaching to virtual learning when pupils or year groups have been required to isolate. On top of this, the Trust effectively implemented the required testing protocols in March 2021 for the return to school, utilising military support at Millbay Academy and the University Technical College in Plymouth to ensure testing of pupils was delivered safely and efficiently. Lessons learned from this were implemented across all schools in the Trust."

Although the focus of the Board, the CEO and the wider leadership team has had to be on adapting to secure a new form of business continuity during the pandemic, we have not stopped focus on our school improvement imperative. For example, High Street Primary Academy, received three monitoring visits by Ofsted during the academic year:

1. A virtual monitoring visit on 3rd November 2020 positively assessed the school's response to supporting pupils during the pandemic.
2. A second virtual monitoring visit on 10th February 2021 concluded that 'Leaders and those responsible for governance are taking effective action to provide education in the current circumstances'
3. A third on-site monitoring visit on 5th May 2021 found that: "You (Headteacher) are wholly focused on rapidly tackling the areas for improvement from the previous full inspection. With the support of the Trust, you have secured knowledgeable leaders in key positions. Together, you have brought about stability at the school. You have skilfully brought staff together under a shared vision to improve outcomes for pupils."

UTC Plymouth has been described as the greatest UTC 'turn-around' in the country. On the verge of closure when it joined us in October 2018, with only 78 students still on roll, we now have more than 520 students on roll. Our strategy to secure its long-term viability has been highly effective. In September 2020, the College accepted its first Year-7 pupils and became an 11-19 provision. The College, for the first time in its history, is oversubscribed.

Millbay Academy presented a number of challenges when it joined us in March 2020 under its previous name of Plymouth School of Creative Arts. The school joined the Trust after being judged as requiring Special Measures, by Ofsted. The Trust adopted a multi-faceted strategy to improve this academy. Progress is monitored by the 'Intervention Board' and has been reported to the Trust Board. The leadership and staffing structure have been stabilised along with the school's financial position; a curriculum and behaviour strategy has moved the school to a place where effective learning is taking place. A key facet of our strategy at Millbay has been the investment in the building to provide an environment capable of supporting learning and being sufficient to provide that environment for 1,050 pupils. A DfE capital investment project is on-track to provide those improvements for Autumn term 2022.

With the suspension of national examinations, for the second year, due to the Covid-19 pandemic, we have no comparative or verifiable data to present. However, the Trust is pleased with its internal performance data for pupils at the end of Key Stages 2, 4 and 6th Form.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Key Performance Indicators

The Trust has set a suite of financial key performance indicators and benchmarks by which each academy is assessed:

- General Annual Grant (GAG) funding per pupil
- Total income per pupil
- Total expenditure per pupil
- Agency staff costs per pupil
- Total staff costs per pupil
- Total non-staff costs per pupil
- Educational staff costs as % of total expenditure
- Support staff costs as % of total expenditure
- Total staff costs as % of total expenditure

The comparative benchmark data was used to support and challenge each academy's budget setting process.

Each academy is set a target to achieve a 2% surplus in its budget and a total labour cost of no more than 75% of total income. The exception to this was the Trust's special academy, which only had a target of 1.5%, and three Academies that are in a turnaround phase. Eight Academies met both targets.

Going Concern

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

FINANCIAL REVIEW

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2021, the Academy Trust received total income of £36,242,781 and incurred total expenditure of £38,670,324. Inclusive of the Restricted Fixed Asset Fund but before other recognised gains/(losses), the excess of expenditure over income for the year was £2,427,543, but notably the Trust's revenue reserves grew by £943,975, and £527,370 of which related to free reserves. Free reserves consist of unrestricted and GAG reserves carried forward.

At 31 August 2021, the net book value of fixed assets was £90,271,041 and movements in tangible fixed assets are shown in Note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its nonteaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedure Policy and the Scheme of Delegation of Financial Powers, which lay out the framework for financial management, including financial responsibilities of the Board, Headteachers, Executives, Executive Business Managers and other

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staff, as well as delegated authority for spending. Other policies reviewed and updated included the Expenses Policy and the Donations Policy.

The statement of financial activities for the financial year ended 31st August 2021, indicates that the Trust generated a deficit for the period of £5,137,543. This figure includes a £972,518 reduction of the fixed asset fund. The overall deficit also includes a deficit increase of £5,109,000 in the relevant Local Government Pension Schemes (LGPS). These are underwritten by the UK Government.

Without the effects of capital depreciation and pension scheme deficits, the Trust made an operating surplus of £943,975 for the year ended 31st August 2021.

	2021 £	2020 £
Income from:		
Donations excluding capital grants and amounts transferred from existing Trusts	1,401,450	812,319
Charitable activities	33,940,964	29,133,258
Other trading activities	394,358	369,363
Investments	484	1,638
Operating Income	35,737,256	30,316,578
Total expenditure from unrestricted funds	544,920	625,462
Total expenditure from restricted funds excluding pension reserve	33,312,840	28,945,048
Total revenue expenditure funded by capital grants	935,521	671,860
Operating costs	34,793,281	30,242,370
NET OPERATING SURPLUS FOR THE YEAR	943,975	74,208

Non-operating income and expenditure:

Net Movement in Restricted fixed asset funds	(972,518)	17,154,280
Net Movement in the Pension reserve	(5,109,000)	(5,165,000)
Transfers from existing Academy Trusts into other restricted funds	-	(231,470)

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately 5% of GAG income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to support the Trust through the investment in resources. Total reserves of the Academy Trust amount to £92,688,081 (excluding the defined benefit pension liability), although £91,455,188 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,232,893 (representing £1,049,837 unrestricted funds and £183,056 restricted GAG funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day-to-day management of the surplus funds is delegated to the Finance Director within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has a Risk and Audit Sub-Committee whose responsibility is to scrutinise and consider the Trust's risk profile and the management of those risks. The Trust maintains a risk-register. The Chair of the Risk and Audit Committee provides a report to the full Board at all of their meetings. The Trust also requires each academy LGB to maintain a risk register and scrutinise and challenge management actions to manage those risks. The Trust requires all of its academies to subscribe to the Government's Risk Protection Arrangements (RPA) for academies.

Principal risks identified by Trustees are:

1. Preventable Risks
 - a. Financial
 - b. Safeguarding
 - c. Data Protection
 - d. Staffing
 - e. Estates
2. Strategic Risks
 - a. UTC Plymouth Capacity of premises to meet demand
 - b. Millbay Academy Capital Programme
 - c. New Special Free School Capital Programme in Wiltshire
3. External Risks
 - a. Pensions liability
 - b. Energy supply and costs

Covid-19

The Director of Operations has led on the coordination for minimising the risk of Covid-19 impacting on our academies. The Risk and Audit Sub-Committee hold a separate Covid-19 risk register to monitor the assessment of risk and agree the necessary interventions to reduce risk and maintain business continuity.

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STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	5,089,980	3,352,506
Energy consumption break down (kWh) (optional)		
• natural gas,	2,879,066	2,365,744
• LPG & gas oil,	753,879	
• grid electricity,	1,432,083	986,762
• transport fuel	24,953	
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
natural gas	527	435
LPG & gas oil	170	
Owned transport – mini-buses	1.53	7.27
Total scope 1	698.80	442.26
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	304	230
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	4.29	9.29
Total gross emissions in metric tonnes CO ₂ e	1,007	682
<u>Intensity ratio</u>		
Tonnes CO ₂ e per pupil	0.200	0.143

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Reach South Academy Trust, under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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

A key focus of the Academy Trust since its formation has been on energy efficiency linked to improving the quality of the learning environment. New LED lighting was installed into nine schools and solar panels have been installed at schools via Social Enterprise Funding. In year, the Trust installed more energy efficient boilers into one Academy's premises and further significant solar panel installation into another Academy.

This is the bulk of the estate where this was viable and as such there have been little opportunities to make further improvements in year. Planning consent has been applied for and granted (due to the proximity of an airport) following extensive work with the aviation authority. The installation is currently on hold whilst appropriate funding is sourced.

The Academy Trust has further increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

PLANS FOR FUTURE PERIODS

The Trustees have set out a seven-point Strategic Development Plan to guide the Trust's future development:

1. Every pupil makes progress
 - a. Systematic development on promoting visible learning to secure consistent quality of learning and teaching.
 - b. Effective use and interpretation of data to prioritise educational support.
 - c. Consistent development of SEND support across all academies.
2. Develop our science, technology, engineering, arts and maths (STEAM) curriculum across all key stages of learning to prepare pupils for employability and to make a contribution.
3. Strengthen our effective school intervention capacity of central intervention and school-to-school support, within a consistent school improvement framework.
4. Grow the Trust further in order to support more pupils and secure cost efficiencies through economies of scale.
5. Implement shared central service to provide academies with higher quality support services, such as finance, HR, estates and IT, at a lower cost.
6. A people strategy for talent to secure a high-quality workforce and succession planning for the future.
7. An estates strategy for inspiring learning.

The Board will review the plan during the 2021-2022 academic year and expects to publish a new 5-year strategic plan for the start of 2022-23.

Amongst our plans already developed for future periods are:

- Capital investment in Millbay Academy to ensure that it is fit-for-purpose to deliver the curriculum to its stated capacity of 1,050 pupils. This will include an extension to the current building.
- The development of our new Special Free School, SAIL. The school is expected to open on its new site in Salisbury in the Autumn of 2023. The Trust is exploring whether the school could open from September 2022 if appropriate temporary accommodation can be found.
- The investment into new premises on the site of UTC Plymouth. This is to accommodate up to 840 students so that we can retain a published admission number of 120 students in each year group. The College is now oversubscribed and full.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

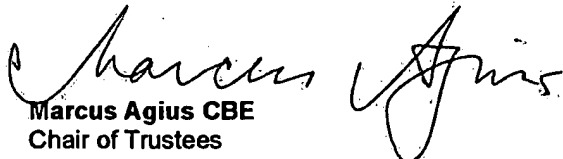
AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 15th December 2021 and signed on the board's behalf by:


Marcus Agius CBE
Chair of Trustees

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr M Agius CBE, Chair of Trustees	7	7
Mr D Ashton, Chief Executive Officer	7	7
Ms S Inglis, Vice Chair of Trustees	5	7
Dr C Gentle	5	7
Ms G Beaver	7	7
Mr A Gunn	6	7
Ms B Lacey (resigned on 31/01/2021)	3	3
Mr M Papworth	4	7
Lady P Marland	5	7
Ms A Stevens	7	7
Mr A Newton	7	7
Ms H Tomlinson (appointed on 01/02/2021)	4	4
Mr A Crossman (appointed on 01/02/2021)	3	4

The membership of the Board of Trustees has been stable during the 2020-21 financial year. There has been one resignation this year and two appointments. The two new Trustees have significant experience of scrutiny and challenge of the education performance. The Board has a Nominations Committee of Trustees that identifies the skills and experience required in recruiting a new Trustee, identifies potential applicants that meet the requirements and recommends an appointment to the full board.

The Trust has the following six Sub-Committees to the Board of Trustees:

- Nominations Committee
- Finance Sub-Committee
- Risk & Audit Sub-Committee
- Human Resources Sub-Committee
- Education Standards & Performance Sub-Committee
- Remuneration Committee

In addition to the above Sub-Committees, there is a Covid-19 Recovery Sub-Committee.

Each Sub-Committee Chair presents a report of key findings and action taken to the Board of Trustees.

The Nominations Committee only meets when required for the consideration of nomination of a new Trustee.

The Remuneration Committee meets when required to consider the remuneration or performance of members of the Executive Team. The Remuneration Committee reviews the performance of the Chief Executive.

The Board has a diverse range of skills and expertise with a number of Trustees holding a responsibility to champion an aspect of academy life. The Trust has an open and transparent process for recruiting Trustees, with an external body being used to identify two suitable candidates with a strong educational background to join the Board in February 2021. Bronwen Lacey announced her intention to retire as a Trustee in 2020. Bronwen had brought significant education expertise to the Board. She chaired the Education Standards Committee. There was also a vacancy on the Board of which Sir Steve Lancashire stood down in order to take

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

up his new role in the Trust as a Member. The Trustees sought to recruit two new Trustees with significant education expertise to the Board. This would ensure a balance of expertise and experience across the Board so that it could meet all of its duties and accountabilities. The Nominations Committee drew up person specifications and job descriptions for the new roles. Two recruitment organisations were commissioned to support a national recruitment process, Academy Ambassadors and Nurole. A small group of Trustees and one of the Members, Sir Steve Lancashire, interviewed short-listed candidates. Following the selection process, two candidates were recommended to the Board and the Members for appointment. The Members, with effect from 1st February 2021, appointed Heather Tomlinson and Alex Crossman, to the Board. Heather Tomlinson, has been appointed as the Chair of the Education Standards Committee.

The Board is immensely grateful to Bronwen Lacey, who continued as an advisor to the Board until the end of July 2021. During this time, Bronwen Lacey supported the induction to the Trust of the new Trustees. A comprehensive induction process for the new Trustees included executive briefings and virtual visits (due to Covid-19 constraints) to each academy.

Governance Review

The Board carried out a full review of the effectiveness of the Trust Board in Autumn 2020. The below points were considered:

1. How well does the Trust Board operate?
2. How could the running of the Board meeting be improved?
3. How well does the Trust Board communicate with its stakeholders?
4. Do Trustees promote and adhere to the vision, values and ethos of the Trust?
5. Has there been an audit of Trustee skills and experiences?
6. Does the Board work effectively as a team?
7. Do all Trustees hold a responsibility to champion an aspect of academy life?
8. Do Trustees maintain a good knowledge of education?
9. How has the Board made good use of data as the basis for developing a deep understanding of its academies?
10. What do Trustees know about the work of local governing bodies?
11. How are the Board notified of problems ahead that will adversely affect key outcomes, targets or financial performance?
12. How does the Board take full account of risks in its decisions?
13. How do Trustees remain well informed regarding major projects, programmes and new school acquisitions?

The Trust Board operates well, with Board meetings remaining extremely effective despite them taking place virtually during this period due to the Covid-19 pandemic. To ensure that a strong relationship is maintained between Trustees and key stakeholders, a number of Academy Leaders have attended Trust Board Meetings to report directly to the Board on an extensive list of topics, including direct feedback on the impact of Covid-19 on schools, the implementation of remote learning and developments around the STEAM curriculum and careers. As Covid-19 restrictions ease, a Leadership Residential has been organised to take place in the Autumn term of 2021 and school visits will reconvene.

Trustees maintain good knowledge of education, and the Educationalists have recently had a Trustees Away Day to plan and prioritise for the next academic year. There have been various training opportunities for all Trustees, which has included safeguarding, admission arrangements, management accounts and the Trust's approach to tackling race equality.

A Trustee Skills Audit has taken place during this period which focused on:

- Strategic Direction
- Culture, Values and Ethos
- Risk Management

**REACH SOUTH ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

- Accountability for Educational Standards and Financial Performance
- Rigorous Analysis of Data
- Financial Framework and Accountability
- Financial Management and Monitoring
- Staffing and Performance Management
- External Accountability
- Roles and Responsibilities
- Statutory and Contractual Requirements

The analysis demonstrated that the Trust has a wide range of skills and expertise across the Board. There were no gaps evident.

Finance Sub-Committee

The Finance Committee is a Sub-Committee of the main Board of Trustees. Its purpose is:

- to develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy
- to ensure sound management of finances and resources through the regular and robust review of financial monitoring reports from individual academies
- to consider individual academy budget proposals for authorisation
- to consider requests from academies for exceptional revenue and/or capital expenditure
- to oversee financial management and cash flow of the Trust
- to oversee significant investment and capital financing decisions

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr C Gentle, Chair	5	5
Mr D Ashton	5	5
Mr M Agius CBE	5	5
Mr A Gunn	4	5
Ms B Lacey (resigned on 31/01/2021)	2	2

Risk and Audit Sub-Committee

The Risk and Audit Committee is a Sub-Committee of the main Board of Trustees. Its purpose is to:

- establish and monitor the Trust's internal control framework in order to provide assurance of strong internal financial management and governance
- develop and keep under review risk management and measurement strategies across the Trust together with the procedures for monitoring the adequacy and effectiveness of those processes
- make recommendations to the Board of Trustees in relation to the appointment, re-appointment and removal of the external auditor
- review the external auditor's independence and objectivity as well as approve the external auditor's remuneration and terms of engagement

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms G Beaver, Chair	4	4
Ms S English	4	4
Mr M Papworth	3	4

The Trust's external auditor attends the meetings of the Risk and Audit Committee, whenever the auditor or the Chair of the Committee consider it appropriate. The Trust's Accounting Officer and Chief Financial Officer routinely attend the meetings.

**REACH SOUTH ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Human Resources Sub-Committee

The Human Resources Sub-Committee Chair is Adrian Gunn and its main purpose is to:

- consider, determine and keep under review, and develop strategies and policies for human resources and organisational development
- act as an ultimate panel for dispute resolution
- promote equality and diversity across the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Gunn, Chair	4	4
Mr D Ashton	4	4
Dr C Gentle	4	4
Ms A Stevens	2	4
Mr A Newton	1	4

Education Standards Sub-Committee

The Education Standards and Performance Sub-Committee's Chair is Heather Tomlinson (previously, Bronwen Lacey up until 31 January 2021) and its main purpose is to:

- ensure the highest possible standards of education are set and maintained across the Trust.
- monitor pupil outcomes and ensure appropriate remedial action is taken where required
- review and approve strategic school improvement plans and monitor outcomes against them

During the year, Ms H Tomlinson and Mr A Crossman joined the Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms B Lacey, Chair (resigned on 31/01/2021)	1	1
Ms H Tomlinson, Chair (appointed on 01/02/2021)	4	4
Mr D Ashton	5	5
Mr A Newton	4	5
Lady P Marland	2	2
Ms A Stevens	5	5
Mr A Crossman (appointed on 01/02/2021)	4	4

Covid-19 Recovery Sub-Committee

A Covid-19 Recovery Sub-Committee was formed during the pandemic, and the Chair is Marcus Agius CBE. Its main duties have included:

- scrutinising and authorising plans for the wider opening of academies in June.

Attendance at meetings in year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Agius CBE, Chair	4	4
Mr D Ashton	4	4
Ms S Inghish	4	4
Mr M Papworth	4	4
Ms B Lacey (resigned on 31/01/2021)	4	4

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Challenging proposals and examining their effectiveness and efficiency.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Reach South Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint Kreston Reeves as Internal Auditor.

**REACH SOUTH ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Key controls were identified and tested during the internal audit procedures. In particular, the checks carried out included:

- Bank and Petty Cash
- Budgets and Financial Monitoring
- Compliance
- Credit Card Review
- Expenditure
- Fixed Assets
- Governance and Regularity
- Income
- Payroll
- Strategic and Operational Review

Kreston Reeves undertook an assessment of the systems of arrangements and controls of The Academy Trust in relation to the audit areas as approved by the Audit and Risk Committee as part of the Internal Audit programme for 2020-21.

No material control issues were highlighted in the Internal Audit Report to the Risk and Audit Committee for the period ended 31 May 2021.

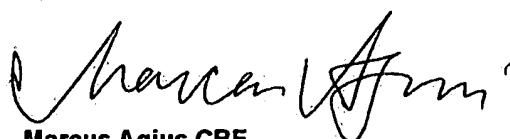
REVIEW OF EFFECTIVENESS

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

- The work of the internal auditor
- The work of the external auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the Trustees of the Board of Trustees on 15th December 2021 and signed on its behalf by:



Marcus Agius CBE
Chair of Trustees



Dean Ashton
Accounting Officer

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Reach South Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Mr D Ashton
Accounting Officer

Date: 15/12/21

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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 . 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:

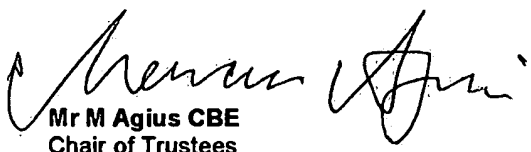
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


Mr M Agius CBE
Chair of Trustees

Date:

16/12/21

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Reach South Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 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 2020 to 2021 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 Academy Trust's affairs as at 31 August 2021 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 2020 to 2021 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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REACH
SOUTH ACADEMY TRUST (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 (incorporating the Strategic Report and the Directors' 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 has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REACH
SOUTH ACADEMY TRUST (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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 21/12/2021

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach South Academy Trust during the year 1 September 2020 to 31 August 2021 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 Reach South Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach South Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reach South Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Reach South Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 21/12/2021

REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Amounts transferred from existing Trusts		-	-	-	-	16,140,615
Other donations and capital grants		42,052	1,359,398	505,525	1,906,975	900,193
Charitable activities	4	363,242	33,577,722	-	33,940,964	29,133,258
Other trading activities		394,358	-	-	394,358	369,363
Investments	7	484	-	-	484	1,638
Total income		800,136	34,937,120	505,525	36,242,781	46,545,067
Expenditure on:						
Charitable activities	8	544,920	35,711,840	2,413,564	38,670,324	33,581,049
Total expenditure		544,920	35,711,840	2,413,564	38,670,324	33,581,049
NET INCOME/ (EXPENDITURE)		255,216	(774,720)	(1,908,039)	(2,427,543)	12,964,018
Transfers between funds	19	-	(935,521)	935,521	-	-
Net movement in funds before other recognised gains/(losses)		255,216	(1,710,241)	(972,518)	(2,427,543)	12,964,018
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,710,000)	-	(2,710,000)	(1,132,000)
Net movement in funds		255,216	(4,420,241)	(972,518)	(5,137,543)	11,832,018

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	794,621	(19,335,491)	91,275,494	72,734,624	60,902,606
Net movement in funds	255,216	(4,420,241)	(972,518)	(5,137,543)	11,832,018
Total funds carried forward	1,049,837	(23,755,732)	90,302,976	67,597,081	72,734,624

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

The notes on pages 36 to 72 form part of these financial statements.

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10151730**

**BALANCE SHEET
AS AT 31 AUGUST 2021**

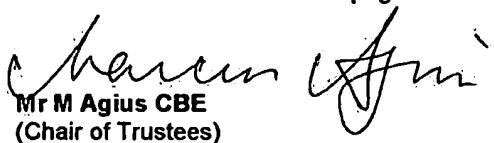
	Note	2021 £	2020 £
Fixed assets			
Tangible assets		90,271,041	91,243,560
	15		
Current assets			
Debtors	16	1,241,161	1,092,485
Cash at bank and in hand		4,771,259	3,757,228
		6,012,420	4,849,713
Creditors: amounts falling due within one year	17	(3,022,316)	(2,802,401)
Net current assets		2,990,104	2,047,312
Total assets less current liabilities		93,261,145	93,290,872
Creditors: amounts falling due after more than one year	18	(573,064)	(574,248)
Net assets excluding pension liability		92,688,081	92,716,624
Defined benefit pension scheme liability	26	(25,091,000)	(19,982,000)
Total net assets		67,597,081	72,734,624

REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10151730

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	90,302,976	91,275,494
Restricted income funds	19	1,335,268	646,509
Restricted funds excluding pension liability	19	91,638,244	91,922,003
Pension reserve	19	(25,091,000)	(19,982,000)
Total restricted funds	19	66,547,244	71,940,003
Unrestricted income funds	19	1,049,837	794,621
Total funds		67,597,081	72,734,624

The financial statements on pages 31 to 72 were approved by the Trustees, and authorised for issue on 16/12/2021 and are signed on their behalf, by:


Mr M Agius CBE
(Chair of Trustees)

The notes on pages 36 to 72 form part of these financial statements.

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,438,863	1,121,495
Cash flows from investing activities	23	(424,832)	(34,039)
Cash flows from financing activities	22	-	63,997
Change in cash and cash equivalents in the year		1,014,031	1,151,453
Cash and cash equivalents at the beginning of the year		3,757,228	2,605,775
Cash and cash equivalents at the end of the year	24, 25	4,771,259	3,757,228

The notes on pages 36 to 72 form part of these financial statements

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Other income**

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

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- Land: not depreciated; Buildings: 50 years straight line
Long-term leasehold property	- Land: 125 years/lease term; Buildings: 50 years straight line
Motor vehicles	- 20% straight Line
Computer equipment	- 33% straight Line
Furniture and equipment	- 25% straight line

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

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

Where on conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority school, the long term leasehold property is recognised as a donation from the Local Authority and is valued using the depreciated replacement cost method.

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES

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

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS (CONTINUED)

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

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 31.

1.15 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (CONTINUED)

Critical areas of judgement:

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

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
DONATIONS				
Transfers from existing Academy Trusts	-	-	-	-
Donations	42,052	93,672	505,525	641,249
Capital Grants	-	1,265,726	-	1,265,726
SUBTOTAL	42,052	1,359,398	505,525	1,906,975
	42,052	1,359,398	505,525	1,906,975

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
DONATIONS				
Transfers from existing Academy Trusts	-	(2,191,470)	18,332,085	16,140,615
TRANSFERS FROM EXISTING ACADEMY TRUSTS	-	(2,191,470)	18,332,085	16,140,615
Donations	7,816	58,576	-	66,392
Capital Grants	-	745,927	87,874	833,801
SUBTOTAL	7,816	804,503	87,874	900,193
	7,816	(1,386,967)	18,419,959	17,040,808

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Education	363,242	33,192,736	33,555,978
Boarding	-	384,986	384,986
	<u>363,242</u>	<u>33,577,722</u>	<u>33,940,964</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Education	465,788	28,161,844	28,627,632
Boarding	-	505,626	505,626
TOTAL 2020	<u>465,788</u>	<u>28,667,470</u>	<u>29,133,258</u>

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included within Educational activities reported throughout the accounts.

**REACH SOUTH ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2021**

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA GRANTS			
General Annual Grant	-	25,090,122	25,090,122
OTHER DfE/ESFA GRANTS			
Pupil Premium	-	2,042,952	2,042,952
UFSM	-	418,813	418,813
Teachers' Pension Grant	-	863,549	863,549
Other government grants	-	812,896	812,896
	-	29,228,332	29,228,332
OTHER GOVERNMENT GRANTS			
High Needs	-	3,261,048	3,261,048
Other governments grants	-	89,105	89,105
Nursery funding	317,999	-	317,999
	317,999	3,350,153	3,668,152
Other income from the Academy Trust's education	45,243	86,566	131,809
COVID-19 ADDITIONAL FUNDING (DfE/ESFA)			
Catch-up Premium	-	127,560	127,560
Other DfE/ESFA COVID-19 funding	-	400,125	400,125
	-	527,685	527,685
	363,242	33,192,736	33,555,978

**REACH SOUTH ACADEMY TRUST
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5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION (CONTINUED)

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA GRANTS			
General Annual Grant	-	20,517,894	20,517,894
OTHER DfE/ESFA GRANTS			
Sponsorship Grant	-	150,000	150,000
Pupil Premium	-	1,764,190	1,764,190
UFSM	-	483,325	483,325
Teachers' Pension Grant	-	743,845	743,845
Other government grants	-	1,242,837	1,242,837
	-	-	24,902,091
OTHER GOVERNMENT GRANTS			
High Needs	-	3,026,893	3,026,893
Other government grants	-	166,201	166,201
Nursery funding	397,720	-	397,720
	397,720	3,193,094	3,590,814
Other income from the Academy Trust's education	68,068	50,589	118,657
EXCEPTIONAL GOVERNMENT FUNDING			
Coronavirus Job Retention Scheme grant	-	16,070	16,070
	-	16,070	16,070
	465,788	28,161,844	28,627,632

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

**REACH SOUTH ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2021**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings	12,610	12,610
External catering	35,313	35,313
Fees received	346,435	346,435
	394,358	394,358

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Lettings	34,157	-	34,157
External catering	36,545	-	36,545
Fees received	217,539	81,122	298,661
	288,241	81,122	369,363

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	484	484	1,638

All prior year amounts relate to unrestricted funds.

**REACH SOUTH ACADEMY TRUST
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8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Education:				
Direct costs	18,934,923	1,572,922	1,383,101	21,890,946
Support costs	9,846,839	3,301,016	3,280,044	16,427,899
Boarding:				
Direct costs	-	-	1,668	1,668
Support costs	299,063	27,217	23,531	349,811
	<u>29,080,825</u>	<u>4,901,155</u>	<u>4,688,344</u>	<u>38,670,324</u>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Education:				
Direct costs	16,899,632	1,020,910	973,996	18,894,538
Support costs	8,576,871	2,629,788	2,989,769	14,196,428
Boarding:				
Direct costs	-	-	2,427	2,427
Support costs	436,327	27,998	23,331	487,656
	<u>25,912,830</u>	<u>3,678,696</u>	<u>3,989,523</u>	<u>33,581,049</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Education	21,890,946	16,427,899	38,318,845
Boarding	1,668	349,811	351,479
	<u>21,892,614</u>	<u>16,777,710</u>	<u>38,670,324</u>

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	18,894,538	14,196,428	33,090,966
Boarding	2,427	487,656	490,083
	<u>18,896,965</u>	<u>14,684,084</u>	<u>33,581,049</u>

ANALYSIS OF SUPPORT COSTS

	Education 2021 £	Boarding 2021 £	Total funds 2021 £
Staff costs	9,846,839	299,063	10,145,902
Depreciation	840,642	-	840,642
Staff development	163,203	-	163,203
Other costs	28,934	-	28,934
Recruitment and support	90,552	-	90,552
Maintenance of premises and equipment	797,896	12,708	810,604
Cleaning	419,342	-	419,342
Rent and rates	357,602	2,527	360,129
Energy costs	347,967	11,982	359,949
Insurance	138,539	-	138,539
Security and transport	399,028	-	399,028
Catering	337,546	16,836	354,382
Technology costs	431,433	-	431,433
Office overheads	513,647	2,379	516,026
Professional services	1,663,591	4,316	1,667,907
Bank interest and charges	2,807	-	2,807
Governance costs	48,331	-	48,331
	<u>16,427,899</u>	<u>349,811</u>	<u>16,777,710</u>

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS (continued)

	Education 2020 £	Boarding 2020 £	Total funds 2020 £
Staff costs	8,388,483	436,327	8,824,810
Depreciation	916,629	-	916,629
Staff development	123,951	1,640	125,591
Other costs	57,016	-	57,016
Recruitment and support	131,117	200	131,317
Maintenance of premises and equipment	534,390	13,912	548,302
Cleaning	302,349	-	302,349
Rent and rates	228,789	2,453	231,242
Energy costs	291,662	11,633	303,295
Insurance	151,576	-	151,576
Security and transport	216,773	-	216,773
Catering	729,824	13,993	743,817
Technology costs	421,237	-	421,237
Office overheads	375,156	3,117	378,273
Professional services	1,198,229	4,381	1,202,610
Bank interest and charges	3,087	-	3,087
Legal - other	49,758	-	49,758
Governance costs	76,402	-	76,402
	14,196,428	487,656	14,684,084

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	297,510	234,482
Depreciation of tangible fixed assets	2,413,561	1,937,539
Fees paid to auditors for:		
- audit	27,950	27,635
- other services	2,637	22,343

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	20,007,902	18,086,780
Social security costs	1,804,373	1,568,165
Pension costs	6,366,253	5,555,563
	<u>28,178,528</u>	<u>25,210,508</u>
Agency staff costs	517,071	535,544
Staff restructuring costs	385,226	166,778
	<u>29,080,825</u>	<u>25,912,830</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	302,345	117,476
Severance payments	82,881	45,894
Other restructuring costs	-	3,408
	<u>385,226</u>	<u>166,778</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £82,881 (2020: £31,840). Individually, the payments were £35,061, £975, £5,345, £40,000 and £1,500 (2020: £7,000, £19,338 and £5,502).

c. STAFF NUMBERS

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

	2021 No.	As restated 2020 No.
Teachers	306	291
Educational Support	393	374
Administration and Support	149	141
Management	7	7
	<u>855</u>	<u>813</u>

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11. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	7	7
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	3	2
In the band £100,001 - £110,000	2	1
In the band £160,001 - £170,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior 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 Academy Trust was £644,215 (2020: £607,913).

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12. CENTRAL SERVICES

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

- Financial management and planning systems
- Accountancy, Human Resources, Health & Safety, Payroll, Pension and ICT support
- Estates strategic management and capital improvement
- Events management and administration
- Governance support
- Policy development
- Associate school leader
- School Performance Management
- Risk management
- School leadership development and training
- School leadership performance management
- Liaison with regulators and policy makers (DfE, ESFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House)
- Liaison with trade unions
- Media and publicity management
- Crisis management

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

The Academy Trust allocates 6.5% of its total GAG income for the provision of these central services.

A notional monetary value of these services for each Academy is based on an assumption that their share of the total value reflects the funding formula used by the ESFA to calculate individual Academy GAGs. In practice services are provided to each Academy on a basis of basic need for all with additional support targeted and prioritised to meet the actual needs of each Academy.

The actual amounts were as follows:

	2021 £	2020 £
Drake Primary Academy	63,946	56,955
Goosewell Academy	142,294	137,920
High Street Primary Academy	44,588	50,283
Marlborough Primary Academy	48,309	57,991
Morice Town Primary Academy	64,736	58,603
Pilgrim Primary Academy	121,635	104,536
Stoke Damerel Primary Academy	113,334	106,538
Stuart Road Primary Academy	55,825	50,830
Hill View Primary Academy	169,745	151,260
Malmesbury Park Primary Academy	171,567	163,133
The Springfields Academy	215,236	193,746
Parkfield School	163,566	126,913
UTC Plymouth	127,481	58,046
Millbay Academy	329,491	168,780
TOTAL	1,831,753	1,485,534

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13. TRUSTEES' REMUNERATION AND EXPENSES

The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: D Ashton: remuneration £165,000 - £170,000 (2020: £160,000 - £165,000), Employer's pension contributions £Nil (2020: £5,000 - £10,000). Other related party transactions involving the Trustees are set out in note 30.

During the year, no Trustees received any benefits in kind (2020: £NIL)

During the year ended 31 August 2021, expenses totalling £576 were reimbursed or paid directly to 1 Trustee (2020: £591 to 4 Trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST						
At 1 September 2020	48,714,882	44,630,009	1,662,271	833,143	39,220	95,879,525
Additions	221,860	134,466	247,096	837,620	-	1,441,042
At 31 August 2021	48,936,742	44,764,475	1,909,367	1,670,763	39,220	97,320,567
DEPRECIATION						
At 1 September 2020	1,546,664	1,868,023	790,270	413,381	17,627	4,635,965
Charge for the year	843,147	751,501	417,190	393,285	8,438	2,413,561
At 31 August 2021	2,389,811	2,619,524	1,207,460	806,666	26,065	7,049,526
NET BOOK VALUE						
At 31 August 2021	46,546,931	42,144,951	701,907	864,097	13,155	90,271,041
At 31 August 2020	47,168,218	42,761,986	872,001	419,762	21,593	91,243,560

Included in freehold property is land at cost of £7,300,000 (2020: £7,300,000) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	131,692	130,720
Other debtors	57,000	62,358
Prepayments and accrued income	753,282	686,020
VAT recoverable	299,187	213,387
	<u>1,241,161</u>	<u>1,092,485</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	605,968	345,557
Other taxation and social security	446,975	391,337
Other creditors	536,518	592,257
Accruals and deferred income	1,432,855	1,473,250
	<u>3,022,316</u>	<u>2,802,401</u>

	2021 £	2020 £
DEFERRED INCOME		
Deferred income at 1 September 2020	623,045	432,619
Resources deferred during the year	742,758	623,045
Amounts released from previous periods	(623,045)	(432,619)
Deferred income at 31 August 2019	<u>742,758</u>	<u>623,045</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, Rates Relief, Additional SEMH Funding and trips booked in advance for 2021/22.

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

	2021 £	2020 £
Other creditors	<u>573,064</u>	<u>574,248</u>

Included within other creditors falling due after more than one year are amounts of £521,880 and £50,000 (2020: £521,880 and £50,000) owed to the ESFA relating to deficits brought in on conversion in the year endings 31 August 2019 for Parkfield School and UTC Plymouth respectively.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	794,621	800,136	(544,920)	-	-	1,049,837
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(89,098)	25,090,122	(23,983,232)	(834,736)	-	183,056
High Needs	-	3,646,033	(4,011,469)	378,316	-	12,880
Pupil Premium	-	2,042,952	(1,970,389)	(36,172)	-	36,391
Other DfE/ ESFA	55,139	831,010	(794,939)	(7,187)	-	84,023
Devolved Formula Capital (DFC)	52,857	126,486	-	(164,684)	-	14,659
School Condition Allocation (SCA)	549,890	889,240	(560,855)	(188,927)	-	689,348
Other government grants	6,589	64,503	(4,386)	(55,504)	-	11,202
Other	71,132	186,727	(172,277)	(26,627)	-	58,955
Strategic School Improvement Fund (SSIF)	-	250,000	(92,931)	-	-	157,069
UIFSM	-	418,813	(418,813)	-	-	-
Teachers' Pension grant	-	863,549	(863,549)	-	-	-
Covid-19 Catch- up premium	-	127,560	(127,560)	-	-	-
Other DfE/ESFA Covid-19 funding	-	400,125	(312,440)	-	-	87,685
Pension reserve	(19,982,000)	-	(2,399,000)	-	(2,710,000)	(25,091,000)
	(19,335,491)	34,937,120	(35,711,840)	(935,521)	(2,710,000)	(23,755,732)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion or from existing Trusts	89,583,168	-	(1,901,870)	-	-	87,681,298
Capital funding transferred on conversion or from existing Trusts	254,104	-	(36,506)	7,984	-	225,582
Fixed assets purchased from GAG	379,041	-	(138,602)	536,304	-	776,743
Devolved Formula Capital	281,261	-	(103,867)	164,684	-	342,078
School Condition Allocation	392,624	-	(74,217)	188,927	-	507,334
Other	385,296	505,525	(158,502)	37,622	-	769,941
	<u>91,275,494</u>	<u>505,525</u>	<u>(2,413,564)</u>	<u>935,521</u>	<u>-</u>	<u>90,302,976</u>
TOTAL RESTRICTED FUNDS	<u>71,940,003</u>	<u>35,442,645</u>	<u>(38,125,404)</u>	<u>-</u>	<u>(2,710,000)</u>	<u>66,547,244</u>
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
TOTAL FUNDS	<u>72,734,624</u>	<u>36,242,781</u>	<u>(38,670,324)</u>	<u>-</u>	<u>(2,710,000)</u>	<u>67,597,081</u>

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

Restricted Funds

General Annual Grant

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

Restricted funds on transfer into Trust

Revenue deficit transferred in from existing Trusts joining the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

High Needs

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

Pupil Premium

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

Other DfE/ESFA

Includes the Sports and PE Grant that must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles; Universal Infant Free School Meal (UIFSM) income for the provision of free school meals for infants; and rebrokerage grants received in respect of taking on schools/academies into the Academy Trust.

UIFSM

This represents income for the provision of free school meals for infants;

Teachers' Pension Grant

This represents contributions to support schools with the cost of the increase in employers contributions to teachers' pensions.

Devolved Formula Capital (DFC)

This represents funding from the ESFA to cover the maintenance of the Trust's assets.

School Condition Allocation (SCA)

This represents funding from the ESFA to cover the maintenance of the Trust's assets.

Other government grants

This represents funding from the Local Authority in respect of PAN expansion to support the increase in the Academy Trust's published admission number.

Other

This represents the income in respect of restricted donations and trips.

Strategic School Improvement Fund (SSIF)

This represents funding from the ESFA to support school improvement.

Covid-19 catch up premium

This represents financial assistance for schools and pupils as a result of Covid-19.

Other DfE/ESFA Covid-19 funding

This represents other funding related to Covid-19.

Pension reserve

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

Restricted Fixed Asset Funds

Fixed assets transferred on conversion or from existing Trusts

This represents the land, buildings, furniture and equipment donated to the Academy Trust from the Local Authority on conversion to an Academy Trust or from existing Academy Trusts on transfer into the Trust.

Capital funding transferred on conversion or from existing Trusts

This represents the element of the cash transferred across on conversion or transfer that was previously set aside for capital purposes.

Devolved Formula Capital

This represents funding from the ESFA to cover the purchase of the Trust's assets.

School Condition Allocation

This represents funding from the ESFA to cover the purchase of the Trust's assets.

Other

This represents donations received to be spent on capital assets.

Other Information

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

REACH SOUTH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	767,404	763,483	(736,266)	-	-	794,621
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	79,463	20,284,924	(20,166,468)	(287,017)	-	(89,098)
High Needs	-	3,381,331	(3,381,331)	-	-	-
Pupil Premium	-	1,766,905	(1,767,391)	486	-	-
Other DfE/ ESFA	20,000	1,226,595	(1,212,612)	21,156	-	55,139
Devolved Formula Capital (DFC)	121,020	122,520	(11,096)	(179,587)	-	52,857
School Condition Allocation (SCA)	559,085	623,407	(404,897)	(227,705)	-	549,890
Other government grants	-	165,488	(158,899)	-	-	6,589
Other	-	518,285	(447,960)	807	-	71,132
Strategic School Improvement Fund (SSIF)	51,420	5,000	(56,420)	-	-	-
UIFSM	-	483,325	(483,325)	-	-	-
Teachers' Pension grant	-	743,845	(743,845)	-	-	-
Pension reserve	(14,817,000)	(1,960,000)	(2,073,000)	-	(1,132,000)	(19,982,000)
	(13,986,012)	27,361,625	(30,907,244)	(671,860)	(1,132,000)	(19,335,491)

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion or from existing Trusts	72,999,558	18,332,085	(1,748,475)	-	-	89,583,168
Capital funding transferred on conversion or from existing Trusts	315,893	-	(40,633)	(21,156)	-	254,104
Fixed assets purchased from GAG	128,879	-	(35,562)	285,724	-	379,041
Devolved Formula Capital	161,322	-	(59,648)	179,587	-	281,261
School Condition Allocation	184,556	-	(19,637)	227,705	-	392,624
Other	331,006	87,874	(33,584)	-	-	385,296
	<u>74,121,214</u>	<u>18,419,959</u>	<u>(1,937,539)</u>	<u>671,860</u>	<u>-</u>	<u>91,275,494</u>
TOTAL RESTRICTED FUNDS	<u>60,135,202</u>	<u>45,781,584</u>	<u>(32,844,783)</u>	<u>-</u>	<u>(1,132,000)</u>	<u>71,940,003</u>
	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
TOTAL FUNDS	<u>60,902,606</u>	<u>46,545,067</u>	<u>(33,581,049)</u>	<u>-</u>	<u>(1,132,000)</u>	<u>72,734,624</u>

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Drake Primary Academy	85,051	49,411
Goosewell Primary Academy	221,803	150,432
High Street Primary Academy	118,517	198,174
Hill View Primary Academy	379,874	319,155
Malmesbury Park Primary Academy	616,834	608,116
Marlborough Primary Academy	136,473	155,178
Morice Town Primary Academy	199,586	162,169
Pilgrim Primary Academy	406,506	310,210
The Springfields Academy	291,840	145,140
Stoke Damerel Primary Academy	323,245	307,354
Stuart Road Primary Academy	56,456	56,387
Parkfield School	(215,884)	(280,558)
UTC Plymouth	(489,531)	(325,545)
Millbay Academy	(341,784)	(474,301)
Central Function	596,119	59,808
Total before fixed asset funds and pension reserve	2,385,105	1,441,130
Restricted fixed asset fund	90,302,976	91,275,494
Pension reserve	(25,091,000)	(19,982,000)
TOTAL	67,597,081	72,734,624

The following Academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Parkfield School	(215,884)
UTC Plymouth	(489,531)
Millbay Academy	(341,784)

UTC Plymouth, Parkfield and Millbay Academy all report deficits. This is due to legacy deficit positions held at the point of joining the Trust.

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

The Trust has deficit recovery plans in place, agreed with the ESFA, for each academy. All three are expected to operate at a deficit while they undergo significant educational improvements to drive the pupil growth needed for financial stability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. 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 and pension £	Total 2021 £
Drake Primary Academy	578,426	252,779	18,102	154,136	1,003,443
Goosewell Primary Academy	1,411,474	510,065	73,480	284,309	2,279,328
High Street Primary Academy	419,879	249,762	13,579	103,634	786,854
Hill View Primary Academy	1,547,359	565,156	102,486	370,590	2,585,591
Malmesbury Park Primary Academy	1,892,179	628,040	209,226	412,916	3,142,361
Marlborough Primary Academy	386,032	264,888	10,274	137,256	798,450
Morice Town Primary Academy	663,357	215,944	18,761	190,059	1,088,121
Pilgrim Primary Academy	1,217,265	408,458	62,007	260,097	1,947,827
The Springfields Academy	2,639,395	1,429,611	100,125	601,825	4,770,956
Stoke Damerel Primary Academy	993,074	426,928	46,427	299,277	1,765,706
Stuart Road Primary Academy	524,036	170,504	32,313	185,075	911,928
Parkfield School	1,438,123	486,174	84,739	459,244	2,468,280
UTC Plymouth	1,251,498	410,135	96,526	326,582	2,084,741
Millbay Academy	2,602,368	1,676,416	177,662	785,276	5,241,722
Central Function	206,036	1,799,701	3,176	954,411	2,963,324
ACADEMY TRUST	17,770,501	9,494,561	1,048,883	5,524,687	33,838,632

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation and pension £	Total 2020 £
Drake Primary Academy	524,738	260,319	17,161	150,302	952,520
Goosewell Primary Academy	1,529,506	508,425	60,550	266,408	2,364,889
High Street Primary Academy	438,352	211,892	33,244	128,902	812,390
Hill View Primary Academy	1,395,857	524,904	84,981	333,093	2,338,835
Malmesbury Park Primary Academy	1,820,509	617,060	86,203	375,132	2,898,904
Marlborough Primary Academy	465,443	268,127	4,514	170,936	909,020
Morice Town Primary Academy	595,917	225,301	29,871	204,703	1,055,792
Pilgrim Primary Academy	1,105,029	396,524	39,413	251,698	1,792,664
The Springfields Academy	2,442,364	1,399,165	78,290	535,577	4,455,396
Stoke Damerel Primary Academy	968,300	390,893	64,811	291,092	1,715,096
Stuart Road Primary Academy	533,909	158,671	15,288	168,515	876,383
Parkfield School	1,313,491	437,885	38,935	374,746	2,165,057
UTC Plymouth	770,990	354,031	70,345	267,197	1,462,563
Millbay Academy	1,613,196	932,375	55,723	352,006	2,953,300
Central Function	463,031	1,562,472	1,094	791,104	2,817,701
ACADEMY TRUST	15,980,632	8,248,044	680,423	4,661,411	29,570,510

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	90,271,041	90,271,041
Current assets	1,049,837	4,930,648	31,935	6,012,420
Creditors due within one year	-	(3,022,316)	-	(3,022,316)
Creditors due in more than one year	-	(573,064)	-	(573,064)
Provisions for liabilities and charges	-	(25,091,000)	-	(25,091,000)
TOTAL	1,049,837	(23,755,732)	90,302,976	67,597,081

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	91,243,560	91,243,560
Current assets	2,981,550	1,836,230	31,934	4,849,714
Creditors due within one year	(2,186,929)	(615,473)	-	(2,802,402)
Creditors due in more than one year	-	(574,248)	-	(574,248)
Provisions for liabilities and charges	-	(19,982,000)	-	(19,982,000)
TOTAL	794,621	(19,335,491)	91,275,494	72,734,624

**REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,427,543)	12,964,018
ADJUSTMENTS FOR:		
Depreciation	2,413,561	1,937,538
Capital grants from DfE and other capital income	(1,015,726)	(833,801)
Dividends, interest and rents from investments	(484)	(1,638)
Defined benefit pension scheme obligation inherited	-	1,960,000
Defined benefit pension scheme cost less contributions payable	2,069,000	1,777,000
Defined benefit pension scheme finance cost	330,000	296,000
(Increase)/decrease in debtors	(148,676)	933,850
Increase in creditors	218,731	189,143
Net income on assets and liabilities from existing Trusts transferred in	-	(18,100,615)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,438,863	1,121,495

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Cash received from existing Trusts transferred in	-	63,997

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest	484	1,638
Purchase of tangible fixed assets	(1,441,042)	(869,478)
Capital grants from DfE Group	1,015,726	833,801
NET CASH USED IN INVESTING ACTIVITIES	(424,832)	(34,039)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	4,771,259	3,757,228

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,757,228	1,014,031	4,771,259
	<u>3,757,228</u>	<u>1,014,031</u>	<u>4,771,259</u>

26. PENSION COMMITMENTS

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

Contributions amounting to £592,297 were payable to the schemes at 31 August 2021 (2020 - £452,131) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

26. 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 £2,132,910 (2020 - £1,902,356).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,078,000 (2020 - £1,771,000), of which employer's contributions totalled £1,648,000 (2020 - £1,402,000) and employees' contributions totalled £ 430,000 (2020 - £369,000). The agreed contribution rates for future years are 15.3 per cent for employers and 5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy 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 Academy 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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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.68	3.07
Rate of increase for pensions in payment/inflation	2.88	2.27
Discount rate for scheme liabilities	1.65	1.63

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

	2021	2020
	Years	Years
RETIRING TODAY		
Males	21.9 - 23.1	21.7 - 23.3
Females	24.0 - 24.6	24.0 - 24.8
RETIRING IN 20 YEARS		
Males	22.9 - 24.4	22.5 - 24.7
Females	25.4 - 26.2	25.5 - 26.2

SHARE OF SCHEME ASSETS

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

	2021	2020
	£	£
Equities	13,381,000	10,146,000
Gilts	4,347,000	2,995,000
Property	2,088,000	1,747,000
Cash and other liquid assets	211,000	127,000
Other	2,821,000	2,845,000
Total market value of assets	22,848,000	17,860,000

The actual return on scheme assets was £3,339,000 (2020 - £(97,000)).

**REACH SOUTH ACADEMY TRUST
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26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
Current service cost	(3,647,000)	(3,017,000)
Past service cost	(70,000)	(162,000)
Interest income	300,000	299,000
Interest cost	(630,000)	(595,000)
Total amount recognised in the Statement of Financial Activities	(4,047,000)	(3,475,000)

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

	2021 £	2020 £
At 1 September	37,842,000	29,814,000
Transferred in on existing Academies joining the Trust	-	3,085,000
Current service cost	3,647,000	3,017,000
Interest cost	630,000	595,000
Employee contributions	430,000	369,000
Actuarial gains	5,740,000	754,000
Benefits paid	(420,000)	46,000
Past service cost	70,000	162,000
At 31 August	47,939,000	37,842,000

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

	2021 £	2020 £
At 1 September	17,860,000	14,997,000
Transferred in on existing Academies joining the Trust	-	1,125,000
Interest income	300,000	299,000
Actuarial gains	3,030,000	(378,000)
Employer contributions	1,648,000	1,402,000
Employee contributions	430,000	369,000
Benefits paid	(420,000)	46,000
At 31 August	22,848,000	17,860,000

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**NOTES TO THE FINANCIAL STATEMENTS
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27. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable		
Not later than 1 year	218,081	212,238
Later than 1 year and not later than 5 years	357,665	420,648
Later than 5 years	151,289	162,536
	<u>727,035</u>	<u>795,422</u>

28. MEMBERS' LIABILITY

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

29. GENERAL INFORMATION

Reach South Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is UTC Plymouth, Park Avenue, Devonport, Plymouth, England, PL1 4RL.

30. RELATED PARTY TRANSACTIONS

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

During the year, a Trustee of the academy trust donated £60,000 to the academy Trust.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.

31. AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 17.

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

32. ACADEMY BOARDING TRADING ACCOUNT

	2021 £	2021 £	2020 £	2020 £
INCOME				
Boarding income	384,986		505,626	
INCOME		384,986		505,626
DIRECT COSTS				
Educational supplies	1,668		2,427	
SUPPORT COSTS				
Recruitment and support	-		200	
Maintenance of premises and equipment	12,708		13,912	
Rent and rates	2,527		2,453	
Energy costs	11,982		11,633	
Security and transport	-		13,993	
Catering	16,836		13,993	
Office overheads	2,379		3,117	
Legal and professional fees	4,316		4,381	
Wages and salaries	224,998		324,254	
National insurance	16,975		26,874	
Pension costs	57,477		85,199	
Staff development	-		1,640	
TOTAL SUPPORT EXPENDITURE	350,198		501,649	
TOTAL EXPENDITURE		351,866		504,076
SURPLUS/(DEFICIT) FOR THE PERIOD		1,550		1,550
Boarding school balances at 1 September 2020		20,629		19,079
BOARDING SCHOOL BALANCES AT 31 AUGUST 2021		22,179		20,629