

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 2023



**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
Ms A Stevens
Sir S Lancashire

Trustees Mr M Agius CBE, Chair of Trustees¹
Ms S English, Vice Chair of Trustees²
Mr D Ashton, Chief Executive Officer^{1,3,4}
Mr A Gunn^{1,3}
Mr M Papworth²
Dr C Gentle^{1,3}
Lady P Marland
Mr J Thakkar³
Mr A Newton^{3,4}
Ms G Beaver²
Ms H Tomlinson^{1,4}
Mr A Crossman⁴

¹ Finance

² Risk & Audit

³ HR

⁴ Educational Standards & Performance Committee

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 (resigned 2 June 2023)
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) (appointed 5 July 2023), (resigned 3 October 2023)
Mr J Hamp, Director of Inclusion (resigned 31 August 2023)
Mr K Wilson, Director of Finance (appointed 4 October 2023)
Mr D Faulkner-Tuck, Director of Finance (Interim) (appointed 3 June 2023), (resigned 4 July 2023)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
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 2023**

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 2023. 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, two special academies in Wiltshire, a special academy in Gloucestershire and an all through 4-16 academy in Devon.

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 that 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) The risk protection arrangement (RPA) for schools - GOV.UK (www.gov.uk)

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 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

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 consider

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Nominations Committee makes use of an independent recruitment organisation to nationally advertise and pre-select a shortlist of potential candidates for the Committee's consideration. The Committee meets and interviews the shortlisted candidates. In the case of co-opted Trustees, the full Board will determine whether a candidate is appointed as a Trustee, after consideration of the recommendation of the Nominations Committee. In all other cases, the Board will make a recommendation to the Members who will determine the appointment.

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.

Trustees have received briefings and training on:

- Governance; internal and external review of the Trust Board and governance function.
- The Trust's approach for tackling racism
- Management Accounts
- Safeguarding
- Admissions
- Effective Board Practice
- Mental Health and Wellbeing (pupils and staff)

Organisational Structure

Following a comprehensive review of our governance during 2022, the Trust has adopted a Scheme of Delegation of Governance set out here: [Reach South Academy Trust - Governance](#)

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 six 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 - this meets as and when required and considers the person specification for recruiting new Trustees and candidate eligibility prior to recommendation to the full Board for consideration.
- Remuneration Committee – this meets as and when required and considers the performance of the CEO; and salary changes for the CEO, Executive Team and Headteachers.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 and to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the 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 Inclusion, Director of Finance, Director of People 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 the day-to-day overview and scrutiny of the school's budget.

Arrangements for setting pay and remuneration of key management personnel.

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. The Chief Executive is remunerated as an employee of the Trust.

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, Headteachers 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 Chief Executive against agreed targets and value for money.

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time.

Percentage of time	Number of employees
0%	2
1%-50%	
51%-99%	
100%	

Percentage of pay bill spent on facility time.

Provide the total cost of facility time	£0
Provide the total pay bill	£30,268,823.46
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.00%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	0
(total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Engagement with employees (including disabled persons)

The Reach South Academy Trust is firmly committed to the principles of equality, diversity and inclusion in both employment and the accessibility and delivery of services.

This means:

- Promoting equality and making services and employment accessible to all;
- Treating people fairly, regardless of their race (colour; ethnic or national origin), religion or belief, gender or gender identity, sex or sexuality, marital or civil partner status, pregnancy or maternity, disability, age or because of their association with someone who has that characteristic. These are known as "protected characteristics".
- Employees who exercise their right to belong to a trade union and to participate legitimately in trade union activities must also be treated fairly and in accordance with relevant legislation.

Reach South Academy Trust aims to have a workforce that is representative of the communities that it serves.

The principles of equality and diversity apply to the ways in which staff treat colleagues, pupils, students, parents, carers, key stakeholders such as Governors/Trustees and partners.

All employees, workers or self-employed contractors whether part time, full time or temporary, will be treated fairly and with respect. Selection for employment, promotion, training, or any other benefit will be on the basis of aptitude and ability. All employees will be helped and encouraged to develop their full potential and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the Trust.

Equality of opportunity, valuing diversity and compliance with the law is to the benefit of all individuals in our Trust as it seeks to develop the skills and abilities of its people. While specific responsibility for eliminating discrimination and providing equality of opportunity lies with managers and supervisors, individuals at all levels have a responsibility to treat others with dignity and respect. The personal commitment of every employee to this policy and application of its principles are essential to eliminate discrimination and provide equality throughout the Trust.

The Trust is opposed to all forms of unlawful and unfair discrimination and harassment of any kind, and will work to eliminate it, to create a working environment where everyone is treated with dignity and respect. All staff are expected to be accountable and to challenge discrimination.

As an employer, the Trust will also challenge social exclusion and discrimination, promote equality, and celebrate diversity to achieve excellence.

The Trust is also committed to meeting the Public Sector Equality Duty which requires it to give due regard to:

- Eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advancing equality of opportunity between people who share a protected characteristic and those who do not.
- Fostering good relations between people who share a protected characteristic and those who do not.

The Trust has an established Equality, Diversity and Inclusion Policy which underpins all People Policies within the Trust. In addition, the Trust has recently established its Diversity, Inclusion and Belonging Steering Group which will be chaired by a Trustee.

The Trust has a Wellbeing and Engagement Framework with a Network Group being established in 2023/24 with representation from across the Trust at all levels.

The Trust has established a Mental Health Strategies Working Group which is chaired by a Trustee and has representation from across the Trust.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023 to 31 August 2023, the average time taken to pay invoices was 13 days, The Academy Trust paid 97% of invoices within 30 days, 32% in 31 to 60 days and 1% in 61 days or more.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Multi 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 Southwest 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 Academies are communities 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. In November 2022, the Board reviewed those 15 value statements and decided that they remain fit-for-purpose for the Trust.

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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Objectives, Strategies and Activities

The Trustees set a Strategic Plan in 2018 that 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.

During the 2022-2023 financial year, Trustees undertook a comprehensive review of progress made against the 2018 strategic priorities. Notwithstanding the impact of the Covid-19 pandemic, the Trust had secured its most significant objectives set out in the 7 strategic priorities. Following an analysis of the most significant challenges facing the organisation, particularly external challenges, and the on-going development needs of our academies, the Board has agreed and published a new strategic plan for the period September 2023 to August 2026. The new strategic plan has five strategic priorities:

1. Raising educational standards
 - a) Safeguarding
 - b) Attendance
 - c) Pupil mobility
 - d) Achievement
 - e) Inclusivity
2. Recruiting, developing, and retaining talent in our people
3. Developing mental health strategies to support our pupils and staff
4. Building organisational resilience
5. Growing the Trust to build effectiveness

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 Southwest of England. During the period to 31 August 2023, 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 three special academies. Two special academies in Wiltshire providing a curriculum to meet the needs of children with Autistic Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH). A third special academy in Dursley, Gloucestershire, meets the needs of pupils with diagnosed SEMH.
- Operate an all-through 3-16 free school in Plymouth, an all-through 5-16 free school in Bournemouth, Christchurch, and Poole, and an all-through 5-16 free school in Exeter, Devon 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 2023**

The Trust's third special academy, Salisbury Academy for Inspirational Learning (SAIL), opened in September 2023, as a free school.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust acquired a new academy during the year. Thomas Hall Academy in Exeter, Devon. The predecessor school, Avanti Hall School was operated by the Avanti Schools Trust. Following constructive negotiations between Avanti School Trust, the DfE and Reach South Academy Trust, the school transferred to Reach South on 1 June 2023. The Trust also completed the project to open our new special free school SAIL which opened in temporary accommodation on 1 September 2023. The school's permanent accommodation is expected to be occupied in January 2024.

The Trust had four of its academies inspected by Ofsted, during the 2022-2023 financial year. The results of those inspections, along with a relevant quote from each report, were:

Parkfield School, inspected 10 & 11 January 2023 – Ofsted rating Requires Improvement

"Most pupils typically behave well and enjoy coming to school because leaders have recently raised their expectations of them. However, some staff do not apply these expectations consistently."

UTC Plymouth. Inspected 17 & 18 January 2023 – Ofsted rating GOOD

"UTC Plymouth is a vibrant and welcoming school. The school's core values, which include resilience and respect, create a strong identity. Pupils are proud to attend this school. They say it feels like a family. Many parents also praise the strong relationships between staff and pupils." "Leaders are ambitious for all pupils, including those with special educational needs and/or disabilities (SEND). They are committed to preparing them for their next steps in education or employment. Pupils value the school's 'think like an engineer' approach to learning."

Morice Town Primary Academy, Inspected 16 & 17 May 2023 – Ofsted rating GOOD.

"Pupils at Morice Town enjoy attending school. They are proud to be part of the school community. They feel safe because adults care for them. Pupils understand the school's learning dispositions of resourceful, open, aspirational, resilient, and reflective. They know how to learn well."

High Street Primary Academy, Inspected 3 & 4 July 2023 – Ofsted rating GOOD.

"Leaders describe their high expectations for pupils' learning and behaviour as 'the High Street way'. Pupils, staff, and parents want High Street Primary Academy to be the best that it can be. Pupils speak excitedly about their enjoyment of learning. They show determination to reach leaders' high expectations. All pupils, including those with special educational needs and/or disabilities (SEND), enter school each morning excited to begin learning."

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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

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 purposes. The grants received from the DfE during the year ended 31 August 2023 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 2023, the Academy Trust received total income of £65,802,288 and incurred total expenditure of £43,710,523 inclusive of the Restricted Fixed Asset Fund but before other recognised gains/(losses), the excess of income over expenditure for the year was £22,091,765. The Trust's revenue reserves grew by £161,883, and £174,265 of which related to free reserves. Free reserves consist of unrestricted and GAG reserves carried forward.

At 31 August 2023, the net book value of fixed assets was £107,136,238 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 staff, as well as delegated authority for spending.

The statement of financial activities for the financial year ended 31 August 2023, indicates that the Trust generated a surplus for the period of £25,460,765. This figure includes a £22,376,882 increase of the fixed asset fund. The overall surplus also includes a deficit decrease of £2,922,000 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 £39,267 for the year ended 31 August 2023.

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FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £	2022 £
Income from:		
Donations excluding capital grants and amounts transferred from existing Trusts	255,256	158,580
Charitable activities	40,136,265	35,731,125
Other trading activities	443,040	422,715
Investments	629	585
Operating Income	40,835,190	36,313,005
Total expenditure from unrestricted funds	547,619	728,513
Total expenditure from restricted funds excluding pension reserve	39,479,105	35,702,598
Total revenue expenditure funded by capital grants	769,199	808,358
Operating costs	40,795,923	37,239,469
NET OPERATING SURPLUS(DEFICIT) FOR THE YEAR	39,267	(926,464)

Non-operating income and expenditure:

Net Movement in Restricted fixed asset funds	22,376,882	3,852,199
Net Movement in the Pension reserve	2,922,000	20,086,000
Transfers from existing Academy Trusts into other restricted funds	-	122,645

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 of resources. Total reserves of the Academy Trust amount to £118,681,444 (excluding the defined benefit pension liability), although £117,299,236 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,382,208 (representing £1,379,285 unrestricted funds and £2,923 restricted GAG funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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
2. Strategic Risks
 - a. UTC Plymouth Capacity of premises to meet demand
 - b. Staff recruitment and retention
 - c. Mental health detrimental impacts on pupils and staff.
 - d. Organisational resilience in a period of turbulence and uncertainty.
 - e. Organisational growth
3. External Risks
 - a. Energy supply and costs
 - b. Impact of climate change

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	4,479,908	4,723,152
Energy consumption break down (kWh) (optional)		
• gas,	2,646,707	3,253,991
• electricity,	1,697,531	1,283,999
• transport fuel	135,670	185,162
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	583.65	622.78
Owned transport – mini-buses	9.72	25.33
<u>Total scope 1</u>	593.37	648.11
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	351.52	272.63
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	21.12	17.6
Total gross emissions in metric tonnes CO2e	966	938.34
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.18	0.19

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 UK Government's Conversion Factors for Company Reporting. This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance 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.

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) has been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/09/2022 – 31/08/2023.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Reach South Academy Trust. These were calculated on a kWh/day pro-rata basis at the meter level.

- For properties where Reach South Academy Trust is indirectly responsible for utilities (i.e. via a landlord or service charge) or no data is available for the meter, the median consumption for properties, with similar operations was calculated at meter level and applied to the properties with no available data.

These full-year estimations were applied to ten electricity supplies and three gas supplies. All estimations equated to 22.60% of reported consumption.

For this reporting period, the data completeness was significantly impacted by supplier issues and invoice availability, leading to many of the supplies being estimated. Going forward, there will be an improvement in communication with the energy supplier to ensure this does not affect future reports.

For market-based emissions reporting, as there were no records of renewable energy certificates, the supplier-specific emission factor was applied to the electricity consumption to represent the source of the grid electricity consumed by Reach South Academy Trust. This factor is based on the mix of fuels used to generate electricity in the UK excluding renewably generated sources, as they are assumed to be purchased directly by consumers with renewable energy certificates.

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, solar panels and energy efficient boilers have been installed in some school premises and the Academy Trust encourages the use of video conferencing technology for staff meetings, to reduce the need for travel between sites. Reach South is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

PLANS FOR FUTURE PERIODS

The Board of Trustees reviewed and refreshed the strategic intent and vision for the Trust at meetings between November 2022 and July 2023. The review process included presenting draft strategic priorities at our annual Governors' Conference, to LGB Chairs, in April 2023. The Trust approved the Strategic Plan in July 2023 to cover the period September 2023 to August 2026.

The Trusts objectives by 2026 are:

1. Raising educational standards
 - a) Safeguarding will be a strength throughout the Trust.
 - b) Pupil attendance rates will be good so that pupils can take full advantage of their educational opportunities.
 - c) Pupil mobility between schools will be minimal so that pupils benefit from stable educational provision.
 - d) All pupils will attend an academy graded at least 'Good' by Ofsted.
 - e) Standards of pupil achievement will be at least in line with national averages.
 - f) Disadvantaged pupils will be as successful as their peers.
2. Recruiting, developing and retaining talent in our people
 - a) Strategically develop and strengthen Reach South's employer brand, positioning it as the preferred employer that offers choice to high calibre talent, fostering a positive organisational culture and reputation while attracting and retaining the best people in the sector.
 - b) Develop and implement a comprehensive and impactful framework for induction, on-boarding, and integration that lays a strong foundation, sets clear expectations, and fosters a deep understanding of the Trust's Vision and Values which contributes to enhanced staff engagement, alignment, and overall organisational success.
 - c) Establish a well-defined reward strategy that sets Reach South apart in the competitive employment market, aimed at attracting and retaining high-calibre staff while supporting effective recruitment and retention efforts.
 - d) To develop and implement a robust recognition strategy that addresses the strong need for staff recognition and retention within the Trust, fostering a culture of appreciation and engagement to retain high calibre talent and enhance overall staff satisfaction and loyalty.
3. Developing mental health strategies to support our pupils and staff
 - a) Enhance and prioritise the mental wellbeing of our people by fostering close collaboration with Occupational Health, staff support and counselling services, and implementing outstanding management practices. Additionally, develop and implement staff wellbeing initiatives with a strong emphasis on mental health, guaranteeing that our employees have access to comprehensive resources and dedicated support systems that effectively address and nurture their mental wellbeing.
 - b) Safeguard student well-being through implementation of a Mental Health Policy and Strategy across all schools.
 - c) Build a consistently effective curriculum model that enables our students to develop personalised self-supportive strategies to help them address their mental health needs.
 - d) Ensure that the mental health offer for all pupils is effectively communicated across the Trust and within all of our academies.
4. Building organisational resilience
 - a) To build organisational resilience through a virtuous circle of increasing school performance by; making our schools a place of choice to...increase pupil numbers in the Trust so that we can...generate greater performance investment to...increase the performance of schools... and hence the circle repeats.
 - b) To operate efficiently to ensure that our estates capacity is sufficient and efficient to meet the demands for pupil places. This includes releasing surplus capacity generated by changing demographics to create investment capacity where there is increasing demand for places.
 - c) Financial resources to be used efficiently and flexibly to allow prioritisation and agility of deployment in a volatile environment whilst ensuring robust processes are maintained.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

- d) Central systems to meet the daily needs of users and ensure that the Trust can respond rapidly and confidently to unpredictable circumstances.
 - e) Risk identification and management processes to support our organisational objectives and values while also supporting our long-term organisational health and viability.
 - f) In addition to improving the quality of education provision and the quality of talented staff in all our academies, the quality of the estate is to inspire learning.
 - g) In addition to growing the Trust in terms of numbers of academies, the occupancy of existing schools to be maximised.
5. Growing the Trust to build effectiveness
- a) To continue to grow the Trust to achieve the economies of scale that provide the capacity for; school improvement; organisational resilience; and a professional environment to recruit, develop and retain talent.
 - b) To recruit a number of good mainstream schools or academies to join the Trust.
 - c) To increase the number of Special Academies within the Trust.
 - d) To provide Alternative Provision within the Trust.
 - e) To expand our hubs in Gloucestershire, Wiltshire, Dorset and Devon.
 - f) To secure collaborations that bring benefits for pupil development.

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.

SECTION 172 STATEMENT

The Trustees are aware they must apply the highest standards of conduct and ensure robust governance to meet effective financial management, regularity and propriety in the use of the trust's funds, and achieve economy, efficiency and effectiveness for value for money.

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 staff, as well as delegated authority for spending.

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.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2023 and signed on its behalf by:



Marcus Agius CBE
Chairman of Trustees

**REACH SOUTH ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

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.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr M Agius, Chair of Trustees	9	9
Mr D Ashton, Chief Executive Officer	8	9
Ms S Inghis, Vice Chair of Trustees	6	8
Dr C Gentle	8	9
Ms G Beaver	5	8
Mr A Gunn	7	8
Mr M Papworth	7	9
Lady P Marland	8	8
Mr A Newton	5	8
Ms H Tomlinson	8	8
Mr A Crossman	4	8
Mr J Thakkar	8	8

The membership of the Board of Trustees has been stable during the 2022-23 financial year. 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 of Trustees.

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

- Finance Sub-Committee
- Risk & Audit Sub-Committee
- People Sub-Committee
- Education Standards & Performance Sub-Committee
- Remuneration Committee
- Nominations 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 performance of the Chief Executive Officer and salary changes for members of the Executive Team and Headteachers.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Governance Review

The Trust Board approved the following updated documentation in July 2022

1. Roles and Functions Matrix
2. Trust Board Terms of Reference
3. Education Performance and Standards Sub-Committee Terms of Reference
4. Finance Sub-Committee Terms of Reference
5. Human Resources Sub-Committee Terms of Reference
6. Risk and Audit Sub-Committee Terms of Reference
7. Performance and Remuneration Committee Terms of Reference
8. Executive Delegation

In November 2022 the Board completed the update of governance documentation and approved:

1. Governance Handbook
2. Terms of Reference for the Local Governing Bodies
The Terms of Reference for the Local Governing Bodies were reviewed by a working party of the Board and the following recommendations were included in the Terms of Reference:
 - the LGB's role in providing oversight on the broad and balanced curriculum.
 - the LGB does not have delegated responsibility in relation to financial spend and contracts.
3. RSAT – Champion Link Governor Sample Questions
4. Members Agreement

External Governance Review

The Trust underwent an External Review of Governance, conducted by the National Governance Association, which concluded in November 2022. The Trust completed all of the recommendations:

1. Review of structure of governance
2. Improved communications between the layers of governance
3. Review and improvement to the publication of governance documents
4. Clarified leadership of governance
5. Self-review by the Chairman
6. Consideration of succession planning within governance
7. Review of the vision and strategy
8. Facilitated involvement by the wider governance group in the setting of the vision and strategy.
9. Included the risk management and register included in the meetings of the full Board.
10. Improved the reporting of data in respect of quality of education that is reported to Trustees.
11. Provided more detailed safeguarding reports to Trustees.

Governance Conference Feedback

The Governance Conference took place remotely on Tuesday 25 April 2023, with a number of Members, Trustees, Executives, Headteachers, Governors and Clerks in attendance. Since the event the Trust sought and received feedback from attendees.

Attendees provided feedback in respect of their key expectations which were: to learn more about the key strategic direction of the Trust, hear from Trustees about the strategic intent, to receive up to date information on the progress of governance across the Trust and for Governors to feel engaged, valued and informed. Attendees were keen to understand information on pupil data and how they can support the raising standards agenda. Governors also expected to be briefed on the wider challenges that the education sector is facing.

In respect of the strategic aims for each of the topics covered, attendees found it useful to understand the priorities and direction of the Trust from the CEO. Attendees felt there was an effective overview and sense of direction given to each of the strategic priorities. Attendees were pleased to hear from the Chairman with regard to aspirations for all pupils, including addressing the need for ambitious provision for SEND students. It was evident that much thought had gone into this subject; however, it was felt that further development could

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

focus on measuring and benchmarking the performance of specialist provisions. Some attendees highlighted concerns that the Central Team could be stretched by taking on more schools and that current schools would not receive the holistic support they require. Attendees value the presence in schools from representatives from the Trust and would like to see this enhanced.

With reference to specific issues that should be considered in the Trust's strategic aims, attendees commented that financial management and the impact of additional schools on the capacity of the Trust team should be considered as part of the growth strategy. The Trust should consider how they enlist good and outstanding organisations to join which could increase the Trust's capacity and capability to meet goals. Whilst agreeing with the spread of specialisms outlined in the Trust's current and intended portfolio, one attendee suggested that if the Trust is to double in size in order to become economically resilient, it should examine the nature of the schools which will join the Trust. Attendees stressed the need for ensuring a resilient economic balance of schools for the Trust as a long-term goal. Some attendees said there was a need to focus on the Early Years, since much attention is given to primary and secondary phases but there is a need to build the foundations from Early Years onwards.

The majority of respondents stated they would prefer next year's conference to take place face to face at Taunton Racecourse, although there was a minority who stated that they preferred it being held virtually.

Attendees were asked to feedback on what speakers/topics they would like to see included at the next Governance Conference. Suggestions included representatives from Ofsted, presentations from Trusts that are highly effective, a review of the strategic aims and progress made and time for Governors to network and explore strategic think pieces. There was interest in hearing from Teachers from the Trust about how they have overcome challenges or issues in school. Some attendees asked for more information about the structure of the Trust and the roles of key personnel. Specific interest was in respect of how the education teams will expand as the Trust grows in order to ensure adequate support for schools.

Following the Conference, attendees fed back that they felt they had greater strategic understanding and that it was a good reminder of the Trust's identity, vision and values. The Conference gave reassurance that the strategic thinking at Trust and LGB level is reasonably well aligned despite the fact that it is felt that the communication channels between the Trust Board and Governors remain underdeveloped. Attendees found hearing from the Chairman about progress while getting clarity on challenges, along with highlighting aspirations for pupils valuable but requested that success stories are also shared at future conferences.

Post-event, attendees would like to see further Trustee engagement with Governors, along with action points being shared with Governors so they fully understand the Trust's expectations of them to be the drivers for school improvement. They value and would like to see the continuation of the bi-monthly meetings for Chairs and Headteachers. Further suggestions included updates from the Trust on financial viability and how best practice is being shared across our schools.

With regards to improvements for the next Conference, attendees commented that there should be more opportunity for interaction with speakers, discussion and networking so that it is a more participatory conference. Some respondents felt that timings should allow equal weighting to all who present so that delivery is not rushed and to ensure presentations are not too 'busy'. There was also a comment that organisers could invite a group of pupils to advise what it feels like to be part of the Trust's schools and the impact it has had on them to give more warmth to the event.

REACH SOUTH ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Finance Sub-Committee

The Finance Committee is a Sub-Committee of the main Board of Trustees, and its Chair is Dr C Gentle. Its purpose is to:

- Develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy.
- Ensure sound management of finances and resources through the regular and robust review of financial monitoring reports from individual academies.
- Consider individual academy budget proposals for authorisation.
- Consider requests from academies for exceptional revenue and/or capital expenditure.
- Oversee financial management and cash flow of the Trust.
- 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	3	3
Mr D Ashton	2	3
Mr M Agius	3	3
Mr A Gunn	3	3
Ms H Tomlinson	3	3

Risk and Audit Sub-Committee

The Risk and Audit Committee is a Sub-Committee of the main Board of Trustees, and its Chair is Ms G Beaver. 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	2	3
Ms S Inghish	3	3
Mr M Papworth	3	3

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 (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

People Sub-Committee

The People Committee is a Sub-Committee of the main Board of Trustees, and its Chair is Mr A Gunn. 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	3	3
Mr D Ashton	2	3
Dr C Gentle	2	3
Mr A Newton	2	3
Mr J Thakkar	3	3

Education Standards Sub-Committee

The Education Standards and Performance Committee is a Sub-Committee of the main Board of Trustees, and its Chair is Ms H Tomlinson. 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

Trustee	Meetings attended	Out of a possible
Ms H Tomlinson, Chair	3	3
Mr A Crossman	3	3
Mr D Ashton	2	3
Mr A Newton	2	3

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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources 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 e.g., Tendering for the Millbay capital project
- 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.
- Estates statutory inspections are carried out by independent external professionals and the recommendations from those inspections form the targeted priority for expenditure of our School Condition Allocation funding.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

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

- 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 Risk and Audit Committee as part of the Internal Audit programme for 2022-23.

**REACH SOUTH ACADEMY TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

No material control issues were highlighted in the Internal Audit Report to the Risk and Audit Committee for the period ended 31 May 2022.

On a quarterly basis the auditor reports to the Board of Trustees, through the Risk and Audit Committee/Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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 members of the Board of Trustees on 14 December 2023 and signed on their behalf by:



Marcus Agius CBE
Chairman of Trustees



Dean Ashton
Accounting Officer

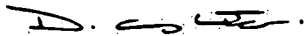
**REACH SOUTH ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust 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 Academy Trust Handbook 2022.

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



Mr D Ashton
Accounting Officer
Date: 14 December 2023

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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: 14 December 2023

**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 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 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.

**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
- these matters were discussed among the audit engagement team who also considered 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. We have also considered the recognition of the new school joining the Trust as a significant risk, in particular the valuation of land and buildings, pension liabilities and balances on conversion.

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, Academy Trust Handbook, UK Companies Act, tax legislation, charity law and charity SORP.

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, including the recognition of balances on conversion;
- 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.

**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)**

Bishop Fleming LLP

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: 18 December 2023

**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 30 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach South Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 31 December 2018 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**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)**

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 18 December 2023

REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Amounts transferred from existing Trusts		-	4,000	14,849,518	14,853,518	4,315,005
Other donations and capital grants		98,762	1,156,667	9,113,407	10,368,836	1,867,408
Other trading activities	6	443,040	-	-	443,040	422,715
Investments	7	629	-	-	629	585
Charitable activities	4	439,299	39,696,966	-	40,136,265	35,731,125
Total income		981,730	40,857,633	23,962,925	65,802,288	42,336,838
Expenditure on:						
Charitable activities	8	547,619	40,699,304	2,463,600	43,710,523	42,989,240
Total expenditure		547,619	40,699,304	2,463,600	43,710,523	42,989,240
NET INCOME/ (EXPENDITURE)		434,111	158,329	21,499,325	22,091,765	(652,402)
Transfers between funds	19	(196,895)	(680,662)	877,557	-	-
Net movement in funds before other recognised gains/(losses)		237,216	(522,333)	22,376,882	22,091,765	(652,402)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	4,739,000	-	4,739,000	24,193,000
Pension surplus not recognised	26	-	(1,370,000)	-	(1,370,000)	-
Net movement in funds		237,216	2,846,667	22,376,882	25,460,765	23,540,598

**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 2023**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	1,142,069	(4,159,565)	94,155,175	91,137,679	67,597,081
Net movement in funds	237,216	2,846,667	22,376,882	25,460,765	23,540,598
Total funds carried forward	1,379,285	(1,312,898)	116,532,057	116,598,444	91,137,679

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

The notes on pages 39 to 78 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

			2023	2022
	Note		£	£
Fixed assets	15			
Tangible assets			107,136,238	93,324,831
Current assets				
Debtors	16	10,442,281	2,527,804	
Cash at bank and in hand	23	6,826,566	4,883,591	
		17,268,847	7,411,395	
Creditors: amounts falling due within one year	17	(5,211,169)	(4,021,075)	
Net current assets			12,057,678	3,390,320
Total assets less current liabilities			119,193,916	96,715,151
Creditors: amounts falling due after more than one year	18	(512,472)	(572,472)	
Net assets excluding pension liability			118,681,444	96,142,679
Defined benefit pension scheme liability	26	(2,083,000)	(5,005,000)	
Total net assets			116,598,444	91,137,679

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	116,532,057	94,155,175
Restricted income funds	19	770,102	845,435
Restricted funds excluding pension reserves	19	117,302,159	95,000,610
Pension reserve	19	(2,083,000)	(5,005,000)
Total restricted funds	19	115,219,159	89,995,610
Unrestricted income funds	19	1,379,285	1,142,069
Total funds		116,598,444	91,137,679

The financial statements on pages 34 to 78 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr M Agius CBE
(Chair of Trustees)
Date: 14 December 2023

The notes on pages 39 to 78 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 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	1,971,906	(1,092,880)
Cash flows from investing activities	22	(28,931)	1,205,212
Change in cash and cash equivalents in the year		1,942,975	112,332
Cash and cash equivalents at the beginning of the year		4,883,591	4,771,259
Cash and cash equivalents at the end of the year	23, 24	6,826,566	4,883,591

The notes on pages 39 to 78 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 2023**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION 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 2022 to 2023 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 at least one year from the date of authorisation for issue of the financial statements 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

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

• **Other income**

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

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing Academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE (CONTINUED)

• **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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS (CONTINUED)

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.

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

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

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

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

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 32.

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.

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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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

The transfer from existing Academy Trusts to the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from Avanti Hall Trust to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
DONATIONS				
Transfers from existing Academy Trusts	-	4,000	14,849,518	14,853,518
Donations	98,762	156,494	-	255,256
Capital Grants	-	1,000,173	9,113,407	10,113,580
	<u>98,762</u>	<u>1,160,667</u>	<u>23,962,925</u>	<u>25,222,354</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
DONATIONS				
Transfers from existing Academy Trusts	-	(675,355)	4,990,360	4,315,005
Donations	24,156	134,424	-	158,580
Capital Grants	-	910,417	798,411	1,708,828
	<u>24,156</u>	<u>369,486</u>	<u>5,788,771</u>	<u>6,182,413</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Education	439,299	39,696,966	40,136,265
Boarding	-	-	-
	<u>439,299</u>	<u>39,696,966</u>	<u>40,136,265</u>

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4. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Education	373,289	35,014,852	35,388,141
Boarding	-	342,984	342,984
	<u>373,289</u>	<u>35,357,836</u>	<u>35,731,125</u>

5. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
EDUCATION			
DFE/ESFA GRANTS			
General Annual Grant	-	27,897,984	27,897,984
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	2,217,889	2,217,889
Other DFE/ESFA Grants	-	2,237,390	2,237,390
Supplementary Grant	-	731,857	731,857
	<u>-</u>	<u>33,085,120</u>	<u>33,085,120</u>
OTHER GOVERNMENT GRANTS			
High Needs	-	6,004,992	6,004,992
Other Government Grants	-	101,561	101,561
Nursery Funding	295,937	-	295,937
	<u>295,937</u>	<u>6,106,553</u>	<u>6,402,490</u>
Other income from the Academy Trust's education	143,362	799	144,161
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	504,494	504,494
	<u>-</u>	<u>504,494</u>	<u>504,494</u>
	<u>439,299</u>	<u>39,696,966</u>	<u>40,136,265</u>

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5. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
EDUCATION			
DFE/ESFA GRANTS			
General Annual Grant	-	26,760,275	26,760,275
OTHER DFE/ESFA GRANTS			
Pupil Premium	-	2,011,001	2,011,001
UFSM	-	394,752	394,752
Teachers' Pension Grant	-	163,899	163,899
Connect the Classroom	-	594,785	594,785
Other Government Grants	-	738,672	738,672
PE and Sports Premium	-	225,072	225,072
	-	30,888,456	30,888,456
OTHER GOVERNMENT GRANTS			
High Needs	-	3,589,403	3,589,403
Other Government Grants	-	232,987	232,987
Nursery Funding	284,453	-	284,453
	284,453	3,822,390	4,106,843
Other income from the Academy Trust's education	88,836	66,548	155,384
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	237,458	237,458
	-	237,458	237,458
	373,289	35,014,852	35,388,141

The academy received £Nil (2022: £127,560) of funding for catch-up premium and costs incurred in respect of this funding totalled £Nil (2022: £127,560).

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6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings	30,987	30,987	19,053
Catering	97,229	97,229	86,746
Fees received	314,824	314,824	316,916
	<u>443,040</u>	<u>443,040</u>	<u>422,715</u>

All prior year amounts relate to unrestricted funds.

7. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	629	629	585

All prior year amounts relate to unrestricted funds.

8. EXPENDITURE

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Education:				
Direct costs	22,140,490	1,652,861	1,363,846	25,157,197
Support costs	10,351,484	4,257,553	3,944,289	18,553,326
Boarding:				
Direct costs	-	-	-	-
Support costs	-	-	-	-
	<u>32,491,974</u>	<u>5,910,414</u>	<u>5,308,135</u>	<u>43,710,523</u>

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8. EXPENDITURE (CONTINUED)

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Education:				
Direct costs	20,369,248	1,627,963	1,532,573	23,529,784
Support costs	10,601,067	3,404,799	4,939,541	18,945,407
Boarding:				
Direct costs	-	-	2,162	2,162
Support costs	265,536	37,474	208,877	511,887
	<u>31,235,851</u>	<u>5,070,236</u>	<u>6,683,153</u>	<u>42,989,240</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Education	<u>25,157,197</u>	<u>18,553,326</u>	<u>43,710,523</u>
	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Education	23,529,784	18,945,407	42,475,191
Boarding	2,162	511,887	514,049
	<u>23,531,946</u>	<u>19,457,294</u>	<u>42,989,240</u>

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2023 £	Boarding 2023 £	Total funds 2023 £
Pension finance cost	115,000	-	115,000
Staff costs	10,277,306	-	10,277,306
Depreciation	810,739	-	810,739
Staff development	92,658	-	92,658
Other costs	33,725	-	33,725
Agency staff	74,178	-	74,178
Recruitment and support	198,870	-	198,870
Maintenance of premises and equipment	1,443,111	-	1,443,111
Cleaning	553,014	-	553,014
Rent and rates	467,429	-	467,429
Energy costs	608,212	-	608,212
Insurance	137,513	-	137,513
Security and transport	270,467	-	270,467
Catering	1,073,903	-	1,073,903
Technology costs	694,449	-	694,449
Office overheads	477,119	-	477,119
Professional services	1,172,590	-	1,172,590
Bank interest and charges	3,602	-	3,602
Governance costs	49,441	-	49,441
	18,553,326	-	18,553,326

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FOR THE YEAR ENDED 31 AUGUST 2023

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS (continued)

	Education 2022 £	Boarding 2022 £	Total funds 2022 £
Staff costs	10,181,797	448,618	10,630,415
Depreciation	812,808	-	812,808
Staff development	183,854	344	184,198
Other costs	46,868	-	46,868
Agency staff	271,656	-	271,656
Recruitment and support	156,220	-	156,220
Maintenance of premises and equipment	1,604,841	12,880	1,617,721
Cleaning	475,699	-	475,699
Rent and rates	341,642	2,113	343,755
Energy costs	567,680	25,917	593,597
Insurance	145,425	-	145,425
Security and transport	191,174	-	191,174
Catering	416,809	21,526	438,335
Technology costs	492,700	-	492,700
Office overheads	499,964	-	499,964
Professional services	2,497,727	489	2,498,216
Bank interest and charges	2,798	-	2,798
Legal costs - on conversion	1,600	-	1,600
Governance costs	54,145	-	54,145
	<u>18,945,407</u>	<u>511,887</u>	<u>19,457,294</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	227,217	251,591
Depreciation of tangible fixed assets	2,463,597	2,440,771
Fees paid to auditors for:		
- audit	35,400	29,000
- other services	6,200	5,480

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11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	23,330,783	20,904,469
Social security costs	2,196,896	1,958,225
Pension costs	5,346,226	7,405,909
	<u>30,873,905</u>	<u>30,268,603</u>
Agency staff costs	1,486,430	813,832
Staff restructuring costs	131,639	153,416
	<u><u>32,491,974</u></u>	<u><u>31,235,851</u></u>

The decrease in pension costs has arisen as a result of a reduction in LGPS finance and service costs.

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	65,863	104,539
Severance payments	65,776	48,877
	<u><u>131,639</u></u>	<u><u>153,416</u></u>

b. SPECIAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £38,501 (2022: £30,742). Individually, the payments were £20,500, £12,500, £5,351, £150. (2022: £2,123, £9,970, £2,312, £6,448 and £9,888).

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11. STAFF (CONTINUED)

c. STAFF NUMBERS

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

	2023 No.	As restated 2022 No.
Teachers	343	340
Educational Support	475	495
Administration and Support	69	40
Management	7	7
	894	882

d. HIGHER PAID STAFF

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	8	6
In the band £70,001 - £80,000	5	6
In the band £80,001 - £90,000	5	3
In the band £90,001 - £100,000	5	3
In the band £100,001 - £110,000	1	2
In the band £120,001 - £130,000	1	-
In the band £140,001 - £150,000	2	-
In the band £170,001 - £180,000	-	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 £982,461 (2022: £765,227). The average headcount of key management personnel was 8 (2022: 7).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. CENTRAL SERVICES

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

- Financial management and planning systems
- Human Resources leadership
- ICT Leadership
- Estates strategic management, Health and Safety and capital improvement
- Events management and administration
- Governance support
- Policy development
- 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, MSAG and Supplementary Grant 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.

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NOTES TO THE FINANCIAL STATEMENTS
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12. CENTRAL SERVICES (CONTINUED)

The actual amounts were as follows:

	2023 £	2022 £
Drake Primary Academy	64,711	61,178
Goosewell Academy	136,834	137,813
High Street Primary Academy	40,323	40,381
Marlborough Primary Academy	47,751	46,608
Morice Town Primary Academy	62,705	62,597
Pilgrim Primary Academy	124,064	116,293
Stoke Damerel Primary Academy	119,286	108,068
Stuart Road Primary Academy	57,548	54,898
Hill View Primary Academy	178,988	166,824
Malmesbury Park Primary Academy	187,616	170,960
The Springfields Academy	146,195	214,681
Parkfield School	189,472	161,305
UTC Plymouth	243,284	214,453
Millbay Academy	244,619	262,737
Peak Academy	42,682	-
Thomas Hall School	35,198	-
TOTAL	1,921,276	1,818,796

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 £140,000 - £145,000 (2022: £170,000 - £175,000), Employer's pension contributions £Nil (2022: £Nil). Other related party transactions involving the Trustees are set out in note 30.

During the year, no Trustees received any benefits in kind (2022: £NIL)

During the year ended 31 August 2023, expenses totalling £940 were reimbursed or paid directly to 4 Trustees (2022: £929 to 2 Trustees).

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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
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15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST							
At 1 September 2022	49,065,812	49,743,425	-	2,175,420	1,790,434	40,037	102,815,128
Additions	120,530	98,345	797,927	261,032	147,652	-	1,425,486
Acquired on conversion	14,844,000	-	-	5,518	-	-	14,849,518
At 31 August 2023	64,030,342	49,841,770	797,927	2,441,970	1,938,086	40,037	119,090,132
DEPRECIATION							
At 1 September 2022	3,240,540	3,382,011	-	1,601,606	1,232,114	34,026	9,490,297
Charge for the year	878,224	878,631	-	277,984	423,273	5,485	2,463,597
At 31 August 2023	4,118,764	4,260,642	-	1,879,590	1,655,387	39,511	11,953,894
NET BOOK VALUE							
At 31 August 2023	59,911,578	45,581,128	797,927	562,380	282,699	526	107,136,238
At 31 August 2022	45,825,272	46,361,414	-	573,814	558,320	6,011	93,324,831

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15. TANGIBLE FIXED ASSETS (CONTINUED)

Included in freehold property is land at cost of £11,029,000 (2022: £7,300,000) which is not depreciated.

The acquisition of the Freehold Buildings at Thomas Hall was donated to the Trust at a value of £11,115,000.

The acquisition of Freehold Land at Thomas Hall was donated to the Trust at a value of £3,729,000.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

	2023 £	2022 £
DUE AFTER MORE THAN ONE YEAR		
Prepayments and accrued income	392,509	-
	<u>392,509</u>	<u>-</u>
DUE WITHIN ONE YEAR		
Trade debtors	24,033	152,654
Other debtors	754	77,812
Prepayments and accrued income	9,670,548	1,894,208
VAT recoverable	354,437	403,130
	<u>10,442,281</u>	<u>2,527,804</u>

Accrued income includes capital funding awarded in advance totalling £8,717,654 (2022: £798,411).

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	889,913	758,912
Other taxation and social security	534,010	506,024
Other creditors	1,245,040	651,494
Accruals and deferred income	2,542,206	2,104,645
	<u>5,211,169</u>	<u>4,021,075</u>

	2023 £	2022 £
DEFERRED INCOME		
Deferred income at 1 September 2022	724,923	742,758
Resources deferred during the year	588,015	724,923
Amounts released from previous periods	(724,923)	(742,758)
Deferred income at 31 August 2023	<u>588,015</u>	<u>724,923</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 2023/24.

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

	2023	2022
	£	£
Other creditors	512,472	572,472

Included within other creditors falling due after more than one year are amounts of £461,880 and £50,000 (2022: £521,880 and £50,000) owed to the ESFA relating to deficits brought in on transfer and conversion in the year ending 31 August 2019 for Parkfield School and UTC Plymouth respectively.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds	1,142,069	981,730	(547,619)	(196,895)	-	1,379,285
	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	65,874	27,897,984	(27,560,699)	(400,236)	-	2,923
High Needs	102,267	6,004,992	(5,976,442)	-	-	130,817
Pupil Premium	12,915	2,217,889	(2,171,943)	-	-	58,861
Other DfE/ ESFA	-	2,237,390	(2,237,390)	-	-	-
Devolved Formula Capital (DFC)	85,606	145,006	(32,932)	(72,432)	-	125,248
School Condition Allocation (SCA)	469,724	855,167	(736,267)	(159,796)	-	428,828
Other government grants	33,767	101,561	(134,281)	-	-	1,047
Other restricted funds	22,380	157,293	(157,295)	-	-	22,378
Strategic School Improvement Fund (SSIF)	39,098	-	-	(39,098)	-	-
Other DfE/ESFA Covid-19 funding	13,804	504,494	(509,198)	(9,100)	-	-
Schools Supplementary Grant	-	731,857	(731,857)	-	-	-
Pension reserve	(5,005,000)	4,000	(451,000)	-	3,369,000	(2,083,000)
	(4,159,565)	40,857,633	(40,699,304)	(680,662)	3,369,000	(1,312,898)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion or from existing Trusts	90,879,117	14,849,518	(1,767,545)	-	-	103,961,090
Capital funding transferred on conversion or from existing Trusts	188,628	-	(20,977)	-	-	167,651
Fixed assets purchased from GAG	828,297	-	(276,715)	386,229	-	937,811
Devolved Formula Capital	269,356	-	(95,227)	72,432	-	246,561
School Condition Allocation	628,828	-	(89,197)	159,796	-	699,427
Other	562,538	-	(213,939)	9,100	-	357,699
Peak Capital Funding	798,411	-	-	-	-	798,411
Energy Efficiency Funding	-	281,070	-	-	-	281,070
Millbay - Strategic School Improvement Capital Budget	-	7,850,177	-	250,000	-	8,100,177
Springfield - Aspen project	-	982,160	-	-	-	982,160
	<u>94,155,175</u>	<u>23,962,925</u>	<u>(2,463,600)</u>	<u>877,557</u>	<u>-</u>	<u>116,532,057</u>
TOTAL RESTRICTED FUNDS	<u>89,995,610</u>	<u>64,820,558</u>	<u>(43,162,904)</u>	<u>196,895</u>	<u>3,369,000</u>	<u>115,219,159</u>

**REACH SOUTH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
TOTAL FUNDS	91,137,679	65,802,288	(43,710,523)	-	3,369,000	116,598,444

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.

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 (UIFS) 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.

UIFS

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.

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19. STATEMENT OF FUNDS (CONTINUED)

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.

Schools Supplementary Grant

Funding from ESFA to provide support for the costs of the Health and Social Care Levy and wider costs.

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.

Fixed assets purchased from GAG

This represents capital expenditure using GAG funds.

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.

Peak Capital Funding

This represents repairs to buildings and modular classrooms.

Energy Efficiency Funding

To prioritise projects that improve school estate's energy efficiency.

Millbay - Strategic School Improvement Capital Funding

To provide 10 classroom extensions and refurbishment.

Springfield - Aspen project

Remodelling of the former residential block into additional classrooms, capital provided by Wiltshire Council.

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 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	1,049,837	820,745	(728,513)	-	-	1,142,069
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	183,056	26,760,275	(26,623,994)	(253,463)	-	65,874
Bursary funding	-	8,043	(8,043)	-	-	-
High Needs	12,880	4,059,533	(3,970,146)	-	-	102,267
Pupil Premium	36,391	2,011,001	(2,034,477)	-	-	12,915
Other DfE/ ESFA	84,023	1,551,887	(1,635,910)	-	-	-
Devolved Formula Capital (DFC)	14,659	125,863	-	(54,916)	-	85,606
School Condition Allocation (SCA)	689,348	784,554	(808,358)	(195,820)	-	469,724
Other government grants	11,202	251,631	(229,066)	-	-	33,767
Other restricted funds	58,955	176,426	(213,001)	-	-	22,380
Strategic School Improvement Fund (SSIF)	157,069	-	(117,971)	-	-	39,098
UIFSM	-	394,752	(394,752)	-	-	-
Teachers' Pension grant	-	163,899	(163,899)	-	-	-
Other DfE/ESFA Covid-19 funding	87,685	237,458	(311,339)	-	-	13,804
Pension reserve	(25,091,000)	(798,000)	(3,309,000)	-	24,193,000	(5,005,000)
	(23,755,732)	35,727,322	(39,819,956)	(504,199)	24,193,000	(4,159,565)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion or from existing Trusts	87,681,298	4,990,360	(1,792,541)	-	-	90,879,117
Capital funding transferred on conversion or from existing Trusts	225,582	-	(36,954)	-	-	188,628
Fixed assets purchased from GAG	776,743	-	(201,909)	253,463	-	828,297
Devolved Formula Capital	342,078	-	(127,638)	54,916	-	269,356
School Condition Allocation	507,334	-	(74,326)	195,820	-	628,828
Other	769,941	-	(207,403)	-	-	562,538
Peak Capital Funding	-	798,411	-	-	-	798,411
	<u>90,302,976</u>	<u>5,788,771</u>	<u>(2,440,771)</u>	<u>504,199</u>	<u>-</u>	<u>94,155,175</u>
TOTAL RESTRICTED FUNDS	<u>66,547,244</u>	<u>41,516,093</u>	<u>(42,260,727)</u>	<u>-</u>	<u>24,193,000</u>	<u>89,995,610</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
TOTAL FUNDS	<u>67,597,081</u>	<u>42,336,838</u>	<u>(42,989,240)</u>	<u>-</u>	<u>24,193,000</u>	<u>91,137,679</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by Academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Drake Primary Academy	110,097	117,139
Goosewell Primary Academy	405,092	308,373
High Street Primary Academy	188,197	169,557
Hill View Primary Academy	480,023	411,594
Malmesbury Park Primary Academy	763,559	657,043
Marlborough Primary Academy	97,349	81,521
Morice Town Primary Academy	224,526	185,729
Pilgrim Primary Academy	366,236	441,620
The Springfields Academy	83,611	56,607
Stoke Damerel Primary Academy	373,529	361,190
Stuart Road Primary Academy	10,471	19,326
Parkfield School	(337,143)	(286,883)
UTC Plymouth	(449,020)	(599,427)
Millbay Academy	(149,610)	(205,794)
Central Function	(31,421)	238,648
Peak Academy	10,574	31,261
Thomas Hall School	3,317	-
Total before fixed asset funds and pension reserve	2,149,387	1,987,504
Restricted fixed asset fund	116,532,057	94,155,175
Pension reserve	(2,083,000)	(5,005,000)
TOTAL	116,598,444	91,137,679

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

	Deficit £
Parkfield School	(337,143)
UTC Plymouth	(449,020)
Millbay Academy	(149,610)

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:

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19. STATEMENT OF FUNDS (CONTINUED)

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.

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 2023 £
Drake Primary Academy	654,445	289,780	35,585	161,755	1,141,565
Goosewell Primary Academy	1,454,538	462,915	73,795	296,823	2,288,071
High Street Primary Academy	433,963	192,415	16,107	140,248	782,733
Hill View Primary Academy	1,812,772	513,003	138,705	380,480	2,844,960
Malmesbury Park Primary Academy	2,228,150	490,607	86,392	483,904	3,289,053
Marlborough Primary Academy	421,425	215,852	33,271	188,844	859,392
Morice Town Primary Academy	649,618	201,605	(6,399)	236,948	1,081,772
Pilgrim Primary Academy	1,523,528	454,725	76,038	358,040	2,412,331
The Springfields Academy	3,350,020	1,020,412	78,161	935,494	5,384,087
Stoke Damerel Primary Academy	1,231,615	286,322	101,529	351,772	1,971,238
Stuart Road Primary Academy	538,166	221,232	33,615	230,027	1,023,040
Parkfield School	1,705,295	530,254	146,003	739,343	3,120,895
UTC Plymouth	2,304,415	656,200	206,042	599,215	3,765,872
Millbay Academy	2,085,247	1,062,350	154,931	647,008	3,949,536
Central Function	426,335	2,954,195	38,481	1,103,923	4,522,934
Peak Academy	884,534	670,197	35,342	304,619	1,894,692
Thomas Hall School	436,424	129,420	27,204	132,704	725,752
ACADEMY TRUST	22,140,490	10,351,484	1,274,802	7,291,147	41,057,923

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 £
Drake Primary Academy	581,502	261,621	24,067	221,373	1,088,563
Goosewell Primary Academy	1,432,404	479,355	94,669	382,475	2,388,903
High Street Primary Academy	376,292	205,401	16,546	218,983	817,222
Hill View Primary Academy	1,648,934	544,292	93,365	455,806	2,742,397
Malmesbury Park Primary Academy	2,000,414	570,164	123,128	526,264	3,219,970
Marlborough Primary Academy	407,183	260,350	15,755	200,178	883,466
Morice Town Primary Academy	672,776	195,591	47,463	264,158	1,179,988
Pilgrim Primary Academy	1,277,485	455,943	78,710	298,400	2,100,604
The Springfields Academy	3,146,845	1,161,221	115,500	891,233	5,314,799
Stoke Damerel Primary Academy	988,364	436,035	63,093	331,775	1,819,267
Stuart Road Primary Academy	568,413	191,156	30,963	225,969	1,016,501
Parkfield School	1,638,067	512,282	82,986	575,943	2,809,278
UTC Plymouth	2,007,381	611,436	117,778	922,857	3,659,452
Millbay Academy	2,177,693	1,160,117	136,355	884,167	4,358,332
Central Function	215,216	2,125,412	8,740	1,315,962	3,665,330
Peak Academy	71,279	47,877	2,104	23,135	144,395
ACADEMY TRUST	19,210,248	9,218,253	1,049,228	7,738,738	37,216,467

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	107,136,238	107,136,238
Debtors due after more than one year	-	-	392,509	392,509
Current assets	1,379,285	6,471,897	9,025,156	16,876,338
Creditors due within one year	-	(5,189,323)	(21,846)	(5,211,169)
Creditors due in more than one year	-	(512,472)	-	(512,472)
Provisions for liabilities and charges	-	(2,083,000)	-	(2,083,000)
TOTAL	1,379,285	(1,312,898)	116,532,057	116,598,444

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	93,324,831	93,324,831
Current assets	1,165,070	5,415,982	830,344	7,411,396
Creditors due within one year	(23,000)	(3,998,075)	-	(4,021,075)
Creditors due in more than one year	-	(572,472)	-	(572,472)
Provisions for liabilities and charges	-	(5,005,000)	-	(5,005,000)
TOTAL	1,142,070	(4,159,565)	94,155,175	91,137,680

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

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	22,091,765	(652,402)
ADJUSTMENTS FOR:		
Depreciation	2,463,597	2,440,771
Capital grants from DfE and other capital income	(10,113,580)	(1,708,828)
Dividends, interest and rents from investments	(629)	(585)
Defined benefit pension scheme obligation inherited	(4,000)	798,000
Defined benefit pension scheme cost less contributions payable	262,000	2,892,000
Defined benefit pension scheme finance cost	189,000	417,000
Decrease/(increase) in debtors	803,177	(1,163,998)
Increase in creditors	1,130,094	998,167
Net income on assets and liabilities from existing Trusts transferred in	(14,849,518)	(5,113,005)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	1,971,906	(1,092,880)

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £	2022 £
Interest	629	585
Purchase of tangible fixed assets	(1,425,486)	(504,201)
Capital grants from DfE Group	1,395,926	1,708,828
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(28,931)	1,205,212

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	6,826,566	4,883,591

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**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	4,883,591	1,942,974	6,826,565

25. CAPITAL COMMITMENTS

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	900,309	-

At 31st August 2023, the Trust had not yet entered into a signed contract for the entire capital project at Millbay Academy. This has subsequently been signed post year end.

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 2020 and of the LGPS 31 March 2019.

Contributions amounting to £593,636 were payable to the schemes at 31 August 2023 (2022 - £523,088) 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 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 2020 valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £2,395,594 (2022 - £2,272,685).

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>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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 2023 was £2,536,000 (2022 - £2,176,000), of which employer's contributions totalled £2,009,000 (2022 - £1,740,000) and employees' contributions totalled £ 527,000 (2022 - £436,000). The agreed contribution rates for future years are 21.9% for Devon, 23.6% for Dorset and 25.1% for Wiltshire for employers and 5.5-12.5 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

	2023	2022
	%	%
Rate of increase in salaries	3.77	3.81
Rate of increase for pensions in payment/inflation	2.92	3.01
Discount rate for scheme liabilities	5.27	4.25

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	17.5 - 21.8	21.7 - 22.1
Females	22.6 - 24.4	22.9 - 24.2
RETIRING IN 20 YEARS		
Males	21.8 - 23.1	22.6 - 23.4
Females	24.0 - 25.3	24.3 - 26.0

SHARE OF SCHEME ASSETS

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	15,100,000	12,865,000
Gilts and bonds	5,831,000	4,986,000
Property	2,779,000	2,817,000
Cash and other liquid assets	427,000	234,000
Other	3,182,000	3,138,000
Total market value of assets	27,319,000	24,040,000

The actual return on scheme assets was £161,000 (2022 - £1,304,000).

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26. PENSION COMMITMENTS (CONTINUED)

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

	2023 £	2022 £
Current service cost	(2,264,000)	(4,509,000)
Past service cost	(7,000)	(123,000)
Interest income	1,064,000	381,000
Interest cost	(1,253,000)	(798,000)
Total amount recognised in the Statement of Financial Activities	(2,460,000)	(5,049,000)

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

	2023 £	2022 £
At 1 September	29,045,000	47,939,000
Transferred in on existing Academies joining the Trust	1,016,000	1,389,000
Current service cost	2,264,000	4,509,000
Interest cost	1,253,000	798,000
Employee contributions	527,000	436,000
Actuarial gains	(5,496,000)	(25,497,000)
Benefits paid	(584,000)	(652,000)
Past service cost	7,000	123,000
At 31 August	28,032,000	29,045,000

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

	2023 £	2022 £
At 1 September	24,040,000	22,848,000
Transferred in on existing Academies joining the Trust	1,020,000	591,000
Interest income	1,064,000	381,000
Actuarial gains	(757,000)	(1,304,000)
Employer contributions	2,009,000	1,740,000
Employee contributions	527,000	436,000
Benefits paid	(584,000)	(652,000)
At 31 August	27,319,000	24,040,000

The Academy Trust has an unrecognised surplus of £1,370,000 (2022 - £Nil) in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Amounts payable		
Not later than 1 year	265,685	254,908
Later than 1 year and not later than 5 years	569,253	599,890
Later than 5 years	153,549	222,307
	<u>988,487</u>	<u>1,077,105</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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

31. POST BALANCE SHEET EVENTS

Post year end Salisbury Academy for Inspirational Learning (SAIL) opened on 1st September 2023.

32. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the Academy Trust received £9,384 and disbursed £9,384 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

33. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

Thomas Hall School

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
TANGIBLE FIXED ASSETS			
Freehold property	6,815,979	8,028,021	14,844,000
Furniture and equipment	5,518	-	5,518
CURRENT ASSETS			
Debtors due after one year	111,645	-	111,645
Cash at bank and in hand	45,772	-	45,772
Creditors due within one year	(157,417)	-	(157,417)
PENSIONS			
Pensions - pension scheme liabilities	(80,000)	84,000	4,000
NET ASSETS	6,741,497	8,112,021	14,853,518

Thomas Hall School joined the Trust on 1 June 2023.

REACH SOUTH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

34. ACADEMY BOARDING TRADING ACCOUNT

	2023 £	2023 £	2022 £	2022 £
INCOME				
Boarding income	-		342,984	
INCOME		-		342,984
DIRECT COSTS				
Educational supplies	-		2,162	
SUPPORT COSTS				
Maintenance of premises and equipment	-		9,445	
Rent and rates	-		2,113	
Energy costs	-		25,917	
Catering	-		21,526	
Office overheads	-		3,780	
Legal and professional fees	-		489	
Wages and salaries	-		380,392	
National insurance	-		17,372	
Pension costs	-		50,853	
TOTAL SUPPORT EXPENDITURE	-		511,887	
TOTAL EXPENDITURE		-		514,049
SURPLUS / (DEFICIT) FOR THE PERIOD		-		(171,065)
Boarding school balances at 1 September 2022		-		53,749
Transfer to unrestricted funds		-		117,316
BOARDING SCHOOL BALANCES AT 31 AUGUST 2023		-		-