

**Education South West
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2023**

Company Registration Number 7451553

Education South West

Financial Statements

Year Ended 31 August 2023

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Education South West

Reference and Administrative Details

Year Ended 31 August 2023

Members

L Chell (resigned 31.8.23)
N Grodhunce
S Marshall
J Pike
M Turgoose (appointed 29.9.23)
L Winston

Trustees

G Austin (appointed Chair 1.9.23)
G Brown (appointed 19.10.23)
J Gibbs (appointed 19.10.23)
K Knott (Chair, resigned 31.8.23)
A Fearon
J Fothergill (resigned 24.11.22)
A Hines (appointed 1.9.22 & Deputy Chair 13.7.23)
D Potter
M Shanks (CEO and Accounting Officer,
appointed 1.9.22)
J Sutton
B Taylor

Senior Management Team:

CEO and Executive Principal
Finance Director and Chief Operating Officer
Director of Education

M Shanks
S White
T Hannon

Executive Head Coombeshead Academy &
South Devon UTC & Director of School
Improvement
Principal Kingsbridge Community College
Principal Dartmouth Academy
Director of School Improvement
Principal King Edward VI Community College
Executive Head Teign School, & Director of
School Improvement

R Coles
T Graham
P Girardot
J Keller
A Salt
S Wharf

Principal and Registered Office

Balkwill Road
Kingsbridge
Devon
TQ7 1PL

Company Registration Number

7451553(England and Wales)

Independent Auditor

PKF Francis Clark
Unit 18, 23 Melville Building East
Royal William Yard, Stonehouse, Plymouth
Devon, PL1 3GW

Bankers

Lloyds TSB
Kingsbridge
Devon

Solicitors

Wolferstans
60-66 North Hill
Plymouth
PL4 8EP

Education South West

Trustees' Report

Year Ended 31 August 2023

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 thirteen academies, comprising four secondaries with sixth form (Kingsbridge Community College, Coombeshead Academy, Teign School and King Edward VI Community College), an all-through academy comprising primary and secondary (Dartmouth Academy), a university technical college (South Devon UTC) and 7 primary academies (Blackawton Primary School, Christow Primary School, Rydon Primary School, Stoke Fleming Primary School, East Allington Primary School, Kingswear Primary School and Wynstream Primary School) serving a catchment area in South Devon. It has a pupil capacity of 8,791 and had a roll of 5,879 in the school census in May 2023.

King Edward VI Community College and Wynstream Primary School joined Education South West on 1 September 2022 and 1 April 2023 respectively.

The Department for Education has approved Kingsteignton Primary School (an academy) and Kingsbridge Primary School (an academy converter) to join Education South West in the Spring of 2024.

Structure, Governance and Management

Constitution

The Multi-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 Trust.

The trustees are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Every trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of Recruitment and Appointment or Election of Trustees

It is accepted that a well-informed, supportive and challenging Trust Board is an essential prerequisite for a successful Multi Academy Trust. The majority of the trustees are appointed by Members who appoint in accordance with the Terms of Reference and Scheme of Delegation. They must ensure a balance of skills and geographical representation. The trustees in turn approve appointments to Local Governing Bodies. In addition, the Chief Executive Officer is a director.

The chairman and vice chairman of the Board are elected annually according to the process outlined in the Board's Terms of Reference.

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Year Ended 31 August 2023

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on their new responsibilities. They attend essential training courses (e.g. interpreting data). We subscribe to the national training and information organisation, the National Governors' Association, in order to give trustees access to updates in national policy and access to essential documents and policy changes. In addition, we organise our own programme of Governor Training and Forum sessions.

Organisational Structure

There are five Members of the Trust. Vacancies are filled by the remaining Members. As guardians of the Trust's ethos and values, their primary function is to have oversight of the governance arrangements of the Trust and to challenge the Board. They have powers to appoint and remove trustees and determine changes to the Articles of Association. They meet several times each year.

The Board is responsible for the management of the Trust and its academies. It determines the strategic direction of the Trust. A minimum of six Board meetings are scheduled annually to oversee finance, educational standards, safeguarding and other matters.

The Board delegates the day to day running of the Trust and the academies to the Chief Executive Officer who has the executive responsibility for implementing Trust Board policies and decisions. The Director of Finance and Chief Operating Officer reports to the Chief Executive Officer and leads the central Shared Services of Finance, Information Technology, Human Resources, Facilities Management, Catering, Procurement, Marketing, Data and Administration.

In accordance with the Academy Trust Handbook, the trustees appointed the CEO as the Accounting Officer and the Director of Finance and Chief Operating Officer as the Principal Finance Officer.

All Trust academies have Local Governing Bodies. They challenge the academy head teachers and are tasked by the Board to scrutinise the activities of their academies, focusing on safeguarding, achievement and school improvement. They identify risks and propose budgets to the Board for approval.

Arrangements for setting pay and remuneration of key management personnel

All senior managers follow an annual appraisal process as set out in the Appraisal Policy. This involves setting targets for the year and then a review process to assess achievement. This then leads to a pay recommendation which is put for scrutiny and approval to a Remuneration Committee, made up of trustees from the Board.

The Trust does not operate a bonus scheme. Performance Management is carried out by that person's line manager; in the case of the CEO, this is carried out by the Chair of the Board and other trustees.

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Year Ended 31 August 2023

Trade union facility time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following tables summarise the time spent by employees on facility time.

Relevant union officials

Number of employees who were relevant union officials during the period	Full time equivalent employee number
7	5.8

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total Pay Bill	-
Percentage of pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities	-
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Connected Organisations, including Related Party Relationships

Kingsbridge Community College has been a designated National Teaching School since 2011, and has been leading the South West Teaching School Alliance since then, and staff involved in and leading this activity are employed by Education South West. This activity continues to develop and Education South West were asked to pilot the new teaching school hub which covers all the schools in Devon, Torbay and Plymouth; from September 2021 South West Institute for Teaching (SWIFT), which supersedes preceding alliances, assumed this responsibility and is led by Education South West.

Five registered charities (note 12) organised by parents, staff and other members of the community have as their object raising funds for particular academies within the Trust.

Engagement with employees (including disabled persons)

Trust policies, including recruitment and selection, accessibility, equality and managing sickness and absence include policy with respect to the inclusion and support of disabled staff. The Trust is committed to ensure that throughout recruitment and selection, no applicant is disadvantaged or discriminated against because of protected characteristics including disability; exceptions are roles which require the performance of tasks which the person cannot be supported to carry out. The Trust ensures equality of career development and opportunity for all staff. In instances where staff become disabled during employment with the Trust, wherever possible, adjustments are made to support the continuity of employment.

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Trustees' Report

Year Ended 31 August 2023

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

In line with Objects and Aims the core group of customers of the Trust are the students who attend our schools and, by extension, their parents. Engagement with the students is a matter of day to day practice; engagement with parents, is both proactive and reactive, ensuring that parents are provided with information in respect to their child's educational performance, special educational needs and pastoral support requirements. Parents evenings also provide a scheduled communication between parents, teachers and students.

Procurement for the Trust is centrally managed and as referenced in the Strategic Report section of this Trustee's report a developed network of suppliers is in place.

The wider community are encouraged to make use of the Trusts facilities outside of core school hours. Approximately 100 community groups, including sport, drama and other leisure activities, involving children and adults, use the Trusts facilities throughout the year.

Objectives and Activities

Objects and Aims

The objects and aims of the Trust are to advance for the public benefit education in the United Kingdom. In particular we do this by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age.

Our aims and aspirations

Our purpose: We educate children so they can lead great lives.

Expect the best

The relentless pursuit of excellence drives every aspect of our work. We understand that this is a journey best undertaken by working closely with others within Education South West and beyond.

Challenge and pace are integral to our culture. We support students and staff to rise to that challenge, and feel the joy and satisfaction that comes when we are working at our best.

Learners with character

Our staff are committed to continuous improvement. We support them with high-quality, tailored programmes of professional development whatever their role and stage in their career.

We inspire students to develop the knowledge and character that enable them to leave school ready to lead rewarding lives in a rapidly changing world. Cultural, sporting and artistic experiences help them discover their full potential. They further develop character through a resilient, determined and positive response to challenge. We want students to leave with the academic qualifications, skills and personal attributes that open doors to a fulfilling future.

Care about people and the environment

To be caring and considerate, kind and respectful is at the heart of everything we do. We carefully nurture the centrality of such relationships with others in our schools, with parents, our local and, ultimately, our global communities.

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Caring for people leads us to care for our environment. This starts with our own schools and ends with our planet. The curriculum we follow and the attitudes we nurture are our contribution to a sustainable future.

Everyone is a leader

Our students are the leaders of tomorrow. We create rich opportunities for students to work in teams and learn by leading.

Every member of staff in every school is a role model. We all influence, challenge and inspire the young people around us through our words and actions. We recognise that the best leadership releases the potential in others, and builds the possibility of great lives for us all.

Objectives, Strategies and Activities

By capitalising on our collective strength and resources, we:

- Raise the academic achievement and personal growth of all our students.
- Improve the quality of teaching and learning by providing better opportunities for staff to create new knowledge and develop skills.
- Provide better support services at improved value for money to increase resources for teaching and learning.
- Recruit and retain higher quality staff by offering opportunities across the group.
- Support and hold each academy to account through stronger governance.
- Build a cohesive identity rooted in the unique identity of each academy.

Public Benefit

The trustees have ensured through review and monitoring of the activities of each Academy within its Trust that the primary objective of the Academy Trust to provide education for the public benefit has been met.

Strategic Report

Achievements and Performance

Public examinations showed a similarity across the Trust on Progress 8 when compared with 2019. In line with expectations and national performance, higher grades were fewer this year as Ofqual seek to redress the position created by teacher assessed grades. KS2 tests for the Trust were at or above national with one school experiencing an expected dip.

Our gap between the outcomes for disadvantaged and other children has not closed sufficiently, again mirroring the picture nationally. An objective focusing upon this key area remains in the Trust strategic plan.

We continue to sponsor SW100, a course which seeks to develop and grow leaders within the south west with a specific focus upon disadvantage, having been a founder member of this programme we are pleased that this has extended to cover Trust leadership also.

As in previous years, we provide leadership and development opportunities for staff within and outside of Education South West. We continue to lead, in collaboration with Colyton Grammar School, the South West Institute for Teaching, SWIFT. We also continue to provide staff to lead on training and research as part of the Kingsbridge Research Hub. Many senior staff lead on the delivery of National Professional Qualifications for teaching staff. This year Education South West became a founding Associate College

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of the National Institute for Teaching, and also were awarded ITE status. In keeping with our desire to work collaboratively with as many like-minded partners as possible for the benefit of all children, we have called this institute SWIFT ITE so that all schools can feel part of this important institute.

Achievement outside the classroom continue to be strong. Our students have once again taken part in a host of external enrichment opportunities including trips abroad, Ten Tors, Youth Parliament, Duke of Edinburgh Award Scheme and a variety of dance, drama, music and sporting fixtures.

During the year four secondary schools and two primary schools were inspected by Ofsted and judged to be good in all areas.

Risk Management

The trustees use the Risk Register as defined in the Academy Trust Handbook to evaluate strategic and reputational, operational, compliance, and financial risks to which the Academy Trust is exposed and have ensured that the management structure, systems and controls are in place to manage these risks, as well as insurance to cover financial loss and legal exposure.

Going Concern

At the year end the Trust held £7,042k (2022 - £7,380k) in cash; at 30.9.23, and 25.10.23 cash balances were respectively £6,998k and £6,546k. Cash levels are predicted to remain at a similar level throughout the year and at the end of August 2024 are estimated to be £6,700k.

The Trust has prepared a budget for 23/24 showing a planned deficit before depreciation and FRS102 adjustments of £476k. The budget for 23-24 is the aggregation of 13 schools, plus the teaching school hub and initial teacher training activity and includes locations with surplus budgets and locations with deficit budgets. In all cases where a budget deficit is being set, there is a financial plan connected with planned future savings and/or increase in roll with a high probability, including where the roll is already on an upward trajectory, but for which the lagged funding contributes to a short-term deficit. Of particular note is that the trust continues to support the relaunch of the previously failed South Devon UTC which the Trust agreed to take on from February 2021, with associated deficit financial planning in the early years; this school accounts for £398k of the planned deficit. In addition, unfunded start-up costs relating to the launch of the initial teacher training contributes £111k to the 23-24 deficit; this is short-term and will be recovered once the trainee teachers enrol from September 2024.

The potential deficit will be consolidated with reserves carried forward at the end of 31 August 2023 of £2,406k (2022 - £2,729k) on the general restricted fund and £1,430k (2022 - £1,643k) on the unrestricted fund. Since the budget was set for 23-24, changes to the sixth form funding rates by the ESFA have improved the budget deficit position by £164k.

The Trust commenced the financial period 23-24 with £3.83 million in reserves as noted above, and a cash balance of £7.0 million. This strong financial position is complemented by the normal detailed and continuous annual financial forecasting reported to the Finance Committee each month; in addition, a three-year rolling financial forecast maintained to ensure the long term is managed in conjunction with financial management decisions taken in the current period to manage the outcome.

Considering the level of reserves and cash balances held by the Trust, along with the strong financial management, planning and monitoring, the trustees are of the opinion that there are no material uncertainties in relation to going concern and they consider that the Trust has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, the Trust 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.

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Promoting the success of the company

The trustees are responsible for promoting the success of the charity to achieve its charitable purposes, included within the Objects and Aims section of this trustees' report.

The Governance Statement included within this Annual Report defines the mechanisms through which the trustees ensure appropriate governance of the Trust. The trustees' key role is holding the CEO to account for the continued improvement of educational outcomes and the stability of the financial status of the Trust. The trustees ensure that strategic planning with respect to organisation, development of educational provision and sound financial planning, will deliver a sustained development path for the Trust.

Key Financial Performance Indicators

The key financial performance indicator for the Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy is Government or Local Authority funded and therefore the income of the Academy is largely a given.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The trustees have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable.

Financial Review

The Trust held fund balances at 31 August 23 of £108,821,000 (2022 - £78,140,000) comprising £107,391,000 (2022 - £76,497,000) of restricted funds and £1,430,000 (2022 - £1,643,000) of unrestricted funds. A pension reserve deficit on the Local Government Pension Scheme of £2,540,000 (2022 - £5,093,000) is included in the restricted funds balance.

In accordance with the Funding Agreement, the principal source of general funding with which to finance the operations of the Academy Trust, is the Department for Education. £317,000 (2022 - £107,000) of general funding was spent on tangible fixed assets and £11,000 (2022 - £79,000) on intangible fixed assets.

The Trust spent £2,825,000 on tangible fixed assets. £1,505,000 of this was spent on buildings, which included £597,000 for an internal inclusion centre at Kingsbridge Community College; £115,000 condition works for a SEN centre, £90,000 to upgrade teaching spaces for creative arts, and £32,000 to improved sixth form facilities at Coombeshead Academy; £200,000 on the redevelopment of a teaching block and £250,000 upgrade of sixth form teaching and study spaces at Teign School; as well as general refurbishment across the Trust's schools.

£431,000 (2022 - £96,000) of redundancy costs were incurred in the period.

Principal Risks and Uncertainties

The principal risk facing the Trust is the future level of Government Funding and the relentless rise in staff costs, along with general inflation. These risks are managed by rigorous financial management and careful control over budgeted expenditure which ensures that an unplanned deficit does not arise for the year, combined with a prudent reserves policy.

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Reserves Policy

As at 31 August 2023, excluding fixed asset funds and pension deficits, £2,406,000 (2022 - £2,729,000) of restricted funds and £1,430,000 (2022 - £1,643,000) of unrestricted funds were held.

Restricted funds carried forward comprise Other Dfe/ESFA grants £229,000 and Other Grants £526,000. £218,000 of the Other Dfe/ESFA balance carried forward is held as a reserve to protect against financial risk.

Other Grants balance carried forward are specific funds, which includes £18,000 redundancy reserve for Nursery Outreach, £51,000 relating to collaborative work with other schools, £80,000 connected with Research School and teaching school activities.

Unrestricted funds are held to provide funds for essential capital replacement and to support the future stability of the Trust in the face of falling education funding and challenges with respect to maintaining the roll.

Investment Policy

The Trust has no investments other than cash balances. The Trust's current account is held by Lloyds Bank; at 31 August 2023, £500,000 is held on deposit at Virgin Money.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use date for the period 1 September 2022 to 31 August 2023	
Energy consumption used to calculate emissions (kWh)	7,657,912
Energy consumption break down (kWh)	
• gas	4,169,871
• electricity (grid)	3,156,561
• transport fuel	178,430
• Oil	14,978
• Electricity (on-site renewables)	137,072
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas consumption	767.2
Owned Transport	17.1
Total Scope 1	784.3
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	653.6
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee owned vehicles	26.2
Total gross emissions in metric tonnes CO ₂ e	1,464.1
<u>Intensity ratio</u>	
Tonnes CO ₂ e per pupil	0.249
Tonnes CO ₂ e per square metre	0.020

Quantification and Report Methodology:

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Ltd.

The electricity, gas, oil, and minibus diesel consumption were compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic and wind generated electricity is quantified using meter readings; however, exported

Education South West

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renewable energy is not measured so the measure of renewable energy consumed on site has not been quantified. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur because of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

Intensity ratio:

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

Measures taken to improve energy efficiency:

The Trust is committed to reducing its longer term emissions which has seen the implementation of numerous energy efficiency measures, some of which include:

- Implementation of a monitoring programme via the Zenergi portal as well as the installation of SMART meters across all sites within the Trust at the beginning of the 2022/23 academic year.
- Control review of heating leading to refinement of running times at Stoke Fleming Primary School and Blackawton Primary.
- Dartmouth Academy: Andrew's water heater has been replaced.
- Kingsbridge Community College: Westville Block water heater has been replaced.
- South Devon UTC: Identified that heat recovery units had not been running efficiently, operational amendments have reduced consumption by constantly, these have since been turned off saving 20,800kWh.
- King Edward VI Community College: TRVs replaced on radiators to improve control.
- Implementation of new communication strategy "Turn off" – light switch stickers on all lights and reminders to turn off all equipment during holiday period, and energy usage and comparative targets shared and promoted across the Trust.
- Improved maintenance efficiencies at Coombeshead Academy, new double glazed windows at SEN centre.
- Teign School: new double glazing at one block, and another block boiler room replaced and refitted with valve jackets to prevent heat loss.
- East Allington Primary School: hot water pipe supply reviewed and re-lagged in boy's toilet reducing heat loss.
- The rolling programme of replacing old lighting with energy efficient LED lighting has continued from last year into this reporting year across multiple schools.

Education South West

Trustees' Report

Year Ended 31 August 2023

Plans for Future Periods

Wynstream Primary School joined ESW on April 1st 2023; the Trust has been working with the school for the previous 6 months.

We continue to be in discussion with a number of schools about joining Education South West. The Department for Education has approved Kingsbridge and Kingsteignton Primary Schools joining the Trust, expected to be concluded during the 23-24 year. Exmouth Community College, a standalone academy, has made formal application to join also, we await approval.

We continue to support and challenge the schools within Education South West with our experienced school improvement team, which includes 3 National Leaders of Education, 6 trained lead Ofsted Inspectors and 2 former Her Majesty's Inspectors, who also work across a number of other schools and MATS providing school improvement support and guidance. We also have management partnerships through Trust School Improvement work nominated by the DfE, with a standalone academy trust, a primary school and a secondary school. We are the Trust School Improvement partner for 1 academy trust and 1 secondary school. Our CEO chairs the Department for Education Headteacher Reference Group and was also seconded to the role of Head of Education for Devon County Council. We are proud of the role we play as a system leader and as an improver of education for all children.

Our Strategic Improvement Plan continues to be the focus of our work. Our focus continues to be on developing outstanding provision in all of our schools; enabling every young person to flourish and realise their full potential. We are proud to be one organisation in which every member of staff has a collective responsibility for all of our children.

We believe that education makes children's lives better. A good education enables children to lead great lives in every sense of the word. We believe that every child has the right to achieve all that they are capable of and at the heart of any organisation are its people. At Education South West we are a people focused trust. Our core business is educating and developing people.

We aim to develop active, happy, inquisitive, globally aware adults who are articulate, numerate and literate; compassionate, respectful and empathetic; thoughtful, confident and resilient; innovative, creative and artistic; healthy in body and mind who aspire to a diverse and rewarding future of opportunities and are able to stand up for their principles.

Every child who is educated at an Education South West school will be entitled to a curriculum which is broad and balanced yet personalised to recognise and build upon an individual's talent, enabling them to access new experiences. We expect our children to develop meaningful practical skills as well as academic ones. Students in Education South West schools will be financially literate as well as know about the environment and the importance of sustainable living.

Whilst recognising the challenges within the Trust, the Trust will continue, where possible, and not to the detriment of the Trust's schools, to export advice, resources and support to other schools and local authorities to help to address challenges faced by those organisations.

Fundraising

The Academy Trust's fundraising activity is limited to events held at the schools which are managed by the schools leadership team. These events typically involve staff, students, parents and members of the local community in raising funds for the schools fund accounts, schools equipment or in support of another designated charity. This activity continued to be impacted by COVID-19 during the year.

Education South West

Trustees' Report

Year Ended 31 August 2023

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the 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 and paid and any balances held are disclosed in note 30. As of the 31 August 2023 undistributed bursary funding of £157,000 was held on the Trust's balance sheet.

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 Trustees' Report, incorporating a Strategic Report was approved by order of the Board on 7th December 2023 and signed on its behalf by:

.....
Graham Austin
Chair

Education South West

Governance Statement

Year Ended 31 August 2023

Scope of responsibility

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

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

The trustees have delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Education South West and Secretary of State for Education. He is also responsible for reporting to the trustees any material weaknesses or breakdown in internal control.

In order to manage conflicts of interest the Trust maintains a database of interests for all business interests (detailing company directorships, partnerships, sole trader and employment activities and ownership and control thereof), family related business interests, and other Governor/Trustee roles, for all trustees, local governing body members, and senior executive leaders across the trust.

A standing agenda item exists for all board and governing body committee meetings at which members are invited to declare any new interests. Annually the governance professional seeks affirmation or update to the data held for each person on the database, via secure and personally validated electronic submission. The register for all trustees and governing body members is published on the Trust website.

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Governance Statement

Year Ended 31 August 2023

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The full Trust Board has formally met six times during the year. Attendance during the year at meetings of the board was as follows:

Trustee	Meetings attended	Out of a possible
K Knott (Chair 1.9.22, resigned 31.8.23)	6	6
G Austin (Appointed Chair, 1.9.23)	6	6
A Fearon	6	6
J Fothergill (resigned 24.11.22)	1	1
A Hines	6	6
D Potter	6	6
M Shanks	6	6
J Sutton	6	6
B Taylor	5	6

The Finance Committee formally met 4 times during the year. Attendance during the year at meetings of the Finance Committee was as follows:

Governor/Trustee	Meetings attended	Out of a possible
G Austin (appointed Chair 1.9.22)	4	4
N Bustin (resigned 3.11.22)	0	1
A Fearon	4	4
A Hines	4	4
J Fothergill (resigned 24.11.22)	1	1
M Shanks	3	4
M Wheatley	4	4

The Performance and Standards Committee met 6 times during the year. Attendance during the year at meetings of the Committee was as follows:

Governor/Trustee	Meetings attended	Out of a possible
G Austin	2	5
A Fearon	5	5
K Kemp	1	3
D Potter (resigned 12.6.23)	4	4
B Taylor	4	5

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Governance Statement

Year Ended 31 August 2023

Review of Value for Money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved.

The Trust has once again worked to ensure value for money across its schools.

Each school leadership team works with the Trust executive team to ensure every penny is utilised effectively. Savings have been identified where possible across all schools and resources put into frontline, classroom delivery.

The Director of Education and her team continues to provide the capacity, partnering with Headteachers in our schools, to ensure focus on impactful improvement strategies across all schools in the Trust. The Trust continues to invest in the development of the curriculum, high quality professional development for staff, trustees and governors.

Our specialist shared service teams utilise their expertise to seek efficiencies at all times and the operation we run continues to look to ensure that all resources go to making the experience for the child in the classroom the best it can be.

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 to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Education South West for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The trustees have 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 is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 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.

Education South West

Governance Statement

Year Ended 31 August 2023

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees;
- regular reviews by the trustee assigned to Finance and the Finance Committee, and the Board, of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and decided to appoint M. Wheatley, a member of the Finance Committee to carry out a programme of internal checks on the Trust's financial systems and processes. The checks carried out in the current period included testing to assess:

- the risk that suspense accounts are not cleared or reconciled
- the risk that changes to payroll are improperly authorised
- the risk that expense claims are not authorised
- the risk that casual claims are not properly authorised
- the risk that suppliers are not being paid in a timely manner

Following each visit, a report is forwarded to the Chair of the Finance Committee, and annually a report encompassing all of the reports is presented to the Finance Committee. The planned schedule of works has been carried out and no control issues have arisen.

Review of Effectiveness

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

- regular update meetings with the Director of Finance & Chief Operating Officer, setting of budgets, and detailed review of management information;
- the requirement of the Director of Finance & Chief Operating Officer to provide detailed financial reports to the Board and the Finance Committee
- review of the reports of the internal controls reviewer which have not given rise to any internal control weaknesses.

Approved by order of the Board on 7th December 2023 and signed on its behalf by:

Graham Austin
Chair

Matthew Shanks
Accounting Officer

Education South West

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2023

As accounting officer of Education South West, 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 governing body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the 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.

Matthew Shanks
Accounting Officer

Education South West

Statement of Trustees' Responsibilities

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 2022 to 2023 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022-23;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 the Board on 7th December 2023 and signed on its behalf by:

Graham Austin
Chair

Education South West

Independent Auditor's Report on the Financial Statements to the Members of Education South West

Year Ended 31 August 2023

Opinion

We have audited the financial statements of Education South West (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a

Education South West

Independent Auditor's Report on the Financial Statements to the Members of Education South West

Year Ended 31 August 2023

material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the education sector in which it operates to identify the key laws and

Education South West

Independent Auditor's Report on the Financial Statements to the Members of Education South West

Year Ended 31 August 2023

regulations affecting the entity. The key laws and regulations we identified were compliance with the funding agreement and Academy Trust Handbook 2022 and requirements with regard to safeguarding.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Academies Accounts Direction 2022/23, Companies Act 2006 and Charities Act 2011.

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Conducting detailed regularity testing in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts as issued by the ESFA, as reported on separately in our Independent Reporting Accountant's Assurance Report;
- Reviewed Board and Finance Committee minutes for indications of non compliance;
- Reviewed legal and professional costs to identify legal costs in respect of non compliance;
- Discussed the procedures in place for ensuring the safeguarding of pupils, including DBS checks and identified those staff and governors with responsibility for overseeing these areas;
- Reviewed the accounts disclosures against those in the Academies Model Accounts 2022 to 2023, published by the ESFA.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. We determined that these risks are low as the academy operates on a charitable, not for profit basis and so there would be no motivation for management to influence performance for individual gain. However, there was considered a risk of the inappropriate allocation of expenditure against restricted funds.

In response to the identified risk, as part of our audit work we:

- Reviewed the material restricted grant income sources, identified the related conditions and reviewed the nature of expenditure set against it for appropriateness, together with sample testing on expenditure;
- Used data analytics to test journal entries throughout the period, for appropriateness;
- Reviewed accounting estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

Education South West

Independent Auditor's Report on the Financial Statements to the Members of
Education South West

Year Ended 31 August 2023

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

Use of our report

This report is made solely to the Academy'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's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

PKF Francis Clark
Unit 18, Melville Building East
23 Royal William Yard, Plymouth
Devon, PL1 3GW

Date:.....

Education South West

Independent Reporting Accountant's Assurance Report on Regularity to Education South West and the Education and Skills Funding Agency

Year Ended 31 August 2023

In accordance with the terms of our engagement letter dated 13 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education South West during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Education South West and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Education South West and the 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 Education South West and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Education South West's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Education South West's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academy Trust Handbook 2022, 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 from 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.

The Trust's responsibilities with regards to estates safety and management are not included within the scope of our engagement.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

Education South West

Independent Reporting Accountant's Assurance Report on Regularity to Education South West and the Education and Skills Funding Agency

Year Ended 31 August 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

.....
Duncan Leslie
PKF Francis Clark, Chartered Accountants

PKF Francis Clark
Unit 18, Melville Building East
23 Royal William Yard, Plymouth
Devon, PL1 3GW

Date:.....

Education South West

Statement of Financial Activities for the year ended 31 August 2023

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2023 £000	Total 2022 £000
Income & endowments from:						
Donations and capital grants	2	1	11	1,655	1,667	1,227
Transfer from foundation school	2	-	(11)	19,876	19,865	-
Transfer from local authority	2	-	(134)	8,961	8,827	-
Charitable Activities						
Funding for the Academy's educational operations	5	1,623	38,055	-	39,678	30,076
Teaching schools	6	-	750	-	750	634
Other Trading Activities	3	720	240	-	960	800
Investments	4	3	-	-	3	1
Total		2,347	38,911	30,492	71,750	32,738
Expenditure on:						
Raising funds	6	20	-	-	20	26
Charitable activities:						
Academy's educational operations	7	1,698	39,760	3,045	44,503	35,130
Teaching Schools		-	733	-	733	610
Total	6	1,718	40,493	3,045	45,256	35,766
Net income/(expenditure) before transfers		629	(1,582)	27,447	26,494	(3,028)
Gross transfers between funds	19	(842)	(375)	1,217	-	-
Net income/(expenditure) for the year		(213)	(1,957)	28,664	26,494	(3,028)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	19,28	-	4,187	-	4,187	18,434
Net movement in funds		(213)	2,230	28,664	30,681	15,406
Reconciliation of funds						
Funds brought forward at 1 September 2022		1,643	(2,364)	78,861	78,140	62,734
Funds carried forward at 31 August 2023		1,430	(134)	107,525	108,821	78,140

Education South West

Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account)

The statement on this page provides the detailed comparatives for the year ended 31 August 2022.

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000
Income & endowments from:					
Donations and capital grants	2	10	10	1,207	1,227
Transfer from academy trust	2	-	-	-	-
Charitable Activities					
Funding for the Academy's educational operations	5	1,203	28,873	-	30,076
Teaching schools		-	634	-	634
Other Trading Activities	3	592	208	-	800
Investments	4	1	-	-	1
Total		1,806	29,725	1,207	32,738
Expenditure on:					
Raising funds	6	26	-	-	26
Charitable activities:					
Academy's educational operations	7	1,258	31,396	2,276	35,130
Teaching Schools		-	610	-	610
Total	6	1,284	32,006	2,476	35,766
Net (expenditure)/income before transfers		522	(2,281)	(1,269)	(3,028)
Gross transfers between funds	19	(433)	(193)	626	-
Net (expenditure)/income for the year		89	(2,474)	(643)	(3,028)
Other recognised gains and losses					
Actuarial surplus on defined benefit pension schemes	19,28	-	18,434	-	18,434
Net movement in funds		89	15,960	(643)	15,406
Reconciliation of funds					
Funds brought forward at 1 September 2021		1,554	(18,324)	79,504	62,734
Funds carried forward at 31 August 2022		1,643	(2,364)	78,861	78,140

Education South West

Balance Sheet as at 31 August 2023
Registration number 7451553

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	13		68		78
Tangible assets	14		105,426		77,178
Current assets					
Stock	15	85		76	
Debtors	16	2,643		1,056	
Cash at bank and in hand		7,042		7,380	
		<u>9,770</u>		<u>8,512</u>	
Creditors: Amounts falling due within one year	17	<u>(3,831)</u>		<u>(2,510)</u>	
Net current assets			<u>5,939</u>		<u>6,002</u>
Totals assets less current liabilities			<u>111,433</u>		<u>83,258</u>
Creditors: Amounts falling due after more than one year	18		(72)		(25)
Net assets excluding pension liability			<u>111,361</u>		<u>83,233</u>
Pension scheme liability			<u>(2,540)</u>		<u>(5,093)</u>
Total net assets			<u>108,821</u>		<u>78,140</u>
Funds of the academy Trust:					
Restricted funds					
Fixed asset funds	19		107,525		78,861
General funds	19		2,406		2,729
Pension reserve	19		(2,540)		(5,093)
Total restricted funds			<u>107,391</u>		<u>76,497</u>
Unrestricted funds	19		<u>1,430</u>		<u>1,643</u>
			<u>1,430</u>		<u>1,643</u>
Total funds			<u>108,821</u>		<u>78,140</u>

The financial statements on pages 25-55 were approved by the trustees, and authorised for issue on 7 December 2023 and are signed on their behalf by:

Graham Austin
Chair

Education South West

Statement of Cash Flows for the year ended 31 August 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	450	1,489
Cash flows from investing activities	23	(788)	(264)
Change in cash and cash equivalents in the reporting period		(338)	1,225
Cash and cash equivalents as 1 September 2022		7,380	6,155
Cash and cash equivalents as 31 August 2023	25	7,042	7,380

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

1. Statement of Accounting Policies

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Education South West meets the definition of a public benefit entity under FRS102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future, and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and the amount can be reliably measured.

- **Donations**

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured. Donations in kind are recorded as unrestricted income.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **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 net 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 Donations and capital grant income to the net assets acquired.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost, and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. The only intangible assets owned by the Trust are computer software for which the expected useful life coincides with the terms of the license.

Tangible Fixed Assets

Assets 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Computer equipment	20%
Plant and equipment	33%
Fixtures and fittings	25%
Motor Vehicles	33%

Buildings are depreciated over 50 years. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

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.

Stock

Stocks of catering provisions, cleaning consumables, and stationary are valued at cost.

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

Taxation

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

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

Pensions Benefits

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

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 and the contributions recognised as they are paid each year.

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 gains and losses on settlements and curtailments. They are included as part of staff costs.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

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 on other recognised gains and losses.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Agency Arrangements

The Trust acts as 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 Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 2% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2023	Total 2022
	£000	£000	£000	£000	£000
Donated Capital funds	-	-	91	91	455
Devolved Formula Capital allocations	-	-	131	131	120
Other donations	1	11	37	49	20
ESFA Schools Condition Allocation	-	-	589	589	632
ESFA Energy Grant	-	-	276	276	-
Capital allocation from LA	-	-	531	531	-
Transfer from LA	-	(134)	8,961	8,827	-
Transfer from academy trust	-	(11)	19,876	19,865	-
	<u>1</u>	<u>(134)</u>	<u>30,492</u>	<u>30,359</u>	<u>1,227</u>

3 Other Trading Activities

	Unrestricted Funds	Restricted General Funds	Total 2023	Total 2022
	£000	£000	£000	£000
Educational lecturing/consultancy	401	-	401	291
Community & Letting income	215	-	215	152
Miscellaneous income	104	-	104	149
Preschool Income	-	163	163	165
Student contributions	-	77	77	43
	<u>720</u>	<u>240</u>	<u>960</u>	<u>800</u>

4 Investment Income

	Unrestricted Funds	Restricted General Funds	Total 2023	Total 2022
	£000	£000	£000	£000
Interest on short term deposits	3	-	3	1
	<u>3</u>	<u>-</u>	<u>3</u>	<u>1</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

5 Funding for Academy's educational operations

	Unrestricted Funds	Restricted General Funds	Total 2023	Total 2022
	£000	£000	£000	£000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	31,932	31,932	24,927
UIFSM	-	158	158	143
Pupil Premium	-	1,242	1,242	882
Other DfE / ESFA grants	-	2,366	2,366	1,049
	<u>-</u>	<u>35,698</u>	<u>35,698</u>	<u>27,001</u>
Other Government grants				
SEN from LA	-	1,070	1,070	690
Other Funds from LA	-	554	554	594
Other Income	-	121	121	206
	<u>-</u>	<u>1,745</u>	<u>1,745</u>	<u>1,490</u>
Other Income				
Catering Income	1,623	-	1,623	1,203
Other Income	-	612	612	382
	<u>1,623</u>	<u>612</u>	<u>2,235</u>	<u>1,585</u>
	<u>1,623</u>	<u>38,055</u>	<u>39,678</u>	<u>30,076</u>
Teaching School Hub				
Dfe / ESFA Grants	-	274	274	231
Other Income	-	476	476	403
	<u>-</u>	<u>750</u>	<u>750</u>	<u>634</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

6 Expenditure

	Staff Costs	Non Pay Expenditure	Other	Total	Total
	£000	Premises £000	Costs £000	2023 £000	2022 £000
Expenditure on raising funds					
Allocated support costs	-	-	20	20	26
Academy's educational operations					
Direct costs	27,161	-	3,205	30,366	22,793
Allocated support costs	5,226	5,395	3,085	13,706	12,241
Redundancy costs	431	-	-	431	96
Teaching School Hub					
Direct Costs	203	-	530	733	531
Allocated support costs		-			79
	<u>33,021</u>	<u>5,395</u>	<u>6,840</u>	<u>45,256</u>	<u>35,766</u>

Net (income)/expenditure for the year is after charging:

	2023 £000	2022 £000
Fees payable to auditor - audit	26	21
Fees payable to auditor - other services	7	4
Depreciation	3,024	2,454
Amortisation of intangible fixed assets	21	22
Profit on sale of fixed assets	-	3
Operating Leases – plant and machinery	<u>57</u>	<u>41</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

7 Charitable Activities

	Total 2023 £000	Total 2022 £000
Direct Costs – educational operations	30,441	22,889
Support Costs – educational operations	14,062	12,241
	44,503	35,130

Analysis of support costs	Educational Operations £000	Total 2023 £000	Total 2022 £000
Support Staff Costs	5,581	5,581	5,994
Depreciation	3,024	3,024	2,454
Technology Costs	522	522	353
Premises Costs	2,357	2,357	1,297
Other Support Costs	2,480	2,480	2,079
Governance Costs	98	98	64
Total Support Costs	14,062	14,062	12,241

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

8 Staff costs

Staff costs during the period were:	2023 £000	2022 £000
Wages and salaries	24,055	18,455
Social security costs	2,386	1,820
Pension costs	5,598	6,046
	32,039	26,321
Supply teacher costs	551	381
Redundancy costs	431	96
	33,021	26,798

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2023 No.	2022 No.
Teachers	372	289
Education support	306	232
Administration and support	156	135
Management	50	38
	884	694

Higher Paid Staff

The number of employees whose emoluments exceed £60,000 was:

	2023 No.	2023 No.
£60,001 - £70,000	18	12
£70,001 - £80,000	7	5
£80,001 - £90,000	2	1
£90,001 - £100,000	-	2
£100,000 - £110,000	5	2
£110,000 - £120,000	1	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	1
£140,000 - £150,000	1	-

Of the above employees, 33 (22, 2022) participated in the Teachers' Pension Scheme. During the year ended 31 August 2023, pension contributions for these employees amounted to £586,164 (2022: £392,186).

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

Key management personnel

The key management personnel of the Trust comprise the trustees, the senior management team listed on page 1, and the leadership teams of each academy in the Trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £4,669,911 (2022: £2,938,477).

9 Central Services

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

- human resources
- financial, accounting and procurement services
- legal services
- management of the catering operation
- facilities management
- IT services
- communications and marketing
- educational support services

The staff and related costs with respect to the provision of these services is allocated to the individual academies in the Trust according to affordability, shared based on core pupil funding as a proportion of the total core pupil funding for the Trust.

The actual amounts charged during the year were as follows:

	2023	2022
	£000	£000
Kingsbridge Academy	809	719
Dartmouth Academy	277	253
Blackawton Primary School	68	60
Stoke Fleming Primary School	70	60
East Allington Primary School	55	47
Kingswear Primary School	32	24
Coombeshead Academy	623	598
Teign School	634	542
Rydon Primary School	206	187
Christow Primary School	56	41
South Devon UTC	143	68
King Edward VI Community College	579	-
Wynstream Primary School	80	-
	3,632	2,599

10 Related Parties Transactions - Trustees' remuneration and expenses

Trustees only receive remuneration in respect of services they provide undertaking the role of CEO and Executive Principal and not in respect of their services as trustees. Local governors did not receive any payments from the Trust in respect of their role as governors. The value of the trustees' remuneration and other benefits was as follows:

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

M Shanks (CEO and Executive Principal):

Remuneration £140,000-£150,000 (2022: £130,000-£140,000)
Employers pension contributions £30,000-£35,000 (2022: £30,000-£35,000)

During the year M Shanks earned for the Trust £45,517 from school improvement activities, £79,876 secondment charges relating to strategic leadership of Children's Services for Devon County Council and £2,190 from Ofsted inspections.

11 Governors' and Officers' Insurance

The Trust has registered all of the academies in the Trust with the Risk Protection Arrangement programme administered by the Department of Education; the cost is not separately identifiable under the Risk Protection Arrangement. The cost of this insurance is included in the total insurance cost.

12 Connected Charities

Parents and friends of some of the academies in the Trust have five registered charitable operations with the purpose of raising funds for the academy Trust. The results of four of them are as follows. The results for the Rydon association have not been disclosed as it does not consider itself to be connected to the Trust under the definition in paragraph 28(1) of schedule 3 of the Charities Act 2011.

Name of registered charity	Friends of Stoke Fleming £000	Kingsbridge Community College PTFA £000	Friends of Blackawton Primary School £000	Christow County Primary School PTFA £000
Cash	16	33	9	8
Income for the year to 31.8.23	8	10	8	8
Expenditure for the year to 31.8.23	(4)	(11)	(10)	(6)
Annual surplus/(deficit)	4	(1)	(2)	2

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Notes to the Financial Statements for the year ended 31 August 2023

13 Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 1 September 2022	274	274
Additions	11	11
At 31 August 2023	<u>285</u>	<u>285</u>
Depreciation		
At 1 September 2022	196	196
Charged in year	21	21
At 31 August 2023	<u>217</u>	<u>217</u>
Net book values		
At 31 August 2023	68	68
At 31 August 2022	<u>78</u>	<u>78</u>

14 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Computer Equipment £000	Plant & Equipment £000	Fixtures & Fittings £000	Motor Vehicles £000	Total £000
Cost							
At 1 September 2022	73,680	16,841	3,781	1,422	849	127	96,700
Transfers from foundation trust	19,500	-	20	7	2	-	19,529
Transfers from LA	-	8,918	-	-	-	-	8,918
Additions	1,369	136	853	248	141	78	2,825
At 31 August 2023	<u>94,549</u>	<u>25,895</u>	<u>4,654</u>	<u>1,677</u>	<u>992</u>	<u>205</u>	<u>127,972</u>
Depreciation							
At 1 September 2022	12,593	2,417	2,651	1,026	723	112	19,522
Charged in year	1,829	405	464	245	70	11	3,024
At 31 August 2023	<u>14,422</u>	<u>2,822</u>	<u>3,115</u>	<u>1,271</u>	<u>793</u>	<u>123</u>	<u>22,546</u>
Net book values							
At 31 August 2023	<u>80,127</u>	<u>23,073</u>	<u>1,539</u>	<u>406</u>	<u>199</u>	<u>82</u>	<u>105,426</u>
At 31 August 2022	<u>61,087</u>	<u>14,424</u>	<u>1,130</u>	<u>396</u>	<u>126</u>	<u>15</u>	<u>77,178</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

15 Stock

	2023	2022
	£000	£000
Stationery Supplies	29	22
Cleaning Supplies	19	19
Catering Supplies	35	34
Other	2	1
Total Stock	<u>85</u>	<u>76</u>

16 Debtors

	2023	2022
	£000	£000
Trade debtors	902	141
Prepayments	963	631
Other debtors	71	113
Grant and other income	507	61
VAT recoverable	200	110
	<u>2,643</u>	<u>1,056</u>

17 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	1,299	790
Other taxation and social security	610	512
Other creditors	902	589
Accruals and deferred income	1,020	619
	<u>3,831</u>	<u>2,510</u>

Deferred income

	2023	2023
	£000	£000
Brought forward	308	328
Resources deferred in the year	373	308
Amounts released from previous years	(308)	(328)
Deferred Income at 31 August 2023	<u>373</u>	<u>308</u>

Deferred Income includes ESFA devolved formula capital £86,000 (2022 - £70,000), Universal Infant Free School Meal funding £102,000 (2022 - £83,000), funds received from parents for future trips £143,000 (2022 - £108,000).

18 Creditors: amounts falling due after more than one year

	2023	2023
	£000	£000
Loan	<u>72</u>	<u>25</u>

The loan is from Salix, and is interest free and repayable over 8 years, and the final repayment is due 2025-26.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

19 Funds

	Balance at 1 September 2022	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	1,820	32,623	(32,464)	(328)	1,651
UIFSM	-	158	(158)	-	-
Pupil Premium	-	1,242	(1,242)	-	-
Other DfE/ESFA grants	248	2,366	(2,385)	-	229
LEA and other grants	658	2,559	(2,644)	(47)	526
Other General Funds	-	853	(853)	-	-
Donated Funds	3	11	(14)	-	-
	2,729	39,812	(39,760)	(375)	2,406
Pension Fund Reserve	(5,093)	(901)	(733)	4,187	(2,540)
Restricted fixed asset funds					
Fixed Asset Fund	77,178	28,447	(3,024)	2,825	105,426
Intangible Fixed Asset Fund	78	-	(21)	11	68
DfE/ESFA capital grants	1,179	995	-	(838)	1,336
Other capital funds	426	660	-	(702)	384
Other transferred from foundation school	-	347	-	(54)	293
Other transferred from LA	-	43	-	(25)	18
	78,861	30,492	(3,045)	1,217	107,525
Total restricted funds	76,497	69,403	(43,538)	5,029	107,391
Unrestricted funds					
Unrestricted funds	1,643	2,347	(1,718)	(842)	1,430
Total unrestricted funds	1,643	2,347	(1,718)	(842)	1,430
Total funds	78,140	71,750	(45,256)	4,187	108,821

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

Restricted General Funds

The General Annual Grant (GAG) is applied in strict accordance with the terms of the Model Fund Agreement executed on the 20th December 2010, and varied to re-state the terms to form a multi Academy Trust on the 29th August 2014, which prescribes that this funding is used to cover the normal

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

running costs of the Academy. Under the Funding Agreement there are no limits on the amount of GAG which can be carried forward.

Other DfE and ESFA Grants includes £1,242,000 (2022 - £882,000) Pupil Premium which is used by the Trust to raise attainment in pupils from low income families which has been spent during the year; also included is Universal Infant Free School Meal funding of £158,000 (2022 - £143,000).

£243,000 (2022 - £200,000) was received from the ESFA to cover business rates, £129,000 (2022 - £121,000) to support primary PE.

In addition, £869,000 (2022 - £290,000) School Supplementary Grant, £286,000 (2022 - £98,000) Pupil Premium Recovery Grant, £2,000 (2022 - £124,000) and £136,000 (2022 - £140,000) Teacher Pay and pension grant.

All of the grants above were received and all spent in year, with the exception of the Pupil Premium Recovery Grant for which £22,000 is carried forward. In addition, £218,000 of the Other DfE/ESFA balance carried forward is held as a reserve to protect against financial risk and was brought forward at the beginning of the financial period.

LEA and other grants income include £1,041,000 (2022 - £689,000) funding to support specific provisions for pupils with special educational needs, £289,000 (2022 - £394,000) preschool childcare, and £112,000 (2022 - £101,000) to support community nursery outreach support.

In addition, £750,000 (2022 - £634,000) was received in relation to Teaching School activities.

The carried forward balance for LEA and other grants includes Research School £35,000, Teaching School £86,000, Young Enterprise £25,000, and numerous other small fund balances.

Other General Funds represents contributions from students £77,000 (2022 - £43,000), preschool income from parents £164,000 (2022 - £165,000), and £597,000 (2022 - £381,000) relating to school trips.

The Pension Fund Reserve deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

The DfE and ESFA capital grants represents funding specifically provided to support capital expenditures on fixed assets. The Fixed Asset Fund represents the current value of all fixed assets owned by the Trust plus carried forward unspent capital grants and capital donations. Capital grant income included £131,000 (2022 - £119,000) Devolved Formula Capital, £589,000 (2022 - £632,000) Schools Condition Allocation, £531,000 relating to the Section 106 developer levy paid to the Trust from the local authority.

Unrestricted Funds

Unrestricted Funds can be applied at the discretion of the trustees. Funds were generated during the year from the catering operations £1,623,000 (2022 - £1,202,000), rental of academy premises to community groups £215,000 (2022 - £152,000), fees for consultancy to other educational institutions £401,000 (2022 - £291,000).

Transfers

The net transfer from the General Annual Grant, LEA and Other Grants and the Unrestricted Funds to the Restricted Fixed Asset (£1,217,000) fund represents expenditure from these funds on fixed assets.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

Analysis of academies by fund balance

Fund balances at 31 August 2023 were allocated as follows:

	Total £000
Kingsbridge Academy	1,453
Dartmouth Academy	496
Blackawton Primary Academy	406
Stoke Fleming Primary Academy	19
East Allington Primary Academy	(55)
Kingswear Primary Academy	147
Coombeshead Academy	291
Teign School	507
Rydon Primary School	436
Christow Primary School	103
Central Services	207
South Devon UTC	(273)
King Edward VI Community College	278
Wynstream Primary School	(179)
Total before fixed assets and pension reserve	<u>3,836</u>
Restricted fixed asset fund	107,525
Pension reserve	(2,540)
Total	<u>108,821</u>

East Allington Primary Academy carries forward a deficit. Prior to converting to academy status, four primary schools (Blackawton, Stoke Fleming, East Allington and Kingswear were run by the Local Authority under a single budget. The Trust whilst recognising the individual surpluses and deficits of the component primary academies (not including the pension deficit effect) is supporting the necessary provision of primary education in these communities recognising a degree of financial offset.

South Devon UTC was transferred to the Trust in February 2021 with a very low roll, requiring a start-up strategy to be employed. The ESFA have not provided start-up funding and therefore a deficit strategy is in place in order to support the continued growth of the school since the relaunch of the school from September 2021, with planned recovery in the future.

Wynstream Primary School, before joining the Trust had an unsustainable cost based in the face of a falling roll. A major restructure happened after the school joined the Trust, incurring significant redundancy costs; in addition, the conversion of a PFI (private financial initiative) school attracted high legal costs of conversion.

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total
	£000	£000	£000	£000	£000
Kingsbridge Academy	5,891	671	162	3,069	9,793
Dartmouth Academy	1,909	259	40	922	3,130
Blackawton Primary Academy	677	74	7	196	954
Stoke Fleming Primary Academy	595	70	7	189	861
East Allington Primary Academy	455	53	6	144	658
Kingswear Primary Academy	234	25	2	78	339
Coombeshead Academy	4,270	384	80	1,916	6,650
Teign School	4,355	335	104	1,779	6,573
Rydon Primary Academy	1,642	156	26	427	2,251
Christow Primary Academy	399	50	5	137	591
South Devon UTC King Edward VI Community College	816	126	17	504	1,463
Wynstream Primary School	4,294	529	107	1,792	6,722
Central Services	934	116	7	323	1,380
Academy Trust	917	2,279	1	(3,084)	113
	27,388	5,127	571	8,392	41,478

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

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

Funds

	Balance at 1 September 2021	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	1,846	24,927	(24,767)	(186)	1,820
Start Up Grants	-	-	-	-	-
UIFSM	-	143	(143)	-	-
Pupil Premium	-	882	(882)	-	-
Other DfE/ESFA grants	263	1,049	(1,064)	-	248
LEA and other grants	560	2,124	(2,019)	(7)	658
Other General Funds	-	590	(590)	-	-
Donated Funds	2	10	(9)	-	3
	<u>2,671</u>	<u>29,725</u>	<u>(29,474)</u>	<u>(193)</u>	<u>2,729</u>
Pension Fund Reserve	<u>(20,995)</u>	<u>-</u>	<u>(2,532)</u>	<u>18,434</u>	<u>(5,093)</u>
Restricted fixed asset funds					
Fixed Asset Fund	78,236	-	(2,454)	1,396	77,178
Intangible Fixed Asset Fund	21	-	(22)	79	78
DfE/ESFA capital grants	1,167	752	-	(740)	1,179
Other transferred from academy trust	-	-	-	-	-
Other capital funds	80	455	-	(109)	426
	<u>79,504</u>	<u>1,207</u>	<u>(2,476)</u>	<u>626</u>	<u>78,861</u>
Total restricted funds	<u>61,180</u>	<u>30,932</u>	<u>(34,482)</u>	<u>18,867</u>	<u>76,497</u>
Unrestricted funds					
Unrestricted funds	1,554	1,806	(1,284)	(433)	1,643
Total unrestricted funds	<u>1,554</u>	<u>1,806</u>	<u>(1,284)</u>	<u>(433)</u>	<u>1,643</u>
Total funds	<u>62,734</u>	<u>32,738</u>	<u>(35,766)</u>	<u>18,434</u>	<u>78,140</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2023

20 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	105,426	105,426
Intangible assets	-	-	68	68
Current assets	1,430	6,309	2,031	9,770
Current liabilities	-	(3,831)	-	(3,831)
Noncurrent liabilities	-	(72)	-	(72)
Pension scheme liability	-	(2,540)	-	(2,540)
Total net assets	1,430	(134)	107,525	108,821

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	77,178	77,178
Intangible assets	-	-	78	78
Current assets	1,643	5,264	1,605	8,512
Current liabilities	-	(2,510)	-	(2,510)
Noncurrent liabilities	-	(25)	-	(25)
Pension scheme liability	-	(5,093)	-	(5,093)
Total net assets	1,643	(2,364)	78,861	78,140

21 Operating Leases

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

	2023	2022
	£000	£000
Amounts due within one year	45	40
Amounts due between two and five years	44	33
Amounts due after five years	5	-
	94	73

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Notes to the Financial Statements for the year ended 31 August 2023

	2023	2022	
	£000	£000	
22 Reconciliation of net income/(expenditure) to net cash inflow from operating activities			
Net income/(expenditure)	26,494	(3,028)	
Amortisation (note 13)	21	22	
Depreciation (note 14)	3,024	2,454	
Capital grants from DfE and other capital income	(30,492)	(1,207)	
Proceeds from disposal of assets	-	(3)	
Interest receivable (note 4)	(3)	(1)	
Defined benefit pension scheme obligation inherited	901	-	
Defined benefit pension scheme cost less contributions payable (note 28)	227	350	
Defined benefit pension scheme finance costs (Note 28)	506	2,182	
Increase in stocks	(9)	17	
Increase in debtors	(1,587)	512	
Increase in creditors	1,368	191	
Net cash inflow from operating activities	450	1,489	
23 Cash flows from investing activities			
Dividends, interest and rents from investments	3	1	
Purchase of tangible fixed assets	(2,825)	(1,396)	
Disposal of tangible fixed assets	-	3	
Purchase of intangible fixed assets	(11)	(79)	
Capital grants from DfE/ESFA	995	752	
Capital funding donated from others	1,050	455	
Net cash (used in) investing activities	(788)	(264)	
24 Analysis of cash and cash equivalents			
	At 31	At 31	
	August	August	
	2023	2022	
	£000	£000	
Cash in hand	7,042	7,380	
Total cash and cash equivalents	7,042	7,380	
25 Analysis of changes in net funds			
	At 1	Cash-	At 31
	Sept	flows	August
	2022	£000	2023
	£000	£000	£000
Cash	7,380	(338)	7,042
Loans falling due after more than one year	(25)	(47)	(72)
	7,355	(385)	6,970

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Notes to the Financial Statements for the year ended 31 August 2023

26 Contingent Liabilities

There are no contingent liabilities.

27 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.

28 Pension and similar obligations

The Academy'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 Peninsular Pensions. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £626,000 (2022 - £476,000) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for 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 members and employer make 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.

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 four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of the future benefits) for service to the effective date of £218,100 million, and notional assets (estimated

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Notes to the Financial Statements for the year ended 31 August 2023

future contributions together with notional investments held at valuation date) of £196,100 million, giving a 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 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 is 4.45%

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £3,636,000 (2022: £2,837,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,823,026 (2022: £1,250,418), of which employer's contributions totalled £1,384,721 (2022: £930,939) and employees' contributions totalled £437,326 (2022: £319,480). The agreed contribution rates for future years are 21.9% per cent for employers and variable per cent for employees. Due to the scheme being in deficit lump sum amounts of £66,000 (2022: £108,000) were paid into the scheme in the year; since April 2023 the deficit recovery amounts are built in to the contribution rate.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.90%	3.95%
Rate of increase for pensions in payment / inflation	2.90%	2.95%
Discount rate for scheme liabilities	5.35%	4.25%
Inflation assumption (CPI)	2.90%	2.95%

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Notes to the Financial Statements for the year ended 31 August 2023

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

	At 31 August 2023	At 31 August 2023
<i>Retiring today</i>		
Males	21.4	21.7
Females	22.6	22.9
<i>Retiring in 20 years</i>		
Males	22.7	23.0
Females	24.0	24.3
Sensitivity Analysis		
	At 31 August 2023 £000	At 31 August 2023 £000
Discount rate +0.1%	25,094	23,987
Discount rate -0.1%	25,949	25,056
Mortality assumption – 1 year increase	26,259	25,237
Mortality assumption – 1 year decrease	24,796	23,814

The academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
UK Equities	1,822	1,550
Overseas Equities	10,427	8,751
Gilts	-	-
Other bonds	4,999	3,859
Property	1,935	1,936
Infrastructure	2,096	1,438
Cash	307	279
Alternative Assets	(4)	(6)
Other assets	1,394	1,615
Total market value of assets	22,976	19,422

The actual profit on scheme assets was £617,000 (2022: a loss of £702,000).

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Notes to the Financial Statements for the year ended 31 August 2023

Amounts recognised in the statement of financial activities

	2023	2022
	£000	£000
Current service cost	2,894	3,124
Net interest cost	216	339
Administration costs	11	11
Total operating charge	<u>3,121</u>	<u>3,474</u>

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

	2023	2022
	£000	£000
At 1 September	24,515	40,392
Current service cost	1,965	3,124
Interest cost	1,136	665
Employee and other employer contributions	439	321
Actuarial (gain)	(1,913)	(19,462)
Benefits paid	(654)	(525)
Plan introductions, benefit changes, curtailments and settlements	<u>28</u>	-
At 31 August	<u>25,516</u>	<u>24,515</u>

Changes in the fair value of academy's share of scheme assets:

	2023	2022
	£000	£000
At 1 September	19,422	19,397
Interest Income	920	326
Return on plan assets (excluding net interest on the net defined pension liability)	(303)	(1,028)
Employer contributions	1,459	942
Employee and other employer contributions	439	321
Benefits paid	(654)	(525)
Plan introductions, benefit changes, curtailments and settlements	<u>1,693</u>	(11)
At 31 August	<u>22,976</u>	<u>19,422</u>

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Notes to the Financial Statements for the year ended 31 August 2023

29 Related Party Transactions

There are no related party transactions for the year ending 31 August 2023 other than certain trustees' remuneration and expenses already disclosed in note 10.

30 Agency Arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period 31 August 2023, the Trust received £130,000 (including £38,000 transferred from King Edward VI Community College) and distributed £35,000 from the fund which included a brought forward balance of £108,000. An amount of £157,000 relating to undistributed funds repayable to ESFA are netted with other grant income receivable from ESFA, and included in debtors.

31 Conversion to an Academy Trust

On 1 September 2022, King Edward VI Community College converted to academy status under the Academies Act 2010 and all operations, assets and liabilities, were transferred to Education South West for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations transferred from foundation school.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible Fixed Assets				
Leasehold land and buildings	-	-	19,500	19,500
Other tangible fixed assets	-	-	29	29
Current Assets				
Debtors due in less than one year	-	177	-	177
Cash in bank and in hand	-	712	347	1,059
Liabilities				
Creditors due in less than one year	-	(271)	-	(271)
Creditors due after 1 year	-	(65)	-	(65)
Pensions				
Pension scheme liabilities	-	(564)	-	(564)
Net assets	-	(11)	19,876	19,865

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Notes to the Financial Statements for the year ended 31 August 2023

On 1 April 2023 Wynstream Primary School converted to academy status under the Academies Act 2010 and all operations, assets and liabilities, were transferred to Education South West for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations transferred from local authority.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible Fixed Assets				
Leasehold land and buildings	-	-	8,918	8,918
Other tangible fixed assets	-	-	-	-
Current Assets				
Debtors due in less than one year	-	47	-	47
Cash in bank and in hand	-	390	43	433
Liabilities				
Creditors due in less than one year	-	(234)	-	(234)
Creditors due after 1 year	-	-	-	-
Pensions				
Pension scheme liabilities	-	(337)	-	(337)
Net assets	-	(134)	8,961	8,827

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Notes to the Financial Statements for the year ended 31 August 2023

32 Long-term commitments

At 31 August 2023, the total of the academy trust's future minimum payments under other contractual commitments was:

	2023	2022
	£000	£000
Amounts due within one year	145	-
Amounts due between one and five years	624	-
Amounts due after five years	855	-
	1,624	-

Wynstream Primary School occupies premises which are subject to a private finance initiative (PFI) contract. The trust itself is not party to this service concession contract, however the trust has entered into a supporting agreement towards the costs of the local authority. The above relates to commitments to operating payments, excluding catering, cleaning and utilities.