



Reigate Learning Alliance
(a company limited by guarantee)

Annual Report and Financial Statements
Year ended 31 August 2022

Company Registration Number: 10858221 (England & Wales)



REPORT AND FINANCIAL STATEMENTS for the year ended 31 August 2022

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Reference and Administrative Details

Members I Fortune J Artis C Lynch (from 1 September 2022)
M Jones C Hardy

Trustees

M Jones (Trustee and Chair to 31 August 2022) Y Robbins
N Clark (Staff Trustee) G Weide
C Whelan (Staff Trustee) S Bowen
P Frankland (Chair from 1 September 2022) F Durrani
S Hewes R Stephen
K Fulker (from 1 September 2022)

Senior Management Team

N Clark (Principal)
C Whelan (Chief Executive)

Company name

Reigate Learning Alliance

Principal and Registered Office

Reigate College
Castlefield Road
Reigate RH2 0SD

Company Registration Number

10858221 (England & Wales)

Independent auditor

RSM UK Audit LLP, Chartered Accountants

Portland, 25 High Street
Crawley RH10 1BG

Internal auditor

Wylie & Bisset LLP

168 Bath Street
Glasgow G2 4TP

Bankers

Barclays Bank plc

2nd Floor, 90-92 High Street
Crawley RH10 1BP

Solicitors

Irwin Mitchell LLP

Belmont House, Station Way
Crawley RH10 1JA

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of a Trustees' report, Strategic report and a Directors' report under company law. Reigate College is the sole member of the Reigate Learning Alliance multi academy trust (MAT), and operates as a sixth form college for students aged 16-19. The number of students on roll on the college enumeration date of 21 October 2022 was 2,863.

Mission Statement

To provide high quality education in a supportive community.

Vision Statement

To be the first choice in East Surrey and Croydon for sixth form education, by striving to deliver educational excellence that responds to the individual learning needs of students.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Reigate Learning Alliance are also the directors of the charitable company for the purposes of company law. The charitable company operates as Reigate College.

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

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

Trustees benefit from indemnity insurance, purchased at the academy trust's expense, to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the academy trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the academy trust.

Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees

Recruitment is through an open and transparent recruitment process.

The Members may appoint by ordinary resolution up to 11 Trustees.

The Trustees may appoint Co-opted Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees is responsible for ensuring that appropriate training is provided as required. All new Trustees receive induction training. To further support the discharging of their duties, Trustees have access to a 'Trustee Handbook' that is made available on the Trust's website.

All Trustees receive annual training and updates on safeguarding to ensure compliance with the DfE "Keeping Children Safe in Education".

Trustees are provided with support from the Clerk to the Trustees.

The academy trust provides training presentations as part of Trustee meetings on topical issues according to need. As the part of the annual review of governance Trustees complete a skills audit to identify any skill gaps amongst Trustees. The analysis of the skills audit covering all Trustees is used to inform any training requirements.

Organisational Structure

A Scheme of Delegation is in place that outlines responsibilities and decision-making powers for the Board of Trustees, management, and the local governing body for Reigate College, as set out in the Scheme of Delegation grid which is shown on the website of Reigate Learning Alliance www.reigatelearningalliance.org. The academy trust holds one ordinary share in a dormant subsidiary, Castlefield Enterprises Limited, which is 100% of the entity's share capital.

Arrangements for setting pay and remuneration of key management personnel

A Remuneration Committee is in place and the purpose of the Committee is to determine on all aspects of remuneration for senior post holders, with recommendations put to the trust board for approval on completion of the annual appraisal process.

Trustees' Report (continued)

Trade union facility time

The following information is required under Schedule 2 Regulation 8 Trade Union (Facility Time Publication Requirements) Regulations 2017, and is presented for the year to 31 March 2022.

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 1 | 0.9 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|-------------|
| Total cost of facility time | £4,000 |
| Total pay bill | £11,490,000 |
| Percentage of the total pay bill spent on facility time | 0.03% |

Paid trade union activities

| | |
|---|--------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 10.18% |
|---|--------|

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

Richard Stephen, a Trustee, is also Chair of Reigate Priory Youth Football Club. The academy trust provided sponsorship to the club's teams up to 31 August 2022 and lets its sporting facilities to the club.

Engagement with employees

The academy trust has long recognised the importance of engaging with its staff to ensure that they are fully informed about the strategy, objectives and performance, as well as day to day news and events, and uses a number of channels to achieve this, such as:

- Weekly staff meetings and bulletins
- Academy trust board
- Staff Inset days
- Staff Wellbeing days
- Induction and mentoring program for new employees
- All policies are available on the Staff area of the network
- Department meetings
- Faculty Pastoral meetings
- Regular staff social events
- All staff meetings
- Academy trust Mental Health First Aider
- Academy trust counselling service
- Academy trust gym and fitness classes
- Development programmes available through the S7 consortium

Equality

The academy trust aims to encourage all individuals to achieve their full potential by ensuring individuals treat each other with respect, with particular reference to those with protected characteristics. This policy is resourced, implemented and monitored on a planned basis. The academy trust's Equal Opportunities Policy is available from the Personnel Department. The academy trust is a 'Positive about Disabled' employer and has committed to the principles and objectives of the 'Positive about Disabled' standard. The academy trust considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the academy trust continues. The academy trust's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees. The academy trust has also implemented an Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Trustees' Report (continued)

Disability statement

The academy trust seeks to achieve the objectives set down in the Equality Act 2010:

- The academy trust has appointed a Learning Support Manager who provides information, advice and arranges support where necessary for students with disabilities
- There is a range of specialist equipment and assistive technology which the academy trust can make available for use by students
- The admissions policy for all students is available on the academy trust's website. Appeals against a decision not to offer a place are handled by the Principal
- The academy trust has made a significant investment in the appointment of learning facilitators to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities
- Achievements and destinations are recorded and evaluated by the academy trust Equality Committee
- Counselling and welfare services are described in the academy trust's Student Diary, which is issued to students together with the Student Code of Conduct leaflets at induction

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

The academy trust seeks to maintain collaborative relationships with suppliers, parents, educational partners and community leaders. During the year the academy trust has promoted this engagement by:

- Regular communication and engagement with parents of existing and prospective students
- Regular engagement with partner schools
- Membership of the S7 Consortium to share best practice
- Engagement with local and national businesses to promote careers opportunities for students
- As a public sector organisation, the academy trust follows public procurement policy and aims to support local and UK based suppliers as much as possible
- Ensuring prompt payment and clear communication with all suppliers
- Encouraging students to engage in local voluntary opportunities

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022 | 2021/22 | 2020/21 |
|--|----------------|----------------|
| Energy consumption used to calculate emissions (kWh) | 2,705,988 | 2,559,733 |
| Energy consumption break down (kWh) | | |
| gas | 1,521,208 | 1,631,332 |
| electricity | 1,170,908 | 928,400 |
| transport fuel | 13,871 | - |
| Scope 1 emissions in metric tonnes CO ₂ e | | |
| Gas consumption | 278 | 299 |
| Owned transport - minibuses | 6 | - |
| Total Scope 1 | 284 | 299 |
| Scope 2 emissions in metric tonnes CO ₂ e | | |
| Purchased electricity | 226 | 197 |
| Scope 3 emissions in metric tonnes CO ₂ e | | |
| Business travel in employee owned vehicles | 1 | - |
| Total gross emissions in metric tonnes CO₂e | 512 | 496 |
| Intensity ratio Tonnes CO₂e per student | 0.18 | 0.19 |

Quantification and reporting methodology

The academy trust has followed the 2019 HM Government Environmental Reporting Guidelines, and has used the GHG Reporting Protocol – Corporate Standard and also the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

The academy trust installs energy efficient LED lighting in new and refurbished accommodation and has a rolling program to replace existing lighting with LED lighting in other areas of the site.

The new extension to an existing building to provide additional independent learning space complies with current building standards.

Trustees' Report (continued)

Objects and Activities

The academy trust specialises in providing high quality education for 16-19 year old students in a supportive and caring community and is committed to equality of rights and opportunity. The admissions policy for Reigate College is updated annually and can be found on the website www.reigate.ac.uk

Objects and Aims

To be the first choice for local sixth form education, by striving to deliver educational excellence that responds to the individual learning needs of students.

The academy trust will seek to provide:

- An outstanding learning experience for students in any academy within the MAT
- A culture of high expectations, personal responsibility and high aspirations
- A diverse sixth form curriculum including a wide range of Academic and Vocational provision
- Support to students to either enter higher education or work as appropriate to the aims of the student
- A wide range of enrichment activities
- A focus on full time students aged 16 -19 years

The academy trust aims to offer a curriculum that is ambitious for all students and aims to:

- Provide a demanding, but achievable, course programme
- Offer a broad range of courses balanced between academic and vocational and representing choices made by students after careful discussion with the college
- Include students from disadvantaged groups and ensure that they achieve their potential
- Ensure that students experience a stimulating learning experience
- Provide opportunities to develop extra curricula interests
- Develop broader skills and attitudes including British Values, study skills and 'soft skills'
- Help students to undertake work experience
- Provide a pathway to appropriate higher education, apprenticeship or employment
- Support staff in their development of the curriculum and their own careers
- Reflect the progression needs of partner schools

Trustees' Report (continued)

Public Benefit

Reigate Learning Alliance is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Trustees of the charitable company are disclosed on page 18.

In setting and reviewing the academy trust's strategic objectives, the Trustees had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the academy trust provides the following identifiable public benefits through the advancement of education:

- Inclusive high-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce

The delivery of public benefit is covered throughout the Trustees' Report.

Trustees' Report (continued)

Strategic plan and Self-Assessment Review (SAR) 2021/22

In keeping with the 'judgements' framework used by OFSTED to report on the work of colleges, the academy trust continues to use the same approach in order to provide a graded assessment. Each key question is addressed and additional information provided to support the assessment. This is used to produce a Self-Assessment and helps to inform progress against the Strategic Aims of the college.

The self-assessment process is intended to be an honest and open analysis of the strengths of the academy trust and areas that are in need of further attention. Although reporting annually, the process is, essentially, continual as there is a process of implementing improvements and monitoring progress towards the completion of the required improvements that takes place throughout the year.

The academy trust's teaching departments, and student facing support departments, all prepare self-assessment reports and action plans which are agreed with the Senior Leadership Team and monitored during the year. Each course SAR is stored on a database to allow simplified updates and monitoring in-year and between years. The Senior Leadership Team then evaluate the reports and prepare an analysis of the effectiveness of the academy trust as a whole.

The Local Governing Body for Reigate College (LGB) is responsible for scrutinising the self-assessment report and overseeing the actions being taken to improve where necessary. The Local Governing Body meets each term and the self-assessment report is a standing agenda item.

The SAR is approved by the Board.

The following strategic aims were identified in the strategic plan 2021/22 which was approved by the Board:

- Ensuring a high quality of teaching and learning
- Ensuring a high quality of pastoral welfare
- Providing a safe place for teaching, learning and employment
- Ensuring the effective personal development of students
- Maintaining financial viability
- Maintaining and developing the College's reputation and engagement with the local community
- Developing staff and ensuring high staff morale
- Maintaining and developing the College estate and resources in an environmentally sustainable way
- Growth of the Reigate Learning Alliance (RLA)
- Ensuring effective leadership, management and governance

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Ofsted

Ofsted carried out a full inspection of Reigate College in March 2022 and awarded an overall effectiveness grade of Good. The full report can be found at <https://reports.ofsted.gov.uk/provider/46/145005>.

Student Numbers

During the year ended 31 August 2022, the academy trust has delivered activity of £12,850,000 (2021 £12,492,000) in funding body main allocation funding and achieved 2,828 learners (2020/21: 2,596).

Student Achievement

During 2021/22 staff and students at the academy trust continued to perform very strongly.

Students were retained in academy trust as shown in the table below

| Type | Starters | Joiners | Leavers | Continuers | Retention % |
|--------------|--------------|----------|------------|--------------|---------------|
| Lower sixth | 1,497 | 1 | 127 | 1,371 | 91.58% |
| One year | 57 | 0 | 10 | 47 | 82.46% |
| Transfer | 1 | 0 | 0 | 1 | 100.00% |
| Upper sixth | 1,273 | 0 | 25 | 1,248 | 98.04% |
| Total | 2,828 | 1 | 162 | 2,667 | 94.31% |

68.1% of A levels were graded A* to B, 90% A* to C and 99.7% were passed.

The Distinction rate for the most common type of BTEC was 64.9% and 99.9% passed.

Useful comparative data is not available.

Key Performance Indicators

The academy trust seeks to make a net surplus prior to charges for depreciation and any adjustments arising from the annual revaluation of the Local Government Pension Scheme as required by FRS 102. For the year to 31 August 2022 this surplus amounted to £2,899,000 (2020/21: £1,376,000). The retained surplus for the year to 31 August 2022, before other recognised losses, amounted to £1,077,000 (2020/21: retained deficit of £62,000).

Trustees' Report (continued)

Going Concern

The academy trust received its main programme grant income of £12,904,000 for 2021/22 from the ESFA in full, together with £566,000 of in-year growth funding and £62,000 of 16-19 Tuition Funding. In total this represents 89% of the income for the year. ESFA General Annual Grant income for the year to 31 August 2023 is guaranteed to be £15,280,000, based on 2,828 funded students. The academy trust has submitted a number of 2,863 students to the ESFA on the enumeration date of 21 October 2022, and so expects that the total funding for the year to 31 August 2024 will be in excess of the previous year.

As at 31 August 2022 the academy trust held cash reserves of £4,041,000 (2021: £4,253,000), and cash flow forecasts for the following 2 financial years show that the academy trust can meet all liabilities as they fall due, including the completion of the building project to provide a new Independent Learning Centre.

The Trustees therefore have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

How the Board complies with its Section 172 duty

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decisions in the long term

A key priority for Trustees in decision making is to ensure decisions made advance education, are made in the public benefit and protect the assets and financial solvency of the Trust. Decisions taken are assessed against a defined framework for managing risks, both in the short term and in the long term.

The interests of the company's employees

The academy trust has long recognised the importance of engaging with its staff to ensure that they are fully informed about the strategy, objectives and performance, as well as day to day news and events, and uses a number of channels to achieve this; see page 4.

Opportunities for development and progression are available to all staff. The academy trust runs a successful Initial Teacher Training programme.

Trustees' Report (continued)

The need to foster the company's business relationships with suppliers, customers, and others

See page 5.

The impact of the company's operations on the community and the environment

The academy trust aims to maintain and develop its estate and resources in an environmentally sustainable way and established a Sustainability Committee in 2021/22. There are good public transport facilities nearby which are promoted in student and staff recruitment information.

The desirability of the company maintaining a reputation for high standards of business conduct

The academy trust aims to conduct all its business relationships with integrity and courtesy and to pay all suppliers promptly.

The need to act fairly as between members of the company

Members and Trustees work positively with one another, debate the issues whilst maintaining a constructive atmosphere listening actively to a range of viewpoints and acting fairly in the best interests of the Trust.

Financial Review

These results are for the year ended 31 August 2022.

The academy trust generated a surplus of £1,077,000 (2020/21: net deficit £62,000) during the year.

The balance of restricted general funds (excluding pension reserves) and unrestricted funds at 31 August 2022 was £3,485,000 (2021: £3,290,000).

The academy trust generated a cash inflow of £2,441,000 from operating activities in the year. Cash and short-term investments at 31 August 2022 were £4,041,000 (2021: £4,253,000).

During the year the academy trust employed an average of 210 people (expressed as full-time equivalents) (2020/21: 207), of whom 154 (2020/21: 150) are teaching staff.

The academy trust has significant reliance on education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22 the funding bodies provided 86% of the academy trust's total income (2020/21: 97%). The academy trust received its projected general annual grant income of £12,904,000 in full for the year 2021/22 together with a 16-19 Tuition Fund grant of £62,000. As the academy trust had enrolled 246 additional students compared to the prior year, it met the threshold for in-year funding and received £566,000 additional funding from the ESFA.

FRS 102 requires an annual accounting valuation of the Local Government Pension Scheme (see Note 19) at 31 August each year. Its purpose is to facilitate consistent comparison of pension positions between employers and has no effect of the employer cash contributions to the scheme. The Scheme is subject to a triennial funding valuation (last completed 31 March 2019 with 31 March 22 valuation in progress), the purpose of which is to assess the on-going financial position of the Fund and to determine the employers' cash contribution rates for 3 years. It will aim to ensure that each employer's share of the Fund's assets together with the expected investment returns and contributions will be sufficient to meet the Fund's future benefit payments.

Trustees' Report (continued)

The value of the defined benefit pension scheme as required by FRS 102 has shown a significant movement in the year from a liability of £5,413,000 at 31 August 2021 to an asset of £2,000 at 31 August 2022. At 31 August 2022, the net discount rate (discount rate net of inflation) has significantly increased compared to 31 August 2021. The significant increase in the discount rate assumption coupled with a similar CPI assumption to last year has resulted in a large gain on the balance sheet.

COVID-19

The effects of the COVID-19 pandemic continued to be felt during the academic year 2021/22. The academy trust continued to follow all government guidelines during the year. The site remained fully open throughout the year.

The academy trust worked with Surrey County Council to distribute the Government's Household Support Fund. All students eligible for Free Meals in Further Education were given supermarket vouchers to cover all holiday periods during the year.

The academy trust received £62,000 from the ESFA's 16-19 Tuition Fund.

Despite the ongoing effects of the COVID-19 pandemic, student recruitment for 2022/23 has been strong with 2,863 students on roll at the enumeration date of 21 October 2022, an increase of 35 over the prior year. The academy trust therefore expects funding for the year to 31 August 2023 will be in excess of the previous year. Together with cash reserves of £4,041,000 at 31 August 2022, this leaves the academy trust well placed to face the continuing challenges in the educational environment over the next 18 months.

Reserves Policy

The academy trust maintains cash reserves to ensure that the academy trust has funds in place to cover day to day expenditure that in the short term may not be covered due to differing phasing of income and expenditure. A balance is also required should there be a shortfall in receipts in any one year. Having taken these considerations into account, the academy trust aims to maintain minimum cash reserves of £1,000,000.

At 31 August 2022, cash at bank and in hand was £4,041,000 (2021: £4,253,000).

The academy trust had total reserves at 31 August 2022 of £20,125,000 (2021: £12,791,000). This includes total restricted funds of £19,689,000 (2021: £12,448,000). Included within restricted funds are £16,638,000 represented by fixed assets (2021 £14,914,000), and a pension reserve surplus in respect of the Local Government Pension Scheme of £2,000 (2021: deficit £5,413,000). General unrestricted funds total £436,000 (2021: £343,000). Following the latest actuarial valuation of the Local Government Pension Scheme as at 31 March 2019, the employer's agreed contribution rate for future years is 18.2% with effect from 1 September 2020, with no additional deficit contributions payable.

Investment Policy

The academy trust's cash reserves are held with its main banker in a number of current, interest bearing and deposit accounts. No other investments are made. In accordance with the Academy Trust Handbook, the exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation. Details of the cash balances are included in the monthly management accounts which are distributed to trustees each month, and this policy is reviewed annually.

Trustees' Report (continued)

Principal Risks and Uncertainties

The academy trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the academy trust's assets and reputation.

The Senior Leadership Team undertakes a comprehensive annual review of the risks to which the academy trust is exposed. They identify systems and procedures, including specific preventative actions which should mitigate any potential impact on the academy trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Leadership Team will also consider any risks which may arise as a result of a new area of work being undertaken by the academy trust.

The impact of COVID-19 has been considered in the context of the principal risk factors listed below and more generally, and mitigation actions have been identified.

A Risk Register is maintained at the academy trust level which is reviewed regularly by the Senior Leadership Team and at least each term by the Audit & Risk Committee and more frequently where necessary. The Risk Register, but more importantly, the Risk Management Action Plan, outlines the controls, mitigation and contingency for each high level risk. Each high level risk is assigned to the Trust, Local Governing Body, or a Committee who are then responsible for monitoring the Risk Management Action Plan and assessing their level of assurances in light of reports and sources of assurance presented at meetings. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the academy trust.

Outlined below is a description of the principal risks that may affect the academy trust. Not all the factors are within the academy trust's control. Other risks besides those listed below are included in the academy trust's Risk Register.

- Failure to meet the minimum target for student recruitment and therefore secure adequate funding required for the effective operation of its mission
- Failure to meet quality targets (outcomes, quality of teaching and learning, personal development) and therefore impacting on the academy trust's reputation, the Ofsted grading and its ability to attract students
- Failure to develop and fully record student learning programmes to attract and maximise appropriate funding
- Failure to recruit, manage and retain high performing staff, both teaching and support, resulting in poor outcomes
- Failure to operate financial systems and controls resulting in expenditure exceeding income or to operate financial systems and controls in line with Government and funding body regulations.
- Failure to provide suitable, adequate or robust physical resources; this includes protecting the academy trust from cyber security threats, protecting sensitive data and ensuring GDPR compliance.

The academy trust would be at risk if its accommodation and physical resources were insufficient in terms of volume or quality to meet curriculum needs, or if its human resources were insufficient in terms of experience and/or qualifications to meet curriculum and support needs. To mitigate these risks, the academy trust's financial plan includes investment in its accommodation and physical resources, including maintenance and refurbishment as needed. There are disaster recovery plans in place for the academy trust's premises and IT systems. Some significant financial risks are covered by insurance. Other risks are minimised through the design of systems and procedures as preventative measures.

Trustees' Report (continued)

Plans for Future Years

Curriculum

The academy trust is a provider of 'distinct 16–19 provision', as described in the DfE's guidelines 'Principles underpinning the organisation of 16–19 provision'.

The most substantial areas of work are in Science and Mathematics, Business Studies, Public Services, Information and Communication Technology, Sports, Leisure & Tourism, Visual Arts, Performing Arts & Media, Humanities and English & Communications. Provision is split approximately evenly between academic and vocational, with the academy trust being the largest provider of vocational education among Sixth Form Academy trusts in England. The academy trust does not anticipate any substantial change to this provision in the near future. The academy trust will examine the role of T levels and BTECs when there is greater clarity regarding content and funding, and when a decision is made about the future availability of Applied General qualifications. However, in the meantime, the academy trust has decided not to participate in the pilot programme.

Approximately 98% of provision is level 3 with the remainder being level 2. All students are full time, other than for exceptional medical or social reasons. The academy trust does not have a part-time or adult educational programme and there are no current plans to run apprenticeships.

Outside the classroom, an activities programme offers a wide variety of opportunities; there are around 50 diverse activities on offer which cater for all interests. An active students' union contributes to the community ethos of the academy trust.

Accommodation

During the previous year, the academy trust was successful in obtaining a grant from the Department for Education's Condition Improvement Fund for the creation of a new Independent Learning Centre. The total projected cost of the project is £3,840,000, of which £2,013,000 is grant funded, with the balance to be financed from the academy trust's reserves. Construction work started in July 2021 and is due to be completed by December 2022. As at 31 August 2022 total project costs amounted to £2,904,000 and grant funding of £1,610,000 had been received.

Partner Schools

The Trust has four long standing partner schools: Carrington (formerly The Warwick), de Stafford, Oakwood and Reigate Schools. Priory School became a partner school on 1 September 2021. Approximately 33.4% of the 2021/22 intake came from these schools (2020/21 32%). Merstham Park School has been a partner school since it opened in September 2018, and the first intake from that school will join in September 2023. The Beacon School will become a partner school during 2022/23.

Other Partners

There is a strategic understanding with East Surrey College regarding the range of courses offered by that college and Reigate Learning Alliance. This arrangement ensures that the full breadth of vocational and academic qualifications is provided for the local and regional community.

The Trust is a member of the S7 consortium of sixth form colleges together with Esher, Godalming and Woking Colleges in Surrey, and Bexhill, BHASVIC, Collyer's and Varndean Colleges in Sussex and is also a member of the Sixth Form Colleges Association.

The Trust offers two routes for Initial Teacher Training (ITT) in partnership with the University of Brighton and the University of Sussex.

Reigate College is a Duke of Edinburgh Awards licensed organisation.

Reigate College works with several Higher Education providers; the University of Law, the University for the Creative Arts and the University of Exeter, and the Royal Academy of Dance.

Trustees' Report (continued)

Events after the end of the reporting period

There are no significant or material events to report on after the period end.

Future prospects

The academy trust plans to continue to improve the facilities on-site, but does not anticipate any significant change in student numbers. There are no immediate plans to bring further institutions into the multi academy trust, however the Board is actively investigating a range of future options.

The academy trust started work in July 2021 on an extension to an existing building to provide additional independent learning space for our students, with construction planned to be completed by December 2022. This has been partially funded by the Department for Education's Condition Improvement Fund.

Fundraising

The academy trust does not use any external fundraisers.

Funds held as custodian trustee

The academy trust holds no funds as custodian trustee.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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 of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



Ms P Frankland

Chair

6 December 2022

Trustees' Report (continued)

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Reigate Learning Alliance 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 the DfE's Governance Handbook and competency framework for guidance.

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

Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. The Annual General Meeting was held on-line on 18 January 2022.

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

| Name | Date of Appointment | Term of Office | Date of Resignation | Status of Appointment | Committees Served | Board Meetings Attended / Total Meetings |
|---|----------------------------------|-------------------------------|---------------------|--|---|--|
| Mr M Jones (Chair to 31 August 22)) | Re-appointed 1 September 2021 | 4 years | 31 August 2022 | Trustee | Remuneration | 5/5 |
| Mr R Stephen | Re-appointed 1 September 2021 | 4 years | | Trustee | Finance & Resource | 5/5 |
| Mr S Hewes | Re-appointed 1 September 2021 | 4 years | | Trustee | Audit & Risk | 5/5 |
| Ms Y Robbins | Re-appointed 18 October 2022 | 4 years | | Trustee | Local Governing Bod | 4/5 |
| Mr G Weide | Re-appointed 18 October 2022 | 4 years | | Trustee | Audit & Risk, Remuneration | 4/5 |
| Mr S Bowen (Vice Chair from 1 September 2022) | Re-appointed 18 October 2022 | 4 years | | Trustee | Finance & Resource Local Governing Bod | 5/5 |
| Mr F Durrani | Re-appointed 18 October 2022 | 4 years | | Trustee | Finance & Resource | 5/5 |
| Ms P Frankland (Vice Chair to 31 August 2022, Chair from 1 September 2022) | Re-appointed 1 September 2021 | 4 years | | Trustee | Local Governing Body, Remuneration | 4/5 |
| Ms K Fulker | 1 September 2022 | 4 years | | Trustee | N/A | N/A |
| Mr N Clark | 1 September 2017 | During period of office | | Co-opted Trustee & Principal | Finance & Resource Local Governing Bod | 5/5 |
| Mr C Whelan | 10 July 2017 | During period of office | | Trustee & Chief Executive & Accounting Officer | Finance & Resource Audit & Risk, Local Governing Body | 5/5 |

Mr J Allen acts as Clerk to the board of Trustees.

Governance Statement (continued)

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board is provided with regular and timely information on the overall financial performance of the academy trust together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Board met each term. The Annual General Meeting was held on 18 January 2022. Effective oversight of the Trust's funds was maintained through the five meetings of the Board, supported with three meetings of the Trust's Finance & Resources Committee. In addition, monthly management accounts were made available to all Members and Trustees.

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. These committees are the Local Governing Body, Finance & Resources, Audit & Risk and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Board, are available on the academy trust's website www.reigatelearningalliance.org/publications or from the Clerk to the Board at: Reigate Learning Alliance, Reigate College, Castlefield Road, Reigate, Surrey, RH2 0SD.

The Clerk to the Board maintains a register of attendance of the Members, Trustees, and members of the Local Governing Body (Governors). The register of attendance is available on the academy trust's website.

All Trustees are able to take independent professional advice in furtherance of their duties at the academy trust's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to Trustees in a timely manner prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive Trustees is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Board initially consisted of governors from the Corporation of Reigate College to enable the academy trust to benefit from their experience and expertise. Following a recruitment drive, new Trustees have been appointed and this has increased the expertise of the Board. A Local Governing Body has also been put in place which is diverse in its membership, with staff, students and parents represented. The focus of the Local Governing Body is on monitoring the performance of Reigate College.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Managing conflicts of interest

All Members, Trustees and Governors complete an annual review of declaration of interests. The Clerk to the Board maintains the register and the register is made available on the academy trust's website. In addition, there is a standing item on each meeting agenda inviting any fresh declarations to be made. The Trust's Code of Conduct contains guidance on conflicts of interests. An individual who has declared an interest in an item shall refrain both from taking part in the debate and from voting on that item. The meeting Chair may also ask that individual to withdraw from the meeting during discussion of that item. The Trust has no subsidiaries or joint ventures.

Governance Statement (continued)

Appointments to the Board

Recruitment is through an open and transparent recruitment process.

The Members may appoint by ordinary resolution up to 11 Trustees.

The Trustees may appoint Co-opted Trustees.

Trustees of the Board are appointed for a term of office not exceeding 4 years

Governance reviews

Board performance

Trustees bring an excellent range of skills and experience and attendance at meetings is good. They have effective oversight of the academy trust's finances, student performance, curriculum development, quality assurance systems, personnel matters and its audit activities. An induction programme for Trustees is in place and opportunities for training and development are clear.

The Board is well structured and administered, with a suitable range of sub-committees. The Clerk is professionally qualified with extensive governance experience and expertise. The minutes are purposeful and relevant, demonstrating, where appropriate, challenge from Trustees.

Trustees are well informed, receiving sufficient data and analysis to contribute effectively to planning and monitoring the work of the academy trust.

At the July 2022 Trust Board meeting, Trustees approved a framework for the review of governance. The trust board will undertake an annual governance self-assessment for the preceding academic year, with the final self-assessment report published in the autumn term covering the preceding academic year - following the same timescale for the College's self-assessment process.

The framework for the annual review of governance includes the following:

- Review of performance against a number of governance KPIs
- Skills analysis audit conducted on Trustees
- Chair/Clerk to hold one-to-one review meetings with each Trustee
- Each Trustee to review the Chair's performance
- Succession planning
- Action planning arising from the review.

The Board carried out a self-assessment of its own performance for the year ended 31 August 2022 and graded itself as "Good" on the OFSTED scale.

There is now an explicit requirement as a condition of funding for boards to conduct an annual self-assessment and undertake an external review of governance (ERG) every three years. The external review of governance will be undertaken for the academic year 2022/23.

Governance Statement (continued)

Reigate College Local Governing Body

The role of the local governing body is to carry the Trust vision, policies and priorities forward, based on the specific qualities and community characteristics of each academy. The Trustees are expected to question and challenge the academy's leadership team and to hold them to account.

Finance & Resources Committee

The Committee is a sub-committee of the main Board of Trustees. Its purpose is to review the financial position of the academy trust, including revenue, capital and cashflow on a termly basis. It advises the Board on all financial matters.

| Name | Meetings attended / Total Meetings |
|----------------------|------------------------------------|
| Mr R Stephen (Chair) | 3 / 3 |
| Mr S Bowen | 3 / 3 |
| Mr F Durrani | 1 / 3 |
| Mr C Whelan | 3 / 3 |

Remuneration Committee

The Committee is a sub-committee of the main Board of Trustees. The purpose of the Committee is to determine all aspects of remuneration for senior post holders, with recommendations put to the trust board for approval.

| Name | Meetings attended / Total Meetings |
|--------------------|------------------------------------|
| Mr M Jones (Chair) | 1 / 1 |
| Mr G Weide | 1 / 1 |
| Ms P Frankland | 1 / 1 |

Governance Statement (continued)

Audit & Risk Committee

The Committee operates in accordance with written terms of reference approved by the Board. Its purpose is to advise the Board on the adequacy and effectiveness of the academy trust's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit & Risk Committee meets every term and provides a forum for reporting by the academy trust's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of academy trust management. The Committee also receives and considers reports from the main FE funding bodies, as they affect the academy trust's business.

The academy trust's internal auditor reviews the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to the Audit & Risk Committee.

Management is responsible for the implementation of agreed recommendations, and the internal auditor undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit & Risk Committee also advises the Members on the appointment of regularity and financial statements auditors and the remuneration for both audit and non-audit work as well as reporting annually to the Board.

| Name | Meetings attended / Total Meetings |
|--------------------|------------------------------------|
| Mr S Hewes (Chair) | 4 / 4 |
| Mr G Weide | 4 / 4 |

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 has delivered improved value for money during the year by ensuring that the Academy trust's procurement policy is followed, and that the renewal of service contracts is reviewed by the Finance and Resources committee.

Internal control

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 Reigate Learning Alliance for the year ended 31 August 2022 and up to the date of approval of the annual report and accounts.

Governance Statement (continued)

Capacity to handle risk

The Board has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate

During the year ended 31 August 2022, the academy trust had an independent internal audit service provided by Wylie & Bisset LLP which operated in accordance with the requirements of the ESFA'S Academy Trust Handbook. The work of the internal audit service is informed by an analysis of the risks to which the academy trust is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit & Risk Committee. At minimum, annually, the internal audit service provides the Board, through the Audit & Risk Committee, with a report on internal audit activity in the academy trust. The report includes their independent opinion on the adequacy and effectiveness of the academy trust's system of risk management, controls and governance processes.

Work of the internal auditor

The work carried out by the internal auditor during the year was:

- Follow up review of points raised in prior years' internal audit reviews; no significant control issues raised
- Review of cyber security; no significant control issues raised
- Review of procurement process; no significant control issues raised
- Review of ESFA funding; no significant control issues raised
- Review of Learning Support department; 4 significant control issues were raised, all of which have now been addressed by the Senior Leadership Team

Governance Statement (continued)

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the Trustees of the Board of Reigate Learning Alliance on 6 December 2022 and signed on its behalf by:



Ms P Frankland

Chair

6 December 2022



Mr C P Whelan

Accounting Officer

6 December 2022

Statement on Regularity, Propriety and Compliance

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

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

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



Mr C P Whelan

Accounting Officer

6 December 2022

Statement of Trustees' Responsibilities

The Trustees (all of whom are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2015 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:



Ms P Frankland

Chair

6 December 2022

INDEPENDENT AUDITOR 'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE

Opinion

We have audited the financial statements of Reigate Learning Alliance (the “charitable company”) for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

INDEPENDENT AUDITOR 'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, set out on page 26, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR 'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE (continued)

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report

INDEPENDENT AUDITOR 'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE (continued)

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

ZOE LONGSTAFF-TYRRELL (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Portland

25 High Street

Crawley

RH10 1BG

Date: **13 December 2022**

Statement of Financial Activities for the year ended 31 August 2022

| | Notes | Unrestricted funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|---|-------|--------------------------------|---|--|---|---|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 59 | - | 1,675 | 1,734 | 147 |
| Charitable activities | | | | | | |
| Funding for the academy trust's educational operations | 3 | 19 | 14,388 | - | 14,407 | 13,499 |
| Other trading activities | 4 | 12 | 666 | - | 678 | 420 |
| Investments | 5 | 22 | - | - | 22 | 4 |
| Total income | | 112 | 15,054 | 1,675 | 16,841 | 14,070 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 6 | 19 | 14,765 | 980 | 15,764 | 14,132 |
| Total expenditure | | 19 | 14,765 | 980 | 15,764 | 14,132 |
| Net income / (expenditure) | | 93 | 289 | 695 | 1,077 | (62) |
| Transfer between funds | 17 | - | (1,029) | 1,029 | - | - |
| Other recognised gains / (losses) | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | 19 | - | 6,257 | - | 6,257 | (529) |
| Net movement in funds | | 93 | 5,517 | 1,724 | 7,334 | (591) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 17 | 343 | (2,466) | 14,914 | 12,791 | 13,382 |
| Total funds carried forward | 17 | 436 | 3,051 | 16,638 | 20,125 | 12,791 |

Balance Sheet

Company number 1085822

| | Notes | 31 August 2022 £'000 | 31 August 2021 £'000 |
|--|-------|----------------------------|----------------------------|
| Non current assets | | | |
| Tangible assets | 11 | 16,638 | 14,914 |
| | | <hr/> | <hr/> |
| | | 16,638 | 14,914 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Stocks | | 6 | 8 |
| Debtors | 13 | 637 | 442 |
| Cash at bank and in hand | | 4,041 | 4,253 |
| | | <hr/> | <hr/> |
| | | 4,684 | 4,703 |
| Creditors – amounts falling due within one year | 14 | (1,199) | (1,413) |
| | | <hr/> | <hr/> |
| Net current assets | | 3,485 | 3,290 |
| | | <hr/> | <hr/> |
| Net assets excluding pension liability | | 20,123 | 18,204 |
| Defined benefit pension scheme asset / (liability) | 19 | 2 | (5,413) |
| | | <hr/> | <hr/> |
| Total net assets | | 20,125 | 12,791 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Funds of the academy trust: | | | |
| Restricted funds | | | |
| Fixed Asset Funds | | 16,638 | 14,914 |
| Restricted General funds | | 3,049 | 2,947 |
| Pension reserve | | 2 | (5,413) |
| | | <hr/> | <hr/> |
| Total Restricted Funds | | 19,689 | 12,448 |
| Unrestricted income funds | | 436 | 343 |
| | | <hr/> | <hr/> |
| Total funds | 17 | 20,125 | 12,791 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The financial statements on pages 31 to 60 were approved by the Board of Reigate Learning Alliance on behalf of Reigate Learning Alliance and authorised for issue on 6 December 2022 and were signed on its behalf by:



Ms P Frankland
Chair of Reigate Learning Alliance



Mr C P Whelan
Accounting Officer of Reigate Learning Alliance

Statement of Cash Flows for the year ended 31 August 2022

| | | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|--|----|--|--|
| Cash provided by operating activities | 10 | 2,441 | 1,915 |
| Cash flows from investing activities | | | |
| Interest received | | 22 | 4 |
| Purchase of tangible fixed assets | | (2,675) | (722) |
| Net cash used in investing activities | | <u>(2,653)</u> | <u>(718)</u> |
| Increase in cash and cash equivalents in the period | | (212) | 1,197 |
| Cash and cash equivalents at 1st September | | 4,253 | 3,056 |
| Cash and cash equivalents at 31st August | | <u><u>4,041</u></u> | <u><u>4,253</u></u> |

NOTES TO THE ACCOUNTS

1 Accounting policies

General information

Reigate Learning Alliance is a charitable company (the academy trust). The address of the principal place of business is given on the Reference and Administrative details page. The nature of the academy trust's operations is set out in the Trustees' report.

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Basis of preparation

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

The assets and liabilities have been recognised at their carrying amount except for any adjustments to align with the accounting policies of the academy trust. Monetary amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the academy trust.

Basis of consolidation

The financial statements include the results of the academy trust only on the basis that the results of Castlefield Enterprises Limited which is dormant and 100% owned by the academy trust are immaterial to the academy trust. Accordingly, a consolidated income and expenditure account and balance sheet has not been prepared for the period under review. In accordance with FRS 102, the activities of the student union have not been consolidated because the academy trust does not control those activities.

Going concern

The effects of the COVID-19 pandemic continued to be felt during the academic year 2021/22. The academy trust received its projected grant income for 2021/22 from the ESFA in full, which represents 89% of the income for the year. Non-grant income for 2021/22 was £276,000 more than the previous year. The academy trust generated a net cash inflow from operating activities of £2,441,000 (2020/21 £1,915,000). ESFA General Annual Grant income for the year to 31 August 2023 is guaranteed to be £15,280,000, based on 2,828 funded students. The academy trust has submitted a number of 2,863 students to the ESFA on the enumeration date of 21 October 2022, an increase of 41 students, and so expects that the funding for the year to 31 August 2023 will be in excess of the previous year.

As at 31 August 2022 the academy trust held cash reserves of £4,041,000, and cash flow forecasts for the following 2 financial years show that the academy trust can meet all liabilities as they fall due.

The Trustees therefore have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Income

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

- **Grants**

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

- General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.
- Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other Income**

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

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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Charitable Activities

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

All resources expended are inclusive of any irrecoverable VAT.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the Education and Skills Funding Agency 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 are disclosed in note 21.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | |
|-------------------------|-------------------------------|
| Freehold buildings | Over 50 years |
| Building improvements | Over 20 years |
| Furniture and equipment | Over 10 years |
| Plant and machinery | Over 10 years |
| Computer equipment | Over the life of the warranty |
| Motor vehicles | Over 4 years |

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

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

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is likely 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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is receivable or payable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and reward of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stock

Unsold catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

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 for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the 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 academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the academy trust either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the academy trust's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether any surplus on the Local Government Pension Scheme is recoverable.

NOTES TO THE ACCOUNTS

2 Donations and capital grants

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|-----------------|--------------------------------|---|---|--|--|
| Capital grants | - | - | 1,675 | 1,675 | 67 |
| Other donations | 59 | - | - | 59 | 80 |
| | 59 | - | 1,675 | 1,734 | 147 |

The income from donations and capital grants was £1,734,000 (2020/21: (£147,000)) of which £59,000 (2020/21: £67,000) was unrestricted, £nil (2020/21: £13,000) was restricted general and £1,675,000 (2020/21: £67,000) was restricted fixed assets funds.

3 Funding for the academy trust's educational operations

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|---------------------------------|--------------------------------|---|--|--|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 13,470 | 13,470 | 12,552 |
| Other | - | 838 | 838 | 838 |
| Other Government grants | | | | |
| Non DfE / ESFA COVID-19 funding | 19 | - | 19 | 45 |
| Local authority grants | - | 80 | 80 | 64 |
| | 19 | 14,388 | 14,407 | 13,499 |

The funding for the academy trust's educational operations was £14,407,000 (2020/21: £13,499,000) of which £14,389,000 (2020/21: £13,454,000) was restricted general funds.

NOTES TO THE ACCOUNTS

4 Other trading activities

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|---------------------------------|--------------------------------|---|--|--|
| Catering income | 1 | 488 | 489 | 318 |
| Shop sales | 11 | - | 11 | 11 |
| Lettings and Sports Hall income | - | 35 | 35 | 8 |
| Other | - | 143 | 143 | 83 |
| Total | 12 | 666 | 678 | 420 |

The income from other trading activities was £678,000 (2020/21: £420,000) of which £12,000 (2020/21: £11,000) was unrestricted and £666,000 was restricted general funds (2020/21: £409,000).

5 Investment income

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|----------------------------|--------------------------------|---|--|--|
| Interest receivable | 22 | - | 22 | 4 |

The investment income was 22,000 (2020/21: £4,000) of which all (2020/21: all) was unrestricted.

NOTES TO THE ACCOUNTS

6 Expenditure

| | Non Pay Expenditure | | | Year ended | Year ended |
|---------------------------------|---------------------|--------------|--------------|-------------------|-------------------|
| | Staff costs | Premises | Other | 31 August 2022 | 31 August 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academy's educational operation | | | | | |
| Direct Costs | 9,650 | - | - | 9,650 | 9,103 |
| Allocated Support Costs | 2,738 | 1,463 | 1,913 | 6,114 | 5,029 |
| Total | 12,388 | 1,463 | 1,913 | 15,764 | 14,132 |

Net income / (expenditure) for the period includes:

| | Year ended 31 August 2022 | Year ended 31 August 2021 |
|--|---------------------------------|---------------------------------|
| | £'000 | £'000 |
| Operating lease rentals | 133 | 131 |
| Depreciation | 980 | 849 |
| FRS 102 net interest cost | 95 | 77 |
| Auditor's remuneration - Financial Statements and Regularity | 23 | 20 |
| Auditor's remuneration - other services | 5 | 1 |

NOTES TO THE ACCOUNTS

7 Charitable activities

| | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|--|--|--|
| Direct costs - educational operations | 9,650 | 9,103 |
| Support costs - educational operations | 6,114 | 5,029 |
| | <u>15,764</u> | <u>14,132</u> |

Analysis of support costs:

| | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|----------------------------|--|--|
| Support staff costs | 2,738 | 2,370 |
| Depreciation | 980 | 849 |
| Technology costs | 180 | 156 |
| Premises costs | 1,463 | 1,093 |
| Catering costs | 338 | 180 |
| Legal costs | 10 | 9 |
| Other support costs | 389 | 356 |
| Governance costs | 16 | 16 |
| Total support costs | <u>6,114</u> | <u>5,029</u> |

Expenditure on charitable activities was £15,764,000 (2020/21 £14,132,000) of which £19,000 (2020/21 £45,000) was unrestricted, £980,000 (2020/21 £849,000) was restricted fixed asset funds and £14,765,000 (2020/21 £13,238,000) was restricted general funds.

NOTES TO THE ACCOUNTS

8 Staff

a. Staff costs

Staff costs during the year were:

| | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|---|--|--|
| Wages and salaries | 8,163 | 7,699 |
| Social security costs | 832 | 753 |
| Other pension costs including FRS 102 (28) charge of £747,000 (2021: £513,000) | 2,495 | 2,160 |
| | 11,490 | 10,612 |

Included in staff costs is one staff severance payment of £10,000 (2020/21 £nil), of which £7,000 is a special severance payment.

b. Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

| | Year ended 31 August 2022 Number | Year ended 31 August 2022 Full time equivalent | Year ended 31 August 2021 Number | Year ended 31 August 2021 Full time equivalent |
|--------------------------|---|--|---|--|
| Teachers | 173 | 154 | 171 | 150 |
| Administration & support | 78 | 54 | 78 | 55 |
| Management | 2 | 2 | 2 | 2 |
| | 253 | 210 | 251 | 207 |

NOTES TO THE ACCOUNTS

8 Staff (continued)

c. Higher paid staff

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

| | Key management | | Other staff | |
|----------------------|--|--|--|--|
| | Year ended 31 August 2022 No. | Year ended 31 August 2021 No. | Year ended 31 August 2022 No. | Year ended 31 August 2021 No. |
| £60,001 to £70,000 | - | - | 1 | 2 |
| £70,001 to £80,000 | - | - | 1 | - |
| £80,001 to £90,000 | - | - | 1 | 1 |
| £110,001 to £120,000 | 2 | 2 | - | - |
| | <u>2</u> | <u>2</u> | <u>3</u> | <u>3</u> |

d. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the academy trust and are represented by the academy trust Senior Leadership Team which comprised the Principal and the Chief Executive during the year ended 31 August 2022.

e. Emoluments of Key management personnel, Accounting Officer and other higher paid staff

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £317,000 (2020/21: £301,000).

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by the Accounting Officer, was £156,000 (2020/21: £151,000).

NOTES TO THE ACCOUNTS

9 Trustees

a. Related Party Transactions – Trustees' remuneration and expenses

During the year 2 (2020/21: 2) Trustees received remuneration and benefits from the Academy Trust. The Principal and the Accounting Officer received remuneration in respect of services they provided undertaking the roles of principal and chief executive under their contracts of employment and not in respect of their services as trustees. There were no other staff trustees. Other trustees did not receive any remuneration or benefits from employment by the Academy Trust.

During the year the Principal received remuneration of £116,000 (2020/21: £111,000), and £28,000 (2020/21: £26,000) of pension contributions were paid by the Academy Trust.

During the year the Chief Executive received remuneration of £114,000 (2020/21: £111,000) and £27,000 (2020/21: £26,000) of pension contributions were paid by the Academy Trust.

During the year, 2 (2020/21: 2) trustees claimed expenses or had their expenses met by the Academy Trust. All expenses incurred were in respect of travel and subsistence and an amount of £100 (2020/21: £Nil) was reimbursed or paid by the Academy Trust. The Accounting Officer's remuneration is included in Note 8e.

b. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy business, as part of its combined insurance cover. The insurance provides cover up to £5,000,000 on any one claim.

NOTES TO THE ACCOUNTS

10 Notes to cash flow statement

| | Year ended 31 August 2022 £'000 | Year ended 31 August 2021 £'000 |
|---|--|--|
| Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities) | 1,077 | (62) |
| Adjustment for: | | |
| Depreciation | 980 | 849 |
| Investment income | (22) | (4) |
| Pensions costs less contributions payable | 747 | 513 |
| Changes to measurement of net finance cost on defined benefit plans | 95 | 77 |
| | <hr/> | <hr/> |
| Operating cash flow before movements in working capital | 2,877 | 1,373 |
| Decrease / (increase) in stocks | 2 | (2) |
| (Increase) / decrease in debtors | (195) | (14) |
| (Decrease) / increase in creditors due within one year | (243) | 558 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | 2,441 | 1,915 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE ACCOUNTS

11 Tangible fixed assets

| | Freehold Land & buildings £'000 | Assets under construction £'000 | Furniture and Equipment £'000 | Plant and machinery £'000 | Computer equipment £'000 | Motor vehicles £'000 | Total £'000 |
|---|--|--|--|---------------------------------|--------------------------------|----------------------------|----------------|
| Cost | | | | | | | |
| At 1 September 2021 | 20,314 | 451 | 1,447 | 222 | 978 | 12 | 23,424 |
| Additions | 1,520 | 825 | 24 | 46 | 289 | - | 2,704 |
| Transfers | 329 | (329) | - | - | - | - | - |
| At 31 August 2022 | 22,163 | 947 | 1,471 | 268 | 1,267 | 12 | 26,128 |
| Depreciation | | | | | | | |
| At 1 September 2021 | 7,178 | - | 743 | 73 | 504 | 12 | 8,510 |
| Charge for the year | 576 | - | 124 | 23 | 257 | - | 980 |
| At 31 August 2022 | 7,754 | - | 867 | 96 | 761 | 12 | 9,490 |
| Net book value at 31 August 2022 | 14,409 | 947 | 604 | 172 | 506 | - | 16,638 |
| Net book value at 31 August 2021 | 13,136 | 451 | 704 | 149 | 474 | - | 14,914 |

12 Investments

The academy trust holds one ordinary share of £1 in a dormant subsidiary, Castlefield Enterprises Limited, which is 100% of the subsidiary's share capital.

NOTES TO THE ACCOUNTS

13 Debtors

| | 31 August 2022 £'000 | 31 August 2021 £'000 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 2 | 1 |
| VAT recoverable | 290 | 169 |
| Prepayments and accrued income | 345 | 272 |
| | <hr/> | <hr/> |
| Total | 637 | 442 |
| | <hr/> <hr/> | <hr/> <hr/> |

14 Creditors: amounts falling due within one year

| | 31 August 2022 £'000 | 31 August 2021 £'000 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Trade creditors | 300 | 742 |
| Other taxation and social security | 198 | 187 |
| ESFA creditor | 78 | - |
| Other creditors | 439 | 345 |
| Accruals | 138 | 76 |
| Deferred income | 46 | 63 |
| | <hr/> | <hr/> |
| Total | 1,199 | 1,413 |
| | <hr/> <hr/> | <hr/> <hr/> |

| | 31 August 2022 £'000 | 31 August 2021 £'000 |
|--|-------------------------------------|-------------------------------------|
| Deferred income at 1 September 2021 | 63 | 32 |
| Released from previous years | (61) | (30) |
| Resources deferred in the year | 44 | 61 |
| | <hr/> | <hr/> |
| Deferred income at 31 August 2022 | 46 | 63 |
| | <hr/> <hr/> | <hr/> <hr/> |

At the reporting date the academy trust held funds received in advance of £46,000 (2021: £63,000), in respect of academies business rates relief £38,000 (2021: £38,000), and other £8,000 (2021: £25,000).

NOTES TO THE ACCOUNTS

15 Capital commitments

| | 31 August 2022 £'000 | 31 August 2021 £'000 |
|---|-------------------------------------|-------------------------------------|
| Commitments contracted for at 31 August | 796 | 3,040 |

Commitments contracted for at 31 August 2022 are in respect of the construction of the new Independent Learning Centre (see Trustees' report), and an item of plant and machinery.

16 Lease obligations

The academy trust had minimum lease payments under non-cancellable operating leases as follows:

| | 31 August 2022 £'000 | 31 August 2021 £'000 |
|---|-------------------------------------|-------------------------------------|
| Assets other than land and buildings: | | |
| Not later than one year | 115 | 118 |
| Later than one year and not later than five years | 322 | 303 |
| | <u>437</u> | <u>421</u> |

NOTES TO THE ACCOUNTS

17 Funds

| | Balance at 1 September 2021 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2022 £'000 |
|------------------------------------|--|----------------------|------------------------|--|--|
| Restricted General | | | | | |
| General Annual | 2,947 | 15,054 | (13,923) | (1,029) | 3,049 |
| Pension reserve | (5,413) | - | (842) | 6,257 | 2 |
| Total | <u><u>(2,466)</u></u> | <u><u>15,054</u></u> | <u><u>(14,765)</u></u> | <u><u>5,228</u></u> | <u><u>3,051</u></u> |
| Restricted Fixed Asset | | | | | |
| Transfer on conversion | 13,154 | - | (865) | - | 12,289 |
| DfE / ESFA capital grant | 294 | 1,675 | (19) | - | 1,950 |
| Capital expenditure from GAG | 1,466 | - | (96) | 1,029 | 2,399 |
| Total | <u><u>14,914</u></u> | <u><u>1,675</u></u> | <u><u>(980)</u></u> | <u><u>1,029</u></u> | <u><u>16,638</u></u> |
| Unrestricted funds | 343 | 112 | (19) | - | 436 |
| Total restricted funds | 12,448 | 16,729 | (15,745) | 6,257 | 19,689 |
| Total unrestricted funds | 343 | 112 | (19) | - | 436 |
| Total funds | <u><u>12,791</u></u> | <u><u>16,841</u></u> | <u><u>(15,764)</u></u> | <u><u>6,257</u></u> | <u><u>20,125</u></u> |

The transfer of £1,029,000 was made where the GAG income was spent on the acquisition of fixed assets.

NOTES TO THE ACCOUNTS
17 Funds (continued)

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

| | Balance at 1 September 2020 £'000 | Income £'000 | Expenditure £'000 | Gains, losses and transfers £'000 | Balance at 31 August 2021 £'000 |
|---------------------------------|--|-----------------|----------------------|--|--|
| Restricted General | | | | | |
| General Annual | 2,374 | 13,876 | (12,648) | (655) | 2,947 |
| Pension reserve | (4,294) | - | (590) | (529) | (5,413) |
| Total | <u>(1,920)</u> | <u>13,876</u> | <u>(13,238)</u> | <u>(1,184)</u> | <u>(2,466)</u> |
| Restricted Fixed Asset | | | | | |
| Transfer on conversion | 13,941 | - | (787) | - | 13,154 |
| DfE / ESFA capital grant | 240 | 67 | (13) | - | 294 |
| Capital expenditure from GAG | 860 | - | (49) | 655 | 1,466 |
| Total | <u>15,041</u> | <u>67</u> | <u>(849)</u> | <u>655</u> | <u>14,914</u> |
| Unrestricted funds | <u>261</u> | <u>82</u> | <u>-</u> | <u>-</u> | <u>343</u> |
| Total restricted funds | 13,121 | 13,943 | (14,087) | (529) | 12,448 |
| Total unrestricted funds | 261 | 82 | - | - | 343 |
| Total funds | <u>13,382</u> | <u>14,025</u> | <u>(14,087)</u> | <u>(529)</u> | <u>12,791</u> |

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

The Restricted General Fund includes General Annual Grant (GAG) and other grants received from the Education and Skills Funding Agency and the Local Authority towards educational activities.

The Restricted Fixed Asset Fund includes amounts received from the Education and Skills Funding Agency in respect of tangible assets held for use by the academy trust. Transfers between the Restricted General Fund and the Restricted Fixed Asset Fund relate to purchases from this fund. The total of Restricted General Funds (excluding Pension Reserve) and Unrestricted Funds at 31 August 2022 is £3,485,000 (2021: £3,290,000).

The Pension Reserve relates to the academy trust's share of the surplus (2020/21 deficit) of the Local Government Pension Scheme overseen by Surrey County Council.

Under the Funding Agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

NOTES TO THE ACCOUNTS

17 Funds (continued)

Analysis of Net Assets between Funds

| | Unrestricted Funds £'000 | Restricted General Funds £'000 | Restricted Fixed Asset Funds £'000 | Total Funds £'000 |
|-------------------------------------|--------------------------------|---|---|----------------------|
| Tangible Fixed Assets | - | - | 16,638 | 16,638 |
| Current Assets | 436 | 4,248 | | 4,684 |
| Current Liabilities | - | (1,199) | - | (1,199) |
| Pension Scheme Liability | - | 2 | - | 2 |
| Net Assets at 31 August 2022 | <u>436</u> | <u>3,051</u> | <u>16,638</u> | <u>20,125</u> |
| Tangible Fixed Assets | - | - | 14,914 | 14,914 |
| Current Assets | 343 | 4,360 | | 4,703 |
| Current Liabilities | - | (1,413) | - | (1,413) |
| Pension Scheme Liability | - | (5,413) | - | (5,413) |
| Net Assets at 31 August 2021 | <u>343</u> | <u>(2,466)</u> | <u>14,914</u> | <u>12,791</u> |

18 Contingent liabilities

There are no contingent liabilities at 31 August 2022 (2021: £Nil).

NOTES TO THE ACCOUNTS

19 Pension and similar obligations

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

| Total pension cost for the year | Year ended 31 August 2022 | Year ended 31 August 2021 |
|---|--|--|
| | £'000 | £'000 |
| Teachers Pension Scheme: contributions paid | 1,399 | 1,304 |
| Local Government Pension Scheme: | | |
| Contributions paid | 349 | 343 |
| FRS 102 (28) charge | 747 | 513 |
| Charge to the Statement of Financial Activities | 1,096 | 856 |
| Total pension cost for the year within staff costs | 2,495 | 2,160 |

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

Contributions amounting to £142,000 were payable to the schemes as at 31 August 2022 (2021: £136,000) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other benefits are paid by public funds provided by Parliament.

NOTES TO THE ACCOUNTS

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,399,000 (2020/21: £1,304,000).

A copy of the valuation report and supporting documentation is available from the Teachers' Pension website: <https://www.teacherspensions.co.uk>

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

NOTES TO THE ACCOUNTS

19 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee - administered funds. The total contributions made for the year ended 31 August 2022 were £466,000 of (2020/21 £450,000) which employer's contributions totalled £349,000 (2020/21 £345,000) and employees' contributions totalled £117,000 (2020/21 £105,000). The agreed contribution rate for future years is 18.2% for employers and for employees' contributions range from 5.5% to 12.5%, depending on salary.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2022 by a qualified independent actuary.

| | At 31 August 2022 | At 31 August 2021 |
|--------------------------------------|------------------------------|------------------------------|
| Pension Increase Rate | 3.05% | 2.90% |
| Salary Increase Rate | 3.95% | 3.80% |
| Discount Rate for scheme liabilities | 4.25% | 1.65% |
| Inflation assumption (CPI) | 3.20% | 2.90% |
| Commutation of pensions to lump sums | | |
| Pre - April 2008 service | 25% | 25% |
| Post - April 2008 service | 63% | 63% |

The current mortality assumptions include sufficient allowance for future changes in mortality rates. The average future life expectancies at age 65 are:

| | At 31 August 2022 | At 31 August 2021 |
|--|------------------------------|------------------------------|
| <i>Current Pensioners</i> | | |
| Males | 22.1 | 22.3 |
| Females | 24.5 | 24.7 |
| <i>Future Pensioners (assume members aged 45 as at the last formal valuation date)</i> | | |
| Males | 23.1 | 23.4 |
| Females | 26.2 | 26.4 |

FRS 102 prescribes how the inflation assumption should be derived from market information at the year-end date. Therefore, the current period of high inflation is somewhat allowed for insofar as it is captured in long-term market expectations as at 31 August 2022. However, as the pension obligations in the LGPS are increased each April in line with the previous September's rate of CPI, a high level of inflation would be expected to lead to a high Pension Increase Order being applied in April 2023.

NOTES TO THE ACCOUNTS

19 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The CPI assumption has therefore been adjusted to reflect the likely significant inflationary increase to LGPS benefits in April 2023. Although not yet confirmed by government, the annual increase is due to be based on the level of CPI increases between September 2021 and September 2022, which have been estimated to be 9.9%. As a result, within the standard CPI assumption derivation, a year 1 CPI figure of 9.9% has been allowed for.

The academy trust's share of the assets in the plan and the expected return were:

| | Fair Value at 31 August 2022 £'000 | Fair Value at 31 August 2021 £'000 |
|--|--|--|
| Equities | 7,579 | 7,670 |
| Bonds | 1,396 | 1,636 |
| Property | 798 | 716 |
| Cash | 199 | 205 |
| Total fair value of plan assets | 9,972 | 10,227 |
| Actual return on plan assets | (683) | 1,720 |
| Long term discount rate | 4.3% | 1.7% |

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

| | Fair Value at 31 August 2022 £'000 | Fair Value at 31 August 2021 £'000 |
|---------------------------------------|--|--|
| Fair value of plan assets | 9,972 | 10,227 |
| Present value of plan liabilities | (9,970) | (15,640) |
| Present value of unfunded liabilities | - | - |
| Net pensions (liability) | 2 | (5,413) |

NOTES TO THE ACCOUNTS

19 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the Statement of Financial Activities in respect of the plan are as follows:

| | Fair Value at 31 August 2022 £'000 | Fair Value at 31 August 2021 £'000 |
|--|--|--|
| Amounts included in staff costs | | |
| Current service cost | <u>1,096</u> | <u>856</u> |
| Amounts included in interest and other finance costs | | |
| Pension finance costs | <u>95</u> | <u>77</u> |
| Amounts recognised in actuarial gains / (losses) on defined benefit pension schemes | | |
| Return on pension plan assets | (683) | 1,720 |
| Change in demographic assumptions | 48 | (187) |
| Change in financial assumptions | 6,920 | (2,247) |
| Other experience remeasurements | <u>(28)</u> | <u>185</u> |
| Total | <u>6,257</u> | <u>(529)</u> |

NOTES TO THE ACCOUNTS

19 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Movement in net defined benefit (liability) during year

| | 2022 £'000 | 2021 £'000 |
|---|---------------|----------------|
| Deficit in scheme at 1 September | (5,413) | (4,294) |
| Movement in year: | | |
| Employer service cost (net of employee contributions) | (1,096) | (856) |
| Employer contributions | 349 | 343 |
| Net interest on the defined liability / asset | (95) | (77) |
| Actuarial gain or loss | 6,257 | (529) |
| | <hr/> | <hr/> |
| Net defined (liability) / asset at 31 August | 2 | (5,413) |
| | <hr/> <hr/> | <hr/> <hr/> |

Asset and Liability Reconciliation

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Changes in the present value of defined benefit obligations | | |
| Defined benefit obligations at 1 September | 15,640 | 12,396 |
| Current service cost | 1,096 | 856 |
| Interest cost | 266 | 217 |
| Contributions by Scheme participants | 117 | 114 |
| Change in demographic assumptions | (48) | 187 |
| Change in financial assumptions | (6,920) | 2,247 |
| Other experience remeasurements | 28 | (185) |
| Estimated benefits paid | (209) | (192) |
| | <hr/> | <hr/> |
| Defined benefit obligations at 31 August | 9,970 | 15,640 |
| | <hr/> <hr/> | <hr/> <hr/> |

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Changes in fair value of plan assets | | |
| Fair value of plan assets at 1 September | 10,227 | 8,102 |
| Interest on plan assets | 171 | 140 |
| Return on plan assets | (683) | 1,720 |
| Employer contributions | 349 | 343 |
| Contributions by Scheme participants | 117 | 114 |
| Estimated benefits paid | (209) | (192) |
| | <hr/> | <hr/> |
| Fair value of plan assets at 31 August | 9,972 | 10,227 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE ACCOUNTS

20 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. There are no significant such transactions which require disclosure.

Remuneration of and payments to Trustees is disclosed in note 9.

Key management personnel compensation is disclosed in note 8.

21 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the Education and Skills Funding Agency.

For the year ending 31 August 2022 the academy trust released £42,000 of funds brought forward, received £193,000 and disbursed £202,000 from the fund. An amount of £33,000 is included in other creditors relating to undistributed funds.

For the year ending 31 August 2021 the academy trust released £42,000 of funds brought forward, received £179,000 and disbursed £179,000 from the fund. An amount of £42,000 is included in other creditors relating to undistributed funds.

22 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE IN RESPECT OF REIGATE LEARNING ALLIANCE, AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE DEPARTMENT FOR EDUCATION

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 18 May 2022 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Reigate Learning Alliance during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trust. We are independent of Reigate Learning Alliance in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Reigate Learning Alliance's accounting officer and trustees

The accounting officer is responsible, under the requirements of Reigate Learning Alliance's funding agreement with the Secretary of State for Education dated 18 May 2022 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Reigate Learning Alliance and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE IN RESPECT OF REIGATE LEARNING ALLIANCE, AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE DEPARTMENT FOR EDUCATION (continued)

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2021 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Reigate Learning Alliance and the ESFA in accordance with the terms of our engagement letter dated 18 May 2022. Our work has been undertaken so that we might state to the Reigate Learning Alliance 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 Reigate Learning Alliance and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

Portland

25 High Street

Crawley

West Sussex

RH10 1BG

Date: **13 December 2022**