

REACH2SUSSEX ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2014

LANDAU BAKER LIMITED

Chartered Accountants & Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

REACH2SUSSEX ACADEMY TRUST
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CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Trustees' responsibilities statement	14
Independent auditors' report	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 - 43

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Trustees

Steve Lancashire, Chair
Dean Ashton
Louise Askew (appointed 1 December 2013)
Luisa Gould (appointed 1 April 2014)
Cathie Paine
Lindsey Diamond, Ex Executive Principal
Simon Wood, Executive Principal (appointed 1 April 2014)
Mark Elms (resigned 1 October 2013)
Shane Tewes (resigned 1 October 2013)

Members

REACH2 Ltd represented by Steve Lancashire
Roger Pryce
Rebecca McKenzie Young
Rev Anne Dollery

Company registered number

08644222

Principal and registered office

REACH2 Office, Scientia Academy, Mona Road, Burton-On-Trent, Staffordshire, DE13 0UF

Company secretary

Winckworth Sherwood

Chief executive officer

Steve Lancashire

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The directors present their annual report together with the financial statements and auditors reports of REAch2Sussex Academy Trust (the academy) for the period ended 31st August 2014. The directors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting for Reporting by Charities" issued in March 2005.

The trust operates 2 primary academies in Sussex. It academies have a combined pupil capacity of 1,040 and has a roll of 927 in the school census on 31st October 2013.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. It was incorporated on 9 August 2013 and in terms of a funding agreement entered into with the secretary of state for education, became an academy trust on 1 September 2013. The charitable company's memorandum and articles of association are the primary governing document for of the academy trust.

The directors act as the trustees for the charitable activities of REAch2Sussex Academy Trust and some are also the directors of the Charitable Company for the purposes of company law.

The ultimate parent undertaking and controlling party is REAch2 Limited.

Details of the Directors who serves during the year are included in the reference and administrative details on page 1.

b. 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 amounts may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The directors are appointed under the terms of the Academies articles of association: -

- REAch2 Limited
- REAch2 Appointed Directors as REAch2 sees fit.
- The Executive Principal (referred to as the Executive Director in the articles) if appointed by REAch2 for as long as they remain in office.
- One Academy Director, will be the chair of a Local Governing Body of an academy within the Trust. Where

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

there is more than one candidate the Chairs will elect the Academy Director for a period of one year.

- One Principal Director, which will be a Principal of an Academy within the Trust. Where there is more than one candidate the Principals will elect the Principal Director for a period of one year.
- Directors co-opted by the Board.
- A minimum of two parent governors unless the Local Governing Bodies each have at least two Parent Governors.
- The Directors may also, with the consent of REAch2, appoint staff directors providing that the total number of staff directors including the Executive Principal, Principal, Co-opted and appointed staff directors does not exceed one third of the total number of Directors.

The term of office for any governor shall be four years. The Executive Principal term of office runs parallel with their contract of employment. Subject to remaining eligible to be a particular type of governor any governor may be reappointed or re-elected. The Academy Director and Principal Director are elected annually.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review the directors held three meetings. The training and induction provided for new directors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company.

f. ORGANISATIONAL STRUCTURE

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the non-executives and the executive who are the senior leadership team. The Board of Directors has considered its role thoughtfully and decided that the role of the directors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

The Board has approved a scheme of delegation, which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

REAch2Sussex Academy Trust has a strong working relationship with REAch2 Ltd. This relationship is defined through the Memorandum of Understanding that the Trust and REAch2 Ltd have agreed. REAch2 Ltd is a charity with the purpose:

- "REAch2 (Raising Educational Achievement for Children) is an Academy Trust developed by Hillyfield Primary Academy. Its core mission is to create a family of primary academies that have strong reputations for delivering outstanding education for all pupils. Through working increasingly across a wide geographical area with schools in a variety of contexts, REAch2 will seek to be an influential voice in the primary sector."

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

- "The mission and vision of REACh2 is set out in its mission and vision statement. In fulfilling this mission, REACh2 has established a network of academies who share a common vision and purpose. This Memorandum acknowledges the shared vision and the commitments that REACh2 and all the REACh2 Academy Trusts and their respective REACh2 Academies (the "Trust"), by signing this Memorandum, make to each other. The relationship between REACh2 and the Trust is intended to be mutually beneficial and reflects their wish to work together and to collaborate. Whilst there is no intention to create legally binding obligations in this Memorandum, it reflects the expectations that the parties have of each other."
- "The strength of the partnership between REACh2 and the Trust and the REACh2 Academies and more widely the REACh2 network of schools lies in the fact that all look outwards as well as inwards and the interaction with others provides challenge and opportunity as well as promotes best practice. Whilst it may be clear that the primary objective of this Memorandum is to provide mutual support, nothing in this Memorandum will prohibit either REACh2 or the Trust collaborating with other local and national networks."
- In addition to this, the Trust also provides a procurement framework that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services REACh2 has entered into agreements with commercial providers of back office services including: legal, HR, Payroll, Insurance, financial systems and accountancy services.

On February 2014, a trading company was established, REACh2 Inspiration Ltd. REACh2 Inspiration Ltd is wholly and equally owned by the eleven charities that make up the REACh2 group, the 10 Multi-Academy Trusts (MATs) and REACh2 Ltd. Because REACh2 Inspiration Ltd is wholly owned by the 11 charities it will fully comply with the provision of services "at cost" principle, as any surpluses generated by the company would belong to the Multi Academy Trusts. The purpose for establishing REACh2 Inspiration Ltd is to allow a supply of the highest quality 'in house' services, at a low cost to our MATs and their Academies, ensuring budgets are optimized to benefit the education of children within REACh2 Academies and hence providing best value.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Academies to provide education in Sussex.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy. The Funding Agreement specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

REACh2Sussex Academy Trust has a strong relationship with REACh2 Ltd. This relationship is defined through the Memorandum of Understanding that the Trust and REACh2 Ltd have agreed. REACh2 Ltd is a charity with the purpose:

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REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

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"The mission and vision of REAch2 is set out in its mission and vision statement. In fulfilling this mission, REAch2 has established a network of academies who share a common vision and purpose. This Memorandum acknowledges the shared vision and the commitments that REAch2 and all the REAch2 Academy Trusts and their respective REAch2 Academies (the "Trust"), by signing this Memorandum, make to each other. The relationship between REAch2 and the Trust is intended to be mutually beneficial and reflects their wish to work together and to collaborate. Whilst there is no intention to create legally binding obligations in this Memorandum, it reflects the expectations that the parties have of each other."

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The main objectives of the Academy Trust during the period ended 31 August 2014 are summarised below:

- achieve consistently high standards of teaching and learning
- provide local leadership capacity and support
- develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them
- provide support building upon individual learning and/or areas of strength between schools to improve key aspects of performance
- achieve best value in service delivery especially where partnership working can add value.

The Academy's vision is to build an ethos of:

- Every child is capable of extraordinary achievement.
- For any child to realise their inner potential they need an environment and adult role models that support their love and enjoyment of learning.
- Every child has an absolute right to an equal opportunity to flourish in a REAch2 academy.
- Our pupils will develop the skills, knowledge and attitudes to realise their own dreams through a positive contribution to their community and wider society.
- Self realisation and positive contribution stem from a confidence and strength in one's own identity that allows us to embrace and respect the identity of other individuals and groups in our community and wider society.
- The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. We need to teach our children to be able to contribute to achieving that sustainability as adults.
- It is the responsibility of all of the adult staff in REAch2 to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.
- It is the responsibility of each REAch2 academy to reach out and raise and support the aspiration of their community to believe in their children's potential.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

- The Academy Trust will build its capacity through a target to operate six academies, recruited from a mix of sponsorships, new provision and conversions.

The Academy Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include:

1. MAT Leadership

An Executive Principal will lead each MAT. REAch2 will provide the MAT Executive Director and Academy Principal leadership recruitment, mentoring, and support and performance management. REAch2 will provide the wider performance management framework for educational standards in each academy. REAch2 will also provide MAT Governance support for policy development and statutory duties.

2. REAch2 Group Leadership

The REAch2 Group Leadership will be increased to ensure appropriate skill and capacity mix for the size of organisation.

3. Education Performance and Intervention Staff

REAch2 will have a 'rapid deployment' education intervention team that is additional to our growing school based capacity to support other schools.

A key element of the performance monitoring is the use of experienced HMI commissioned to carry out 'Moderated Trust Inspections' (MTI).

The Trust will provide curriculum and behaviour guidance for its MATs along with targeted professional development programmes.

4. Business and Administration

This capacity will be used to the benefit of the whole group in order to bring benefits of value for money and economies of scale to individual academies.

The key capacity areas will be:

- a. Finance and Accountancy
- b. Procurement
- c. Insurance
- d. Project Management
- e. Administration

5. Back Office Support for Individual Academies

- a. Accountancy systems
- b. Full Accountancy support including centralised reconciliation and reporting.
- c. Payroll provision.
- d. Full HR Support and Management.
- e. Employment insurance.
- f. Procurement and tendering for group based procurement frameworks and contracts (day to day incidental procurement will remain with academies)

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

- g. Emergency and disaster recovery support.
- h. Facilities and capital project management.

The Academy Trust retains a percentage of each academy's monthly EFA income in order to provide these services. The percentage retention for the period to 31st August 2014 was 4%.

Where greater benefit can be achieved for the Academy Trust, by the provision of services across the wider REAch2 Group, then the Academy Trust purchases those services through a set contribution to the charity, REAch2 Ltd, on a not-for-profit basis.

c. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategic report

a. ACHIEVEMENTS AND PERFORMANCE

Academy	Date Joined REAch2	Sponsored / Converter / New Provision	Level 4+				Level 5+				2013 / 14 Comparison		Above Floor
			Reading %	Writing %	Maths %	Reading, Writing & Maths (Combined)	Reading %	Writing %	Maths %	Reading, Writing & Maths (Combined)	2013 Combined Level 4+	+/- 2013	
Eastbrook Primary Academy	01- Sep-13	New Provision	89	89	97	85	42	38	52	24	73	12	YES
White Meadows Primary Academy	01- Apr-14	Converter	89	85	86	79	48	32	19	10	68	11	YES

Eastbrook was the first sponsored academy to join in Sussex, in September 2013. REAch2Sussex involvement began before Eastbrook joining, with significant support from strategic Trust leaders. Results showed a decline in performance that reflected wider concerns about quality of provision, especially leadership. R2 intervened with rigour as a consequence of continued performance concerns during the Summer Term 2013. Interventions included a leadership change at the academy. Last year's results were significantly positive.

White Meadows Primary Academy joined REAch2 Sussex in April 2014. Results in 2014 were significantly positive with all KS2 progress measures being above national. Further analysis shows that, despite being significantly more challenged than all the other schools in their area with regard to % ages of FSM, SEND and IMD to name a few, they secured the highest L4+ combined figures. This is also an indication of their absolute determination to ensure outcomes continue to increase, year-on-year, (29% to 56%, to 68% and now 80%). They currently face an increasingly complex and challenging task in securing the best outcomes for this year's Y6 cohort - given that 48% of the pupils joined the school in the last 20 months.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. GOING CONCERN

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy 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.

a. FINANCIAL REVIEW

The Charitable Company was incorporated on 9 August 2013 and commenced operating as an Academy Trust on 1 September 2013. No activities were carried on by the company from the date of incorporation until 1 September 2013, when the net assets of Eastbrook Primary Academy were transferred to the Charitable Company. On 1 April 2014, the net assets of White Meadows Primary Academy were transferred to the Charitable Company.

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

b. RESERVES POLICY

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review.

Reserves at the end of the period amounted to £14,222,640.

c. INVESTMENTS POLICY

Investment policies are determined at academy level, this is agreed by the local Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential Investment opportunity arise this would be escalated to the board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

d. PRINCIPAL RISKS AND UNCERTAINTIES

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust has a declared aim to grow to a minimum of six primary academies over a four-year period. On 1 November 2014 The Globe Academy joined REAch2 Sussex.

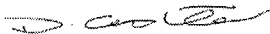
The Academy Trust intends to give greater resilience to its financial management through the membership of a centralised REAch2 Group Financial Monitoring and Reporting service.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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.

This report was approved by order of the members of the Governing Body on 22 December 2014 and signed on its behalf by:



Dean Ashton
Trustee

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors we acknowledge we have overall responsibility for ensuring that REAch2Sussex Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against misstatement or loss.

The board of directors has delegated the day-to-day responsibility to the Executive Principal (referred to in the Articles as the Executive Director), 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 Master Funding Agreement and Supplementary Funding Agreements between REAch2Sussex Academy Trust and the Secretary of State for education. They are also responsible for reporting to the Board of directors any material weakness or breakdowns in internal control.

The board of directors have delegated the day-to-day governance of the individual academies to the Local Governing Bodies. REAch2Sussex Academy Trust was incorporated on 9 August 2013 and is responsible for two academies during the period 1 September 2013 to 31 August 2014, Eastbrook Primary Academy and White Meadows Primary Academy. The Local Governing Body operates within a Scheme of Delegation described within the Articles of the company.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of directors has formally met 3 times during the period. Attendance during the period at meetings of the board of directors was as follows:

Trustee	Meetings attended	Out of a possible
Steve Lancashire, Chair	2	3
Dean Ashton	3	3
Louise Askew	3	3
Luisa Gould	3	3
Cathie Paine	1	3
Lindsey Diamond, Ex Executive Principal	2	2
Simon Wood, Executive Principal	1	1

The Finance and General Purposes Committee is a sub-committee of the main board of directors. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation. The committee was established in September 2013.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Steve Lancashire	1	1
Cathie Paine	1	1
Dean Ashton	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise 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 REAch2Sussex Academy Trust for the

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

period 9 August 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of directors has a risk and control framework in place that reviews the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 9 August 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

THE RISK AND CONTROL FRAMEWORK

The Executives Directors, Steve Lancashire, Cathie Paine and Dean Ashton meet on a weekly basis to review on-going educational, financial and operational risks. Where risks are identified these are appropriately referred to the Board of Directors or Local Governing Body as appropriate. The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

School Finance officer identified for each academy.

- Financial support and monitoring provided by the Trust to each academy, through an external provider and a growing internal capacity, that supports the day-to-day financial management and provides a direct reporting channel to the Director of Business and Finance, Dean Ashton, if concerns or risks are identified.
- Routine financial monitoring reports provided to the Board directly or through the Finance and General Purposes Committee.
- A financial procedures and financial scheme of delegation for the Trust that applies consistently to all academies. The financial procedures set out clear guidelines for purchasing.
- The commissioning of 'Moderated Trust Inspections' using independent HMI to assess the educational performance of individual academies.
- A performance management framework that provides a comprehensive assessment of the academies performance each term, known as SOAP (School on a Page).
- A close working relationship with the Executive Principals and the Accounting Officer for each academy ensuring that coaching, expert advice and quality of teaching are being achieved in every academy.
- A financial management system (FMS) within each academy that is 'virtual' in that allows individual academy accounts to be monitored remotely by the Trusts Head of Finance and its external financial support provider.
- The FMS has a 'cloud based' back up system that automatically stores the previous four days of incremental backups and a full weekly backup on a Friday, which are stored for five week.
- A financial planning tool within each academy that is 'virtual' in that allows individual academy accounts to be monitored remotely by the Trust and its external financial support provider.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The board of directors has not appointed an internal auditor. However the directors have appointed an external provider, Strictly Education Limited, to perform the role of Responsible Officer (RO). RO reports are carried out three times a year. For the Academies with the REAch2Sussex Academy Trust the reports are considered at the termly Board meetings, the latest being July 2014.

REVIEW OF EFFECTIVENESS

As accounting officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Responsible Officer;
- The work of the external auditor;
- The financial management and 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 taken account of the information available from the relevant sources and action is in hand to address concerns and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 22 December 2014 and signed on its behalf, by:



Dean Ashton
Trustee



Simon Wood
Accounting Officer

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of REAch2Sussex Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance of EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 directors and EFA.



Simon Wood
Accounting Officer

Date: 22 December 2014

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

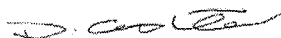
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 directors on 22 December 2014 and signed on its behalf by:



Dean Ashton
Trustee

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2SUSSEX ACADEMY TRUST

We have audited the financial statements of Reach2Sussex Academy Trust for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2SUSSEX ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
22 December 2014

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2SUSSEX ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach2Sussex Academy Trust during the period 9 August 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Reach2Sussex Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach2Sussex Academy Trust and EFA 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 Reach2Sussex Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF REACH2SUSSEX ACADEMY TRUST'S AND THE REPORTING ACCOUNTANT

The is responsible, under the requirements of Reach2Sussex Academy Trust's funding agreement with the Secretary of State for Education dated 21 August 2013, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 9 August 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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


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

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2SUSSEX ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 9 August 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

 for Landau Baker Limited

Michael Durst (Senior statutory auditor), for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

22 December 2014

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	(232,891)	14,428,551	14,195,660
Activities for generating funds	3	-	75,261	-	75,261
Investment income	4	713	-	-	713
Incoming resources from charitable activities	5	-	3,289,234	3,837	3,293,071
TOTAL INCOMING RESOURCES		713	3,131,604	14,432,388	17,564,705
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	-	38,825	-	38,825
Charitable activities		-	2,905,052	119,960	3,025,012
Governance costs	7	-	110,228	-	110,228
TOTAL RESOURCES EXPENDED	10	-	3,054,105	119,960	3,174,065
NET INCOMING RESOURCES BEFORE TRANSFERS		713	77,499	14,312,428	14,390,640
Transfers between Funds	22	-	(56,231)	56,231	-
NET INCOME FOR THE PERIOD		713	21,268	14,368,659	14,390,640
Actuarial gains and losses on defined benefit pension schemes		-	(168,000)	-	(168,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		713	(146,732)	14,368,659	14,222,640
<i>Total funds at 9 August 2013</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		713	(146,732)	14,368,659	14,222,640

All of the academy's activities derive from acquisitions in the current financial period.

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


The notes on pages 22 to 43 form part of these financial statements.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08644222

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	18		14,368,659
CURRENT ASSETS			
Stocks	19	4,038	
Debtors	20	279,454	
Cash at bank and in hand		689,833	
		<u>973,325</u>	
CREDITORS: amounts falling due within one year	21	<u>(488,344)</u>	
NET CURRENT ASSETS			<u>484,981</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,853,640</u>
Defined benefit pension scheme liability	28		<u>(631,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>14,222,640</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	22	484,268	
Restricted fixed asset funds	22	14,368,659	
		<u>14,852,927</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(631,000)</u>	
Total restricted funds			14,221,927
Unrestricted funds	22		<u>713</u>
TOTAL FUNDS			<u><u>14,222,640</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 22 December 2014 and are signed on their behalf, by:



Dean Ashton
Trustee



Simon Wood, Executive Principal
Accounting Officer

The notes on pages 22 to 43 form part of these financial statements.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Period ended 31 August 2014 £
Net cash flow from operating activities	24	555,376
Returns on investments and servicing of finance	25	(713)
Capital expenditure and financial investment	25	(56,231)
Cash transferred on conversion to an academy trust	27	191,401
INCREASE IN CASH IN THE PERIOD		689,833

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

	Period ended 31 August 2014 £
Increase in cash in the period	689,833
MOVEMENT IN NET FUNDS IN THE PERIOD	689,833
NET FUNDS AT 31 AUGUST 2014	689,833

The notes on pages 22 to 43 form part of these financial statements.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets is to carry out a review of a fixed asset 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.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	125 years
Fixtures and fittings	-	4 years
Computer equipment	-	3 years

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Taxation

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

1.9 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from White Meadows Primary School and Eastbrook Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Reach2Sussex Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The property on which White Meadows Primary Academy carries on operations is held on a 125 year lease from Sussex County Council. This has been valued by the Valuation Office Agency at 1 April 2014 and is carried in the accounts at that valuation less depreciation over the remaining life of the lease. The property on which Eastbrook Primary Academy carries on operations is held on a 125 year lease from Sussex County Council. This has been valued by the Valuation Office Agency at 1 September 2013 and is carried in the accounts at that valuation less depreciation over the remaining life of the lease.

Further details of the transaction are set out in note 27.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Donations	-	9,708	9,708
Assets Gifted From Predecessor School	-	14,185,952	14,185,952
Voluntary Income	-	14,195,660	14,195,660

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Trips Income	-	34,394	34,394
Hire of Facilities	-	16,478	16,478
Other Income	-	23,979	23,979
Catering Income	-	410	410
	<u>-</u>	<u>75,261</u>	<u>75,261</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Investment Income	713	-	713
	<u>713</u>	<u>-</u>	<u>713</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational Operations	-	3,293,071	3,293,071
	<u>-</u>	<u>3,293,071</u>	<u>3,293,071</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

REAch2Sussex Academy Trust

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant	-	2,403,272	2,403,272
Start Up Grants	-	175,000	175,000
Pupil Premium Grant	-	260,948	260,948
Capital Income	-	3,837	3,837
Other EFA Income	-	117,558	117,558
Rates Relief	-	2,382	2,382
	<u>-</u>	<u>2,962,997</u>	<u>2,962,997</u>
Other government grants			
Other Government Grant	-	115,139	115,139
SEN Funding	-	32,068	32,068
	<u>-</u>	<u>147,207</u>	<u>147,207</u>
Other funding			
Other Income	-	182,867	182,867
	<u>-</u>	<u>182,867</u>	<u>182,867</u>
	<u>-</u>	<u>3,293,071</u>	<u>3,293,071</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Trips Expenditure	-	38,150	38,150
Other Expenditure	-	675	675
	<u>-</u>	<u>38,825</u>	<u>38,825</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Auditors' Remuneration	-	10,620	10,620
Other Professional Fees	-	59,843	59,843
Start up and conversion costs	-	39,765	39,765
	<u>-</u>	<u>110,228</u>	<u>110,228</u>

8. DIRECT COSTS

	Educational Operations £	Total 2014 £
Pension income	5,000	5,000
Educational Supplies & Services	99,396	99,396
Staff Development	15,019	15,019
Recruitment & Support	5,939	5,939
Educational Consultancy	19,825	19,825
Supply Teaching Costs	60,474	60,474
Technology Costs	10,625	10,625
Wages and Salaries	1,613,446	1,613,446
National Insurance	86,575	86,575
Pension Cost	214,408	214,408
	<u>2,130,707</u>	<u>2,130,707</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

9. SUPPORT COSTS

	Educational Operations £	Total 2014 £
Repairs & Maintenance	54,849	54,849
Other Occupancy Cost	16,609	16,609
Maintenance of Premises	10,948	10,948
Water & Energy Cost	75,116	75,116
Insurance	53,191	53,191
Catering Expenses	1,067	1,067
Other Support Cost	189,594	189,594
Technology Costs	10,540	10,540
Cleaning	6,361	6,361
Security and Transport	2,267	2,267
Wages and Salaries	282,335	282,335
National Insurance	9,078	9,078
Pension Cost	62,390	62,390
Depreciation	119,960	119,960
	<u>894,305</u>	<u>894,305</u>

10. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Other costs 2014 £	Total 2014 £
Costs of generating voluntary income	-	38,825	38,825
Costs of generating funds	<u>-</u>	<u>38,825</u>	<u>38,825</u>
Direct Costs - Educational Operations	1,974,903	155,804	2,130,707
Support Costs - Educational Operations	353,803	540,502	894,305
Charitable activities	<u>2,328,706</u>	<u>696,306</u>	<u>3,025,012</u>
Governance	<u>-</u>	<u>110,228</u>	<u>110,228</u>
	<u>2,328,706</u>	<u>845,359</u>	<u>3,174,065</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £
Educational Operations	<u>2,130,707</u>	<u>894,305</u>	<u>3,025,012</u>

12. NET INCOMING RESOURCES

This is stated after charging:

	Period ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned by the charity	119,960
Auditors' remuneration	<u>10,620</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2014 £
Wages and salaries	1,895,781
Social security costs	95,653
Other pension costs (Note 28)	276,798
	<u>2,268,232</u>
Supply teacher costs	<u>60,474</u>
	<u>2,328,706</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

13. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	Period ended 31 August 2014 No.
Teachers	43
Education and other support staff	87
	<hr/> 130 <hr/>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	Period ended 31 August 2014 No.
In the band £60,001 - £70,000	<hr/> 1 <hr/>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for this employee amounted to £9,167.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

14. CENTRAL SERVICES

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

- Human Resources (HR) support services
- HR Insurance for litigation claims
- Full payroll service
- Financial systems annual licence
- Financial planning system licence
- Financial support
- Insurance procurement

The parent company charges for these services on the following basis:

4% of Budget Share and Education Services Grant Income.

The actual amounts charged during the year were as follows:

	Period ended 31 August 2014 £
White Meadows Primary Academy	16,033
Eastbrook Primary Academy	33,638
	<hr/>
Total	49,671 <hr/>

15. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 2 Trustees in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Period ended 31 August 2014 £'000
Yvonne Brailsford, Headteacher (White Meadows Primary Academy)	15-20
Julia Sherlock, Headteacher (Eastbrook Primary Academy)	65-70
Sharon Morgan, Staff Trustee (Eastbrook Primary Academy)	15-20
Jenny Holter, Staff Trustee (Eastbrook Primary Academy)	25-30
Luisa Gould, Executive Head (White Meadows Primary Academy)	25-30
Jenny Power, Staff Trustee (White Meadows Primary Academy)	0-5

During the period, no Trustees received any reimbursement of expenses.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

16. 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 whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £2,500. The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	Period ended 31 August 2014 £
Expected return on pension scheme assets	34,000
Interest on pension scheme liabilities	(39,000)
	<u>(5,000)</u>

18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	14,316,200	155,337	17,082	14,488,619
At 31 August 2014	<u>14,316,200</u>	<u>155,337</u>	<u>17,082</u>	<u>14,488,619</u>
Depreciation				
Charge for the period	98,417	17,273	4,270	119,960
At 31 August 2014	<u>98,417</u>	<u>17,273</u>	<u>4,270</u>	<u>119,960</u>
Net book value				
At 31 August 2014	<u>14,217,783</u>	<u>138,064</u>	<u>12,812</u>	<u>14,368,659</u>

19. STOCKS

	2014 £
Clothing	<u>4,038</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

20. DEBTORS

	2014 £
Trade debtors	821
Amounts owed by group undertakings	37,270
Other debtors	76,575
Prepayments and accrued income	164,788
	<u>279,454</u>

**21. CREDITORS:
Amounts falling due within one year**

	2014 £
Trade creditors	201,554
Other taxation and social security	48,691
Other creditors	71,074
Accruals and deferred income	167,025
	<u>488,344</u>

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	713	-	-	-	713
Restricted funds						
Restricted Funds - all funds	-	3,565,604	(3,025,105)	(56,231)	-	484,268
Pension reserve	-	(434,000)	(29,000)	-	(168,000)	(631,000)
	<u>-</u>	<u>3,131,604</u>	<u>(3,054,105)</u>	<u>(56,231)</u>	<u>(168,000)</u>	<u>(146,732)</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	-	14,432,388	(119,960)	56,231	-	14,368,659
Total restricted funds	-	17,563,992	(3,174,065)	-	(168,000)	14,221,927
Total of funds	-	17,564,705	(3,174,065)	-	(168,000)	14,222,640

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

Restricted Fixed Assets funds relate to capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have arisen through revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds relates to investment income during the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

White Meadows Primary School	205,379
Eastbrook Primary School	236,536
REACH2 Sussex Trust balance	43,066
Total before fixed asset fund and pension reserve	484,981
Restricted fixed asset fund	14,368,659
Pension reserve	(631,000)
Total	14,222,640

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. STATEMENT OF FUNDS (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
White Meadows Primary Academy	685,629	108,721	77,576	144,778	1,016,704
Eastbrook Primary Academy	1,257,425	210,141	60,645	427,236	1,955,447
FRS 17 expenditure not allocated	-	-	-	5,000	5,000
MAT costs not allocated	31,849	34,941	-	10,164	76,954
	<u>1,974,903</u>	<u>353,803</u>	<u>138,221</u>	<u>587,178</u>	<u>3,054,105</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	713	-	-	-	713
Restricted funds	-	3,131,604	(3,054,105)	(56,231)	(168,000)	(146,732)
Restricted fixed asset funds	-	14,432,388	(119,960)	56,231	-	14,368,659
	<u>-</u>	<u>17,564,705</u>	<u>(3,174,065)</u>	<u>-</u>	<u>(168,000)</u>	<u>14,222,640</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	14,368,659	14,368,659
Current assets	713	972,612	-	973,325
Creditors due within one year	-	(488,344)	-	(488,344)
Provisions for liabilities and charges	-	(631,000)	-	(631,000)
	<u>713</u>	<u>(146,732)</u>	<u>14,368,659</u>	<u>14,222,640</u>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2014 £
Net incoming resources before revaluations	14,390,640
Returns on investments and servicing of finance	713
Assets gifted by predecessor schools	(14,185,952)
Depreciation of tangible fixed assets	119,960
Capital grants from DfE	(3,837)
Increase in stocks	(4,038)
Increase in debtors	(279,454)
Increase in creditors	488,344
FRS 17 adjustments	29,000
Net cash inflow from operations	555,376

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 31 August 2014 £
Returns on investments and servicing of finance	
Interest received	(713)
	Period ended 31 August 2014 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(60,068)
Capital grants from DfE	3,837
Net cash outflow capital expenditure	(56,231)

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

26. ANALYSIS OF CHANGES IN NET FUNDS

	9 August 2013	Cash flow	Other non-cash changes	31 August 2014
	£	£	£	£
Cash at bank and in hand:	-	689,833	-	689,833
Net funds	-	689,833	-	689,833

27. CONVERSION TO AN ACADEMY TRUST

On 1 September 2013 Eastbrook Primary School and on 1 April 2014, White Meadows Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Reach2Sussex Academy Trust from Sussex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Leasehold land and buildings	-	-	14,428,551	14,428,551
Budget surplus/(deficit) on LA funds	-	191,401	-	191,401
LGPS pension surplus/(deficit)	-	(434,000)	-	(434,000)
Net assets/(liabilities)	-	(242,599)	14,428,551	14,185,952

The above net assets include £191,401 that was transferred as cash.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2014.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £44,000, of which employer's contributions totalled £35,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 7% for employers and 3% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

As described in note 27 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2014 £
Present value of funded obligations	(1,635,000)
Fair value of scheme assets	1,004,000
	<hr/>
Net liability	(631,000)
	<hr/>

The amounts recognised in the Statement of financial activities are as follows:

	Period ended 31 August 2014 £
Current service cost	(114,000)
Interest on obligation	(39,000)
Expected return on scheme assets	34,000
	<hr/>
Total	(119,000)
	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	Period ended 31 August 2014 £
Current service cost	114,000
Interest cost	39,000
Contributions by scheme participants	25,000
Actuarial Losses	203,000
Liabilities assumed on conversion	1,254,000
	<hr/>
Closing defined benefit obligation	1,635,000
	<hr/>

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2014 £
Expected return on assets	34,000
Actuarial gains and (losses)	35,000
Contributions by employer	90,000
Contributions by employees	25,000
Assets gifted on conversion	820,000
	<u>1,004,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £168,000.

The academy expects to contribute £172,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014
Equities	6.10 %
Gilts	3.00 %
Bonds	3.60 %
Property	5.10 %
Cash	2.90 %
Alternative Assets	3.60 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	3.50 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %

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

	2014
Retiring today	
Males	22.7
Females	25.1
Retiring in 20 years	
Males	24.9
Females	27.4

REACH2SUSSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

28. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(1,635,000)
Scheme assets	1,004,000
Deficit	<u>(631,000)</u>
Experience adjustments on scheme liabilities	(203,000)
Experience adjustments on scheme assets	<u>35,000</u>

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Per FRS 8, common control exists between the individual REAch2 Multi Academy Trusts. During the year, transactions amounting to £10,000 (2013: £Nil) took place with REAch2 Waltham Forest Academy Trust. An amount of £10,000 (2013: £Nil) was due by REAch2 Waltham Forest Academy Trust at 31 August 2014.

No other related party transactions took place in the period of account.

30. ULTIMATE PARENT UNDERTAKING & CONTROLLING PARTY

REAch2 Limited is the ultimate parent undertaking and controlling party. As at 31 August 2014, an amount of £27,270 was due from REAch2 Limited.

Management fee income receivable by REAch2 Limited from the academies amounted to £49,671 in the period.