

REACH2THAMESVALLEY 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

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

Trustees

Steve Lancashire, Chair
Cathie Paine
Dean Ashton
Anne Tattersall (appointed 1 April 2014)
Robert Wyld (appointed 1 July 2014)
Nicola Maytum (appointed 1 July 2014)
Gill Ellyard, Executive Principal (appointed 1 April 2014)
Mark Elms (resigned 1 October 2013)
Shane Tewes (resigned 1 October 2013)

Members

Roger Pryce, Trustee
Rebecca McKenzie Young, Trustee
Rev Anne Dollery, Trustee
REAch2 Ltd represented by Steve Lancashire, Trustee

Company registered number

08643729

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

REACH2THAMESVALLEY ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The directors present their annual report together with the financial statements and auditors reports of REAch2ThamesValley 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 1 primary academy in Reading. The academy has a pupil capacity of 420 and has a roll of 370 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 8 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 REAch2Thames Valley Academy Trust and some are also the directors of the Charitable Company for the purpose 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 amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased 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.

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TRUSTEES' REPORT (continued)
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- One Academy Director, will be the chair of a Local Governing Body of an academy within the Trust. Where 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 DIRECTORS

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

REAch2Thames Valley 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."

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TRUSTEES' REPORT (continued)
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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."
- "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 Reading.

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

REACh2Thames Valley 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:

"REACh2 is an Academy Trust whose 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

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TRUSTEES' REPORT (continued)
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sector."

"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."

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.

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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)

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- 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 August 31st 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	Y/N
The Palmer Academy	01-Sep-13	Fully Sponsored	77	79	79	70	23	26	40	19	47	23	YES

The Palmer Academy is a large primary school in Reading which converted to REAch2 as a sponsored academy in September 2013. The school was previously judged as Special Measures under Local Authority control. The school serves a challenging area and children join the school working significantly below expectations. A moderated trust inspection took place in July which judged the school as Requiring Improvement. There is now a strong team of two Co-Head teachers leading the school and rapid progress is being made in all areas. At the end of 2014, children at the end of KS2 attained below national statistics, however children made significant progress in writing and maths and good progress in reading. Senior Leaders have also addressed the high incidents of poor behaviour and have reduced fixed term exclusion statistics significantly.

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.

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

a. FINANCIAL REVIEW

The Charitable Company was incorporated on 8 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 The Palmer 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 £6,692,072.

c. INVESTMENT 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.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The directors 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

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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 the 1 September the Minerva Academy, a free School, was transferred to the Trust and is based in London.

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

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors we acknowledge we have overall responsibility for ensuring that REAch2Thames Valley 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 REAch2Thames Valley 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. REAch2Thames Valley Academy Trust was incorporated on 8 August 2013 and is responsible for one academy during the period 1 September 2013 to 31 August 2014, The Palmer 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	3	3
Cathie Paine	2	3
Dean Ashton	3	3
Anne Tattersall	3	3
Robert Wyld	1	1
Nicola Maytum	1	1
Gill Ellyard, 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 REAch2Thames Valley Academy Trust for

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GOVERNANCE STATEMENT (continued)

the period 8 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 8 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.

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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 REAch2Thames Valley 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 Board of Directors on 22 December 2014 and signed on its behalf, by:



Dean Ashton
Trustee



Gill Ellyard
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of REAch2Thames Valley 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.



Gill Ellyard
Accounting Officer

Date: 22 December 2014

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who act as directors of Reach2Thames Valley Academy Trust and 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 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 of 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;
- 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 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 Trustees on 22 December 2014 and signed on its behalf by:



Dean Ashton
Trustee

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2THAMESVALLEY
ACADEMY TRUST**

We have audited the financial statements of Reach2ThamesValley 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.


REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF REACH2THAMESVALLEY
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

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2THAMESVALLEY 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 Reach2ThamesValley Academy Trust during the period 8 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 Reach2ThamesValley Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach2ThamesValley 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 Reach2ThamesValley Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF REACH2THAMESVALLEY ACADEMY TRUST'S AND THE
REPORTING ACCOUNTANT**

The is responsible, under the requirements of Reach2ThamesValley Academy Trust's funding agreement with the Secretary of State for Education dated 13 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 8 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.

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2THAMESVALLEY 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 8 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

REACH2THAMESVALLEY 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	-	(247,395)	6,812,228	6,564,833
Activities for generating funds	3	-	31,708	-	31,708
Investment income	4	681	-	-	681
Incoming resources from charitable activities	5	-	2,326,846	10,784	2,337,630
TOTAL INCOMING RESOURCES		681	2,111,159	6,823,012	8,934,852
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	-	22,517	-	22,517
Charitable activities		-	1,984,242	129,659	2,113,901
Governance costs	7	-	95,362	-	95,362
TOTAL RESOURCES EXPENDED	10	-	2,102,121	129,659	2,231,780
NET INCOMING RESOURCES BEFORE TRANSFERS		681	9,038	6,693,353	6,703,072
Transfers between Funds	22	-	(97,610)	97,610	-
NET INCOME FOR THE PERIOD		681	(88,572)	6,790,963	6,703,072
Actuarial gains and losses on defined benefit pension schemes		-	(11,000)	-	(11,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		681	(99,572)	6,790,963	6,692,072
<i>Total funds at 8 August 2013</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		681	(99,572)	6,790,963	6,692,072

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 41 form part of these financial statements.

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08643729

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	18		6,790,963
CURRENT ASSETS			
Stocks	19	1,863	
Debtors	20	127,444	
Cash at bank		455,001	
		<u>584,308</u>	
CREDITORS: amounts falling due within one year	21	<u>(262,199)</u>	
NET CURRENT ASSETS			<u>322,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,113,072</u>
Defined benefit pension scheme liability	28		<u>(421,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,692,072</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	22	321,428	
Restricted fixed asset funds	22	6,790,963	
		<u>7,112,391</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(421,000)</u>	
Total restricted funds			6,691,391
Unrestricted funds	22		<u>681</u>
TOTAL FUNDS			<u><u>6,692,072</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


Gill Ellyard, Accounting Officer
Executive Principal

The notes on pages 22 to 41 form part of these financial statements.

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

	Note	2014 £
Net cash flow from operating activities	24	426,090
Returns on investments and servicing of finance	25	(681)
Capital expenditure and financial investment	25	(97,610)
Cash transferred on conversion to an academy trust	27	127,202
INCREASE IN CASH IN THE PERIOD		455,001

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**

	2014 £
Increase in cash in the period	455,001
MOVEMENT IN NET FUNDS IN THE PERIOD	455,001
NET FUNDS AT 31 AUGUST 2014	455,001

The notes on pages 22 to 41 form part of these financial statements.

REACH2THAMESVALLEY 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.

REACH2THAMESVALLEY 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.

REACH2THAMESVALLEY 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.

REACH2THAMESVALLEY 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 George Palmer 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 Reach2ThamesValley 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 The Palmer Academy carries on operations is held on a 125 year lease from Thames Valley 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	-	4,403	4,403
Assets Gifted From Predecessor School	-	6,560,430	6,560,430
Voluntary Income	-	6,564,833	6,564,833

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Trips Income	-	6,834	6,834
Hire of Facilities	-	833	833
Other Income	-	19,968	19,968
Catering Income	-	4,073	4,073
	-	31,708	31,708

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Investment Income	681	-	681

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Educational Operations	-	2,337,630	2,337,630

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

REAchThames Valley Academy Trust

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant	-	1,626,447	1,626,447
Start Up Grants	-	175,000	175,000
Pupil Premium Grant	-	192,950	192,950
Other EFA Income	-	83,414	83,414
Rates Relief	-	9,868	9,868
	-	2,087,679	2,087,679
Other government grants			
Other Government Grant	-	9,595	9,595
SEN Funding	-	7,170	7,170
Early Years funding	-	118,935	118,935
	-	135,700	135,700
Other funding			
Other Income	-	114,251	114,251
	-	114,251	114,251
	-	2,337,630	2,337,630

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Trips Expenditure	-	14,586	14,586
Other Expenditure	-	7,931	7,931
	<u>-</u>	<u>22,517</u>	<u>22,517</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Auditors' Remuneration	-	6,000	6,000
Other Professional Fees	-	56,830	56,830
Start Up and Conversion Costs	-	32,532	32,532
	<u>-</u>	<u>95,362</u>	<u>95,362</u>

8. DIRECT COSTS

	Educational Operations £	Total 2014 £
Pension income	14,000	14,000
Educational Supplies & Services	29,146	29,146
Staff Development	16,229	16,229
Recruitment & Support	12,422	12,422
Educational Consultancy	928	928
Supply Teaching Costs	137,595	137,595
Technology Costs	46,688	46,688
Wages and Salaries	975,209	975,209
National Insurance	48,175	48,175
Pension Cost	126,698	126,698
	<u>1,407,090</u>	<u>1,407,090</u>

REACH2THAMESVALLEY 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 £
Educational Supplies & Services	47,420	47,420
Repairs & Maintenance	41,571	41,571
Other Occupancy Cost	15,213	15,213
Maintenance of Premises	3,751	3,751
Water & Energy Cost	16,922	16,922
Insurance	27,475	27,475
Catering Expenses	38,809	38,809
Other Support Cost	46,859	46,859
Cleaning	30,058	30,058
Security and Transport	2,500	2,500
Wages and Salaries	261,885	261,885
National Insurance	5,813	5,813
Pension Cost	38,876	38,876
Depreciation	129,659	129,659
	<u>706,811</u>	<u>706,811</u>

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

10. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2014	2014	2014	2014
	£	£	£	£
Costs of generating voluntary income	-	-	22,517	22,517
Costs of generating funds	-	-	22,517	22,517
Direct Costs - Educational Operations	1,298,677	-	108,413	1,407,090
Support Costs - Educational Operations	306,574	35,886	364,351	706,811
Charitable activities	1,605,251	35,886	472,764	2,113,901
Governance	-	-	95,362	95,362
	1,605,251	35,886	590,643	2,231,780

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia/compensation payments	11,000	11,000	Termination Agreement

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total
	2014	2014	2014
	£	£	£
Educational Operations	1,407,090	706,811	2,113,901

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

12. NET INCOMING RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets: - owned by the charity	129,659
Auditors' remuneration	6,000
	<u>135,659</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	1,237,094
Social security costs	53,988
Other pension costs (Note 28)	165,574
	<u>1,456,656</u>
Supply teacher costs	137,595
Compensation payments	11,000
	<u>1,605,251</u>

b. Staff numbers

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

	2014 No.
Teachers	19
Education and other support staff	29
	<u>48</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

14. CENTRAL SERVICES

The academy 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 academy charges for these services on the following basis:

4% of Budget Share and Educational Services Grant Income.

The actual amounts charged during the year were as follows:

	2014
	£
The George Palmer School	32,532

15. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 1 Trustee 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:

	2014
	£'000
Robert Wyld, Deputy Headteacher	50-55

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

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 £1,250. The cost of this insurance is included in the total insurance cost.

REACH2THAMESVALLEY ACADEMY TRUST
(A company limited by guarantee)

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

17. OTHER FINANCE INCOME

	2014 £
Expected return on pension scheme assets	17,000
Interest on pension scheme liabilities	(31,000)
	<u>(14,000)</u>

18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	6,831,262	45,324	44,036	6,920,622
At 31 August 2014	<u>6,831,262</u>	<u>45,324</u>	<u>44,036</u>	<u>6,920,622</u>
Depreciation				
Charge for the period	113,292	8,142	8,225	129,659
At 31 August 2014	<u>113,292</u>	<u>8,142</u>	<u>8,225</u>	<u>129,659</u>
Net book value				
At 31 August 2014	<u>6,717,970</u>	<u>37,182</u>	<u>35,811</u>	<u>6,790,963</u>

19. STOCKS

	2014 £
Uniforms	<u>1,863</u>

20. DEBTORS

	2014 £
Other debtors	53,983
Prepayments and accrued income	73,461
	<u>127,444</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. CREDITORS:
Amounts falling due within one year

	2014 £
Trade creditors	149,189
Amounts owed to group undertakings	7,241
Other taxation and social security	20,128
Other creditors	520
Accruals and deferred income	85,121
	<u>262,199</u>

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	-	681	-	-	-	681
Restricted funds						
Restricted Funds - all funds	-	2,490,159	(2,071,121)	(97,610)	-	321,428
Pension reserve	-	(379,000)	(31,000)	-	(11,000)	(421,000)
	-	2,111,159	(2,102,121)	(97,610)	(11,000)	(99,572)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	6,823,012	(129,659)	97,610	-	6,790,963
Total restricted funds	-	8,934,171	(2,231,780)	-	(11,000)	6,691,391
Total of funds	-	8,934,852	(2,231,780)	-	(11,000)	6,692,072

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

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22. STATEMENT OF FUNDS (continued)

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:

George Palmer Primary School	348,261
Reach2 Thames Valley Trust balance	(26,152)
	<hr/>
Total before fixed asset fund and pension reserve	322,109
Restricted fixed asset fund	6,790,963
Pension reserve	(421,000)
	<hr/>
Total	<u>6,692,072</u>

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 depreciatio n £	Total £
George Palmer Primary School	1,277,268	167,498	100,011	354,303	1,899,080
FRS 17 expenditure not allocated	-	-	-	14,000	14,000
MAT costs not allocated	21,409	139,076	-	28,556	189,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,298,677</u>	<u>306,574</u>	<u>100,011</u>	<u>396,859</u>	<u>2,102,121</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	681	-	-	-	681
Restricted funds	-	2,111,159	(2,102,121)	(97,610)	(11,000)	(99,572)
Restricted fixed asset funds	-	6,823,012	(129,659)	97,610	-	6,790,963
	-	8,934,852	(2,231,780)	-	(11,000)	6,692,072

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	6,790,963	6,790,963
Current assets	681	583,627	-	584,308
Creditors due within one year	-	(262,199)	-	(262,199)
Provisions for liabilities and charges	-	(421,000)	-	(421,000)
	681	(99,572)	6,790,963	6,692,072

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources before revaluations	6,703,072
Returns on investments and servicing of finance	681
Assets gifted by predecessor schools	(6,560,430)
Depreciation of tangible fixed assets	129,659
Capital grants from DfE	(10,784)
Increase in stocks	(1,863)
Increase in debtors	(127,444)
Increase in creditors	262,199
FRS 17 adjustments	31,000
Net cash inflow from operations	426,090

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

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

	2014 £
Returns on investments and servicing of finance	
Interest received	(681)
	<u>2014 £</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(108,394)
Capital grants from DfE	10,784
Net cash outflow capital expenditure	<u>(97,610)</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	8 August 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	455,001	-	455,001
Net funds	<u>-</u>	<u>455,001</u>	<u>-</u>	<u>455,001</u>

27. CONVERSION TO AN ACADEMY TRUST

On 1 September 2013 George Palmer Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Reach2ThamesValley Academy Trust from Thames Valley 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.

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27. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	6,812,228	6,812,228
Budget surplus/(deficit) on LA funds	-	127,202	-	127,202
LGPS pension surplus/(deficit)	-	(379,000)	-	(379,000)
Net assets/(liabilities)	-	(251,798)	6,812,228	6,560,430

The above net assets include £127,202 that was transferred as cash.

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 Thames Valley 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

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

28. PENSION COMMITMENTS (continued)

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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

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 £80,000, of which employer's contributions totalled £61,000 and employees' contributions totalled £19,000. 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.

The amounts recognised in the Balance sheet are as follows:

	2014 £
Present value of funded obligations	(758,000)
Fair value of scheme assets	337,000
	<hr/>
Net liability	(421,000)
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The amounts recognised in the Statement of financial activities are as follows:

	2014 £
Current service cost	(78,000)
Interest on obligation	(31,000)
Expected return on scheme assets	17,000
	<hr/>
Total	(92,000)
	<hr/>

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

	2014 £
Current service cost	78,000
Interest cost	31,000
Contributions by scheme participants	19,000
Actuarial Losses	20,000
Liabilities assumed on conversion	610,000
	<hr/>
Closing defined benefit obligation	758,000
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**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:

	2014 £
Expected return on assets	17,000
Actuarial gains and (losses)	9,000
Contributions by employer	61,000
Contributions by employees	19,000
Assets gifted on conversion	231,000
	<u>337,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £11,000.

The academy expects to contribute £53,000 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	6.70 %
Gilts	3.00 %
Bonds	3.60 %
Property	5.90 %
Cash	2.90 %

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	26.0
Retiring in 20 years	
Males	24.9
Females	28.3

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(758,000)
Scheme assets	337,000
Deficit	<u>(421,000)</u>
Experience adjustments on scheme liabilities	(20,000)
Experience adjustments on scheme assets	<u>9,000</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 £25,000 (2013: £Nil) took place with REAch2 Waltham Forest Academy Trust. An amount of £25,000 (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. CONTROLLING PARTY

REAch2 Limited is the ultimate parent undertaking and controlling party. As at 31 August 2014, an amount of £32,241 was due to REAch2 Limited.

Management fee income receivable by REAch2 Limited from the academies amounted to £32,532 in the year.