

COMPANY REGISTRATION NO. 08452281 (ENGLAND AND WALES)

REACH2 ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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REFERENCE AND ADMINISTRATIVE DETAIL
For the Year Ended 31 August 2020

Members Jeremy King
 Roger Pryce
 Peter Little
 Rt Reverend David Rossdale (resigned 13.01.2020)

Trustees Dr Louise Askew
 Teresa Beach
 Anthony Gilbey
 Jeremy King (Chair)
 Ralph Kugler
 Sir Steve Lancashire
 Jonathan Lewis
 Wade Newmark
 Michael Peters
 Victoria Pigott
 Colin Powell
 Gavin Robert
 Clive Rockingham
 David Walker (appointed 01.10.2019)

Executive Leadership Team

 Sir Steve Lancashire (Chief Executive Officer and Accounting Officer)
 Catherine Paine (Deputy Chief Executive Officer)
 Katherine Alexander (Chief Operating Officer)

Registered Office and Head Office

 Reach2 Academy Trust
 Henhurst Ridge Primary Academy
 Henhurst Ridge
 Burton-on-Trent
 ENGLAND
 DE13 9TQ

Company Registration Number

 08452281 (England and Wales)

Company Secretary Helen Ashley Taylor (appointed 12.05.2020)

Independent Auditors KPMG UK
 1 Sovereign Square
 Sovereign Street
 Leeds LS1 4DA

Bankers Royal Bank of Scotland
 3rd Floor, Houblon House
 62-63 Threadneedle Street
 London EC2R 8HP

Solicitors Veale Wasbrough Vizards LLP
 Narrow Quay House, Narrow Quay
 Bristol BS1 4QU

REFERENCE AND ADMINISTRATIVE DETAIL
For the Year Ended 31 August 2020

The REAch2 Academy Trust includes the following academies all of which have Local Governing Bodies (LGBs) Transition Boards (TBs) or Intervention Boards (IBs).

Green Park Village Primary Academy joined the Trust on 1st September 2020.

Academy	Headteacher	Address
Aerodrome Primary Academy	Zoe Foulsham	Goodwin Road, Croydon CR0 4EJ
Beccles Primary Academy	Heather Thorne	Ellough Road, Beccles NR34 7AB
Brampton Primary Academy	Zara Winter-Nolan	Brampton Road, Bexleyheath DA7 4SL
Burrsville Infant Academy	Katie Siggery	Craigfield Avenue, Clacton-on-Sea CO15 4HR
Bushbury Lane Academy	Lisa Smith	Ripon Road, Bushbury Lane, Wolverhampton WV10 9TR
Camulos Academy	Lisa Frith-Sly	Whitmore Drive, Colchester CO4 6AL
Chapel End Junior Academy	Terence Sheen	Roberts Road, London, Walthamstow E17 4LS
Chigwell Primary Academy	Elaine Brook (EHT) Charlotte Furia (Head of School)	Mandir Lane, Chigwell IG7 6ED
Civitas Academy	Salima Ducker (EHT) Mark Wieder (Head of School)	90a Great Knollys Street, Reading RG1 7HL
Concordia Academy	Raheel Akhtar	Union Road, Romford RM7 0HG
Copperfield Academy	Simon Wood	Dover Road East, Gravesend, Northfleet DA11 0RB
Dorothy Barley Junior Academy	Cathy Leicester	Ivinghoe Road, Dagenham RM8 2NB
Eastbrook Primary Academy	Julia Sherlock	Manor Hall Road, Brighton, Southwick BN42 4NF
Five Spires Academy	Diane Rafferty	Cherry Orchard, Lichfield WS14 9AN
Garden City Academy	Rachael Stevenson	Radburn Way, Letchworth, Garden City SG6 2JZ
Green Park Village Primary Academy	Gemma Jackson	2 Flagstaff Road, Green Park, Reading RG2 3AX
Green Ridge Primary Academy	Aaron Wanford	President Road, Berryfields, Aylesbury HP18 0YA
Gunton Primary Academy	Matthew Jordan	Gainsborough Drive, Lowestoft NR32 4LX
Heath Hayes Primary Academy	Amy Fidler	Wimblebury Road, Heath Hayes, Cannock WS12 2EP
Henhurst Ridge Primary Academy	Charlotte Hopkins	Henhurst Ridge, Branston, Burton on Trent DE13 9TQ
Kemsley Primary Academy	Iris Homer	Coldharbour Lane, Sittingbourne, Kemsley ME10 2RP
Kirby Primary Academy	Charlotte Booth-Rylett	Halstead Road, Frinton-on-Sea, Kirby Cross CO13 0LW
Langtons Junior Academy	Elaine Brooke (EHT) Anna Thorpe (Head of School)	Westland Avenue, Hornchurch RM11 3SD
Lawley Village Academy	Laura Hopley	Bryce Way, Telford, Lawley Village TF4 2SG
Lower Farm Academy	Andy How	Milking Lane, Nuneaton CV10 0FD
Manor Park Primary Academy	Andy How (EHT) Rachael Dobbie (Head of School)	Church Lane, Aston, Birmingham B6 5UQ
Martlesham Primary Academy	Emma Churchman	Black Tiles Lane, Woodbridge, Martlesham IP12 4SS
Milton Court Primary Academy	Ben Clark	Brewery Road, Sittingbourne, Milton Regis ME10 2EE
Moor Green Primary Academy	Tom Twort (EHT) Christine Chapman (Head of School)	Moor Green Lane, Birmingham, Moseley B13 8QP
Newhall Primary Academy	Charmaine Ward	Roundhouse Way, Harlow CM17 9SS
Northfield St Nicholas Primary Academy	Iain Owens	St Margaret's Road, Lowestoft NR32 4HN
Norton Canes Primary Academy	Bethan Hadley	School Road, Norton Canes, Cannock WS11 9SQ
Oakfield Primary Academy	Leah Adams	Oakfield Road, Rugby CV22 6AU

REFERENCE AND ADMINISTRATIVE DETAIL
For the Year Ended 31 August 2020

Pemberley Academy	Neil Coster	Hodings Road, Harlow CM20 1NW
Phoenix St Peter Academy	Stephany Hunter	Enstone Road, Lowestoft NR33 0NE
Purfleet Primary Academy	Eugene Samuel	Tank Hill Road, Purfleet RM19 1TA
Racemeadow Primary Academy	Joanna Collinson	Ratcliffe Road, Atherstone CV9 1LT
Ranikhet Academy	Salima Ducker (EHT) Louisa Compton (Head of School)	Spey Road, Tilehurst, Reading RG30 4ED
Riverside Academy	Rebecca Payne	Newbold Road, Rugby, Newbold-on-Avon CV21 1EH
Robert Fitzroy Academy	Matt Clarke	80 Brampton Road, Croydon CR0 6JN
Scientia Academy	Helen Bye	Mona Road, Burton-upon-Trent, DE13 0UF
Silkmore Primary Academy	Jo Connelly	Exeter Street, Stafford ST17 4EG
Sir Martin Frobisher Academy	Debbie Gaylor	Frobisher Drive, Jaywick, Clacton-on-Sea CO15 2QH
Springfield Primary Academy	Tom Twort (EHT) Sasha Taylor (Head of School)	Springfield Road, Moseley, Birmingham B13 9NY
Springhill Primary Academy	Nikita Silvester-Grant	Mossbank Avenue, Burntwood, Chasetown WS7 4UN
Sprites Primary Academy	Motuir Rahman	Stonechat Road, Ipswich IP2 0SA
St Margaret's Primary Academy	Zara Lambert	Church Road, Lowestoft NR32 4JF
St Mark's Church of England Primary Academy	Claudet Hedman	Albert Road, London, South Norwood SE25 4JD
Summerside Primary Academy	Nadine Lewis	Crossway, Finchley, London N12 0QU
The Globe Primary Academy	Luisa Gould (EHT) Yvonne Kidd (Head of School)	Irene Avenue, Lancing BN15 9NZ
The Limes Primary Academy	Kate Cracknell	Lime Avenue, Oulton, Lowestoft NR32 3BQ
The Palmer Primary Academy	Dom Prendergast	70 Northumberland Avenue, Reading RG2 7PP
The Woodside Primary Academy	Shane Tewes	Wood Street, London E17 3JX
Tidemill Academy	Lorraine Stewart	11 Giffin Street, London SE8 4RJ
Tymberwood Academy	Sarah Kelley-Day	Cerne Road, Gravesend DA12 4BN
Unity Primary Academy	Anthony Cosans	Hickory Avenue, Colchester, Greenstead CO4 3QJ
Veritas Primary Academy	Angela Didier	Weston Road, Stafford ST18 0FL
Water Lane Primary Academy	James Kenyon	Broadley Road, Harlow CM19 5RD
White Meadows Primary Academy	Luisa Gould (EHT) Rebecca Misselbrook (Head of School)	Whitelea Road, Littlehampton, Wick BN17 7JL
Wilshire-Dacre Junior Academy	Sarah Smith	Fishponds Road, Hitchin SG5 1NS

TRUSTEES' REPORT

For the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Academy Trust operated 59 primary academies across the UK at 31 August 2020. Its academies had a combined pupil capacity of 20,636 and a roll of 17,867 as at the October 2020 Census date (based on 60 schools).

*Capacity is based on the actual number of pupils (in Reception to Year 6) that all schools within the Trust can accommodate during the year. This will include, free schools with reduced year groups, schools who have bulge classes, temporary PAN (Published Admission Number) reductions etc. This figure will differ to the PAN shown on GIAS (Get Information About Schools Website).

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of REAch2 Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company operates as REAch2 Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trust Indemnities

In accordance with normal commercial practice, the Trust purchased insurance to provide indemnity for Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. All academies within the Academy Trust have opted into the Department of Education's academies risk protection arrangement (RPA). RPA cover applies to the central infrastructure of the Trust as well as the individual academies.

<https://www.gov.uk/guidance/academies-risk-protection-arrangement-rpa>

The RPA provides indemnity for Trustees to a maximum aggregated value of £10 million during any one membership year.

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are appointed or co-opted under the terms of the articles of association and funding agreement. As both an exempt charity and a company registered at Companies House, the Trust has both trustees and members. The members are stated on page 1. Members provide an independent oversight of the governance of the trust with one of the core roles including the appointment of up to five trustees in accordance with the Articles.

Trustees (unless ex-officio) hold office for four years. Subject to remaining eligible, any trustee may be re-appointed or re-elected. Up to five trustees are to be appointed by the Members. The Chief Executive Officer may be appointed as an ex-officio trustee. One trustee may be appointed by the Southwark Diocese of Education, with remaining trustees being co-opted by the trustees.

The recruitment and succession planning of Trustees must match REAch2 Academy Trust's vision for the next five years. The skills profile of the Board must reflect the governance needs of the Trust.

Additionally, the Board of Trustees is developing a programme of work to bring new representation into the trust board and committees with the aim of ensuring the board and committee roles within the Trust actively represent the stakeholders of the Trust. The Board aims to bring new backgrounds and diversity into education leadership as part of the Trust's wider diversity and inclusion strategy.

TRUSTEES' REPORT (continued)

The following skills categories set out the broad range of skills, knowledge or prior experiences that are expected to be held across the Board:

- Leadership and Policy
- Education Performance and Curriculum
- Finance
- Risk and Audit
- Constitutional Governance
- Strategic Partnerships, External Relationships and Public Relationships
- Engagements with Internal Stakeholders
- Human Resources
- Estates and Property
- Health, Safety and Safeguarding
- Change Management

The REAch2 Board requires its Trustees to have a broad range of skills and previous experiences in order to be effective in governance. The Board carries out an annual skills audit of Trustees to inform the recruitment process, using the categories above to inform decision-making. The steps towards recruiting and appointing a new trustee are set out below:

1. Create and distribute a Trustee person specification

A person specification is developed, setting out the 'Roles and Responsibilities' and desired skills / experience required of a new REAch2 Trustee – whether appointed by Members or co-opted by Trustees.

The person specification is advertised externally to create an open and transparent competition for trustee appointments. Additional information, such as the five-year strategy, may be provided to interested candidates.

2. Shortlisting and Interview

If the role is a member appointment in accordance with the Articles, at least one Member will review applications and shortlist to a preferred set of candidates.

These shortlisted candidates will then be interviewed by at least one Member and one existing Trustee. An independent interview panel member may also participate in the interview where this is considered appropriate. This interview will determine whether the candidates are suitable, against the selection criteria and any skills gaps of the Board. Candidates considered suitable for further consideration will then be invited to shadow a Trust Board meeting or relevant sub-committee meeting.

In cases of co-opted Trustees, the shortlisting and interviews are carried out by Trustees.

3. Final Selection

Prior to a formal decision on appointment to the Board, any remaining candidates may also attend a Trust board, or sub-committee meeting in an observer capacity to assess overall suitability to work well as part of the existing team of Trustees

4. Decision and appointment to REAch2 Board

For appointed Trustees, the final ratification of a potential appointment is provided by Members by ordinary resolution. Once this has been approved successful candidates can commence the REAch2 Trustee induction process.

In cases of co-opted Trustees, a vote of the Trust Board will determine final ratification, after which successful candidates can commence the REAch2 Trustee induction process.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review, the trustees were in attendance at six trust board meetings. The training and induction provided for new trustees' will depend on their experience. An induction meeting is undertaken to provide training on charity, educational, legal and financial matters. It also sets out the strategy and objectives of the Trust along with the values and vision. All new trustees are given a tour of at least one of the academies in the group, and a chance to meet with staff and students. New trustees are provided with copies of the Trust policies, procedures, minutes, budgets, plans, strategy and risk framework and other documents that they will need to fulfil their role as trustees and directors of the Trust. New trustees are also required to adhere to a Code of Conduct.

On-going governance reviews and training programs are encouraged for all trustees to ensure they continue to make an effective contribution and are keeping up to date with changes in legislation. During the year, trustees reviewed the induction and training requirements as part of a wider board evaluation review undertaken by the Company Secretary. A new and revised trustee induction handbook is proposed for 2020-21.

Organisational Structure

The Trust Board has overall responsibility and ultimate decision-making authority for the work of the Academy Trust, including the establishment and maintenance of the Academies. The Members of the Academy Trust have a distinct and separate role as guardians of the constitution and governance of the Trust, holding the Trustees to account for the

TRUSTEES' REPORT (continued)

governance of the Trust and ensuring the purpose of the Trust is being met and its charitable purposes fulfilled. The Members are also the guardians of the trust's values (referred to as The Touchstones at REAch2) and ethics, and the development, embedding and promotion of the organisation's culture.

The Trust Board delegates authority to the following key groups in order to ensure the effective leadership and governance of the Academy Trust:

- Trust Board Committees populated entirely or largely by trustees (the 6 main trustee sub-committees are detailed in the Governance Statement on page 26)
- Executive leadership and management team (the Executive Team);
- Cluster Boards – these are committees that provide additional area governance for the Academies.
- Local Governing Bodies for each Academy.

The recently established Clusters fall within either the North or the South. There is a Director of Education for each of the North and South areas, with each Cluster being led by a Deputy Director of Education.

The Executive Team works directly with the staff and headteacher of each Academy, Cluster Board and Local Governing Body. The relationship between the Trust Board and the Executive Team, the Cluster Boards and the Local Governing Bodies is characterised as a partnership to realise a common vision and a common purpose. In the case of the Cluster Boards and the Local Governing Bodies the relationship between the three tiers of governance is also based on the principles of:

- No duplication of governance.
- Governance should be as close as possible to the point of impact of decision-making.
- Whilst overall responsibility and oversight for risk management is retained by the Trust Board, risk management is integrated across all layers of governance and is a key feature of the Cluster Boards' activities as well as those of the Local Governing Bodies.

The Articles of Association, Scheme of Delegation and Terms of Reference for each board and committee provide clarity as to who the decision makers are for different levels of decisions. Effectiveness of both management and governance is supported through clarity over who holds the decision-making responsibility and who supports and advises the decision makers.

The Trust Board remains ultimately responsible for the Academy Trust and the conduct of the Academies. The operation of the various elements of governance are crucial to the success of the group. From time to time the Trustees may need to intervene to determine bespoke governance arrangements and individualised support for an academy to ensure the objectives and outcomes set for that academy are achieved.

In such circumstances, the Trust Board, along with the Executive Team, work closely with any Academies concerned and those involved in their governance who would be expected to implement promptly any advice or recommendations made by the Trust Board and the Executive Team. The Trust Board reserves the right to review or remove any power or responsibility which it has delegated, in particular, in circumstances where serious concerns in the running of an Academy (or Academies) are identified, including where:

- There are concerns about financial matters;
- Insufficient progress is being made against educational targets (including where intervention by the Secretary of State is being considered or carried out);
- There has been a breakdown in the way the Academy is managed or governed; or
- The safety of pupils or staff is threatened, including a breakdown of discipline.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of REAch2 Academy Trust are the Trustees' and the Executive Leadership team shown on Page 1. When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation it was proposed that job roles should be banded relative to the average newly qualified teachers starting salary. The highest paid role will not exceed ten times that of a newly qualified teacher. In the academic year 2019 / 20 the average annual salary of a newly qualified teacher across the trust was £27,188.

A benchmarking exercise takes place every two years covering the more senior roles which is reviewed by the remuneration committee. The remuneration committee refers to three comparators to assess the proportionality of salary levels across the Trust at the executive level: comparison within the Trust; comparison within the education sector (in particular other multi academy trusts); and comparison with similar sectors. Any recommendation from the remuneration committee is taken to the Trust Board for final sign off. The

TRUSTEES' REPORT (continued)

remuneration committee is a sub-committee of the Trust Board and was chaired by Ralph Kugler during the year. During the year, the executive pay policy was reviewed by the committee and work was carried out to develop further the standardised approach to carrying out executive appraisals and ensuring that qualitative feedback is received from a variety of external stakeholders.

Trade union facility time

Report for year 1st April 2019 to 31st March 2020 (2019-20)

Table 1

Relevant Union Officials

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
18	16.25

Table 2

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	16
1-50%	2
51-99%	0
100%	0

Table 3

Percentage of pay bill spent on facility time

<i>First Column</i>	<i>Figures</i>
Provide the total cost of facility time	£35,480.64
Provide the total pay bill	£ 81,874,302.85
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.04333 %

Table 4

Paid trade union activities

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	2.74 %
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Related Parties and other Connected Charities and Organisations

REAch2 Academy Trust has strong collaborative links with Reach South Academy Trust. This relationship is defined through a Memorandum of Understanding that both Trusts approved.

While the Trusts are separate and independent legal entities, they share a common brand and set of values with a declared intent to work in collaboration to the mutual benefit of the MATs. The Memorandum of Understanding sets out how the Trusts would positively cooperate and how that cooperation would be governed.

TRUSTEES' REPORT (continued)

The strength of the partnership across both Trusts will enable a Reach education. Whilst REAch2 was incorporated as a primary only Trust, Reach South are sponsors of primary, secondary, special and all through education enabling a Reach education across the UK.

REAch2 Inspiration Ltd is wholly owned subsidiary of REAch2 academy Trust. REAch2 Inspiration Ltd fully complies with the provision of services "at cost" principle, as any surpluses generated by the company would belong to the Multi Academy Trust. 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 academies, ensuring budgets are optimised to benefit the education of children within REAch2 Academies and hence providing best value.

Engagement with Employees and Disabled Persons

REAch2 Academy Trust strives to ensure that no employee or potential employee will receive less favourable treatment due to disability. The Trust applies equal opportunities to all selection and recruitment procedures and operates within the context of the Equality Act 2010. Applicants are asked to complete and return an online Equal Opportunities Monitoring Form, which is separate to their application. Applicants are encouraged to disclose any disability at the application stage. REAch2 explores jointly with candidates whether there are any ways a job can be changed to meet specific requirements related to a disability.

Where adjustments are required for a disabled applicant to attend an interview, these are made in discussion with the applicant by a HR representative. As part of the post- recruitment process and following any pre-employment occupational health advice, reasonable and practical adjustments for employees with disabilities are made in discussions with the line Manager and/or a HR representative or and the employee.

Where an employee becomes disabled, assessment is made of the requirements with advice from occupational health and any adjustments required implemented.

The Trust treats all employees equally and fairly in relation to pay and career development. REAch2 is a Real Living Wage employer, details of the latest Gender Pay Gap report can be found on the website at <http://reach2.org/gender-pay-gap-report-2019/>

To ensure fair access to development, we encourage every employee to have an active personal development plan and talent conversations engage with senior leaders to align career aspirations with opportunities across the Trust.

Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust

The Trust works with a range of suppliers both local and centrally whilst aiming to put control and responsibility as near as possible to the point of need of an Academy. REAch2 has policies and procedures in place to ensure the Trust can obtain works, goods and services based on the achievement of value for money through good procurement practice. At the same time as seeking value for money from suppliers, the Trust seeks to manage risk appropriately, ensure acceptable quality of goods and services whilst protecting the reputation of the trust in its business relationships. The Trust additionally seeks to ensure fairness as a key objective within business relationships during tendering and procurement processes – ensuring all parties are treated in a fair and equitable manner.

The Trust requires all suppliers to comply with current legislation to ensure goods and services are free of exploitation, including Equality and Race Relations, Modern Slavery Act and all other relevant legislation. Additionally, the environmental impact of the Trust's activities is monitored in order to reduce carbon emissions. Details of the Trusts Streamlined Energy and Carbon Reporting can be seen on page 21.

Objects and Activities

Objects and Aims

The principle object and activity of the charitable company is to advance education for the public benefit in the UK, by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced education for primary pupils of all abilities in the UK. Presently within the Trust there is also one Academy which is a Church Academy with a designated Church of England religious character.

In setting out the trust objectives, consideration has been given to the Charity Commission guidance in respect of public benefit when reviewing the aims and objectives of academies (see 'Public Benefit' section below)

In accordance with the articles of association the academy 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.

TRUSTEES' REPORT (continued)

The scheme of government 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 Academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of the individual pupils including pupils with special educational needs (SEN).

Objectives, Strategies and Activities

Our mission is to run "Great Schools". Some of our schools can already be described in this way, but we want every school in our family to aspire to this and for this to become the reality for every single one of our pupils.

To do this, over the next three years everything we do will be driven by the following goals:

- Truly Exceptional Performance
- Distinctive Contribution
- Enduring Impact

Truly Exceptional Performance

To become an exemplary provider of primary education, creating and upholding our "above and beyond" performance standards. As a system leader to contribute to government policy and lead on sector improvement.

Distinctive Contribution

All schools have an educational offer defined by aspiration, enrichment and opportunity that provides social, personal and cultural capital. In REACh2 schools' children develop distinctive characteristics which prepare them for a brighter future.

Enduring Impact

We are the destination of choice as the UK's best provider of primary education. By becoming a dynamic part of the social fabric, we drive the transformation of socially disadvantaged communities.

The Trust is an efficient and effective organisation with fit for purpose systems and processes that deliver on Truly Exceptional Performance and Distinctive Contribution.

Public Benefit

In setting the objectives, the Trustees confirm that they have complied with their duty to have due regard to the suite of guidance on public benefit published by the Charity Commission in exercising their duties in applying the requirements of section 17 of the 2011 Charities Act and the requirements relating to annual reporting within the Charities (Protection and Social Investment) Act 2016.

This has been considered when reviewing the Academy Trusts' aims and objectives (outlined earlier) and in planning any future activities.

The key public benefit delivered by the trust is the provision of continued high-quality education to its pupils, which will be evidenced from feedback from external assessments.

Strategic Report

Achievements and Performance

2019/20 commenced in a positive way with a clear direction of travel, baseline data for pupils across year groups being in place and an ambition by all to achieve the Trusts KPIs that were signed off by the Board of Trustees. During the second half of the year, and, as an impact of Covid19 our relentless focus on education was interrupted and the direction of travel changed and moving from a proactive way of working to reacting and responding became the new norm.

The catchment area of the Trust now spans across 18 Local Authorities from Burton-on-Trent to Brighton – including (not exclusively) the Midlands, London and the South East, the South Coast, East Anglia, West Sussex, Suffolk, Staffordshire, Hertfordshire and Warwickshire. The Trust is committed to outreach and engagement within each local community where it operates and enables very small local and/or rural primary schools to join the trust and continue in viable operation where this might not have otherwise been possible for a local community. The Trust has supported small schools and made them economically and educationally viable, improving outcomes for children and closing gaps for some of the most disadvantaged. The Trust has moved to a cluster model allowing a more effective leadership of schools and sharing of expertise between schools. The Trust also shares expertise, experience and practice of what has worked well with other Multi-Academy Trusts and peers across the education sector.

The Trust aims to make a real difference to the lives and life chances of as many primary school children as possible, many of whom have not previously received the educational opportunities subsequently provided by the Trust. In particular, the Trust's 11B411 programme aims to make available to its 17,867 children in the Trust, a programme of activities and life experiences that many children in the Trust will not have had access to in their backgrounds or been

TRUSTEES' REPORT (continued)

previously able to access. The Trust is committed to fundraising for this programme as part of its ongoing commitment to place the importance of childhood and the whole child firmly alongside the commitment to high-quality learning and academic outcomes.

Response to COVID-19

The Trust's leadership of its COVID strategy has been robust throughout these unprecedented times. It has ensured that all school leaders have been provided with the relevant information and appropriate support to face the many operational challenges head on. All services have worked strategically and communication strategies have been further developed to ensure consistency and continuity in support, with regular on-line meetings with senior leaders in each school. Trust leaders produced a series of advisory documents to reflect each stage of the Government's guidance which included instructions and advice on:

- Preparing schools for closure
- The mandatory closure of schools
- Partial re-opening of schools as a child-care facility
- Partial re-opening of schools as a child-care facility and education for key year groups
- Preparation for full opening of schools in September 2020
- The full opening of schools in September 2020

Throughout this pandemic in addition to the safety and well-being of the families and staff that the Trust serves we have maintained educational opportunities for all children. Furthermore detailed risk assessments have been completed and safeguarding guidance provided to all schools. This high-quality guidance and support continues as we move into the new academic year.

Ofsted

- Ofsted launched the Education Inspection Framework in September 2019, which placed a much more substantial emphasis on the overall quality of the curriculum.
- Prior to lockdown, five schools within the Trust were inspected under the new framework. Three schools received a section 5 inspection and a further two schools received a monitoring visit.
- Two schools improved their grade from Requires Improvement to Good.
- One school that had previously been judged inadequate received a section 5 inspection less than 15 months after the previous inspection. The school was again, regrettably, judged inadequate.
- Two schools previously judged inadequate received their third monitoring visit and in both cases leaders and the Trust were deemed to be taking effective action to address the weaknesses that had previously been identified.
- Across the Trust 53 out of the 60 schools have now been inspected, with 83% (44) of these schools having been judged to be good or better.

School	Type of Inspection	Date Inspected	Previous Inspection Grade	Inspection Outcome
Milton Court	Section 5	September 2019	Requires Improvement	Good
Sprites	Section 5	October 2019	Inadequate	Inadequate
Summerside	Section 5	November 2019	Requires Improvement	Good
Copperfield	Section 8 - Monitoring	February 2020	Inadequate	Taking Effective Action
Ranikhet	Section 8 - Monitoring	March 2020	Inadequate	Taking Effective Action

Attendance 2019/20

Attendance for the Trust between 1 September 2019 to 20 March 2020 was 95.1%. Nationally, for all Primary State funded schools, the overall attendance rate in Autumn 2019 was 95.7%.

Below is the Trust Data Dashboard for other key attendance metrics (as at 17 February 2020). Persistent absence continues to be significantly higher within the Trust when compared to national rates.

There was a similar number of full-time exclusions as the equivalent period in the previous year. However, the number of permanent exclusions was significantly lower. Below are the Attendance figures from 1 September 2019 to 20 March 20.

TRUSTEES' REPORT (continued)

Cluster	School	Attendance
Cluster 1	Bushbury Lane Academy	94.1%
Cluster 1	Norton Canes Primary Academy	95.1%
Cluster 1	Silkmore Primary Academy	95.6%
Cluster 1	Heath Hayes Primary Academy	96.2%
Cluster 1	Veritas Primary Academy	96.2%
Cluster 1	Lawley Village Academy	97.0%
Cluster 2	Springhill Primary Academy	93.9%
Cluster 2	Henhurst Ridge Primary Academy	95.6%
Cluster 2	Scientia Academy	95.8%
Cluster 2	Five Spires Academy	96.3%
Cluster 3	Springfield Primary Academy	93.9%
Cluster 3	Moor Green Primary Academy	94.7%
Cluster 3	Oakfield Primary Academy	94.8%
Cluster 3	Racemeadow Primary Academy	95.0%
Cluster 3	Riverside Academy	95.0%
Cluster 3	Manor Park Primary Academy	96.3%
Cluster 3	Lower Farm Academy	96.9%
Cluster 4	Water Lane Primary Academy	95.4%
Cluster 4	Garden City Academy	95.5%
Cluster 4	Pemberley Academy	95.6%
Cluster 4	Newhall Primary Academy	95.9%
Cluster 4	Wilshire-Dacre Junior Academy	96.0%
Cluster 4	Green Ridge Primary Academy	96.5%
Cluster 5	The Limes Primary Academy	93.5%
Cluster 5	Beccles Primary Academy	93.9%
Cluster 5	St Margaret's Primary Academy	94.6%
Cluster 5	Gunton Primary Academy	94.9%
Cluster 5	Northfield St Nicholas Primary Academy	95.8%
Cluster 5	Phoenix St. Peter Academy	96.2%
Cluster 6	Sir Martin Frobisher Academy	92.4%
Cluster 6	Unity Primary Academy	94.6%
Cluster 6	Burrsville Infant Academy	94.7%
Cluster 6	Kirby Primary Academy	95.0%
Cluster 6	Sprites Primary Academy	95.4%
Cluster 6	Camulos Academy	96.0%
Cluster 6	Martlesham Primary Academy	97.2%
Cluster 7	White Meadows Primary Academy	94.4%
Cluster 7	The Globe Primary Academy	95.3%
Cluster 7	Eastbrook Primary Academy	95.7%
Cluster 7	Aerodrome Primary Academy	96.0%
Cluster 7	Robert Fitzroy Academy	96.1%
Cluster 7	Tidemill Academy	96.4%
Cluster 7	St Mark's Church of England Primary Academy	96.5%
Cluster 8	Tymberwood Academy	93.4%
Cluster 8	Copperfield Academy	94.0%
Cluster 8	Milton Court Primary Academy	95.3%
Cluster 8	Brampton Primary Academy	95.7%
Cluster 8	Kemsley Primary Academy	96.5%
Cluster 9	Ranikhet Academy	92.5%
Cluster 9	Civitas Academy	93.8%
Cluster 9	The Palmer Primary Academy	95.0%
Cluster 10	Purfleet Primary Academy	93.6%
Cluster 10	The Woodside Primary Academy	94.0%
Cluster 10	Dorothy Barley Junior Academy	94.9%
Cluster 10	Summerside Primary Academy	95.1%
Cluster 10	Chapel End Junior Academy	95.8%
Cluster 10	Concordia Academy	96.1%
Cluster 10	Langtons Junior Academy	96.2%
Cluster 10	Chigwell Primary Academy	96.4%
Trust	Grand Total	95.1%

Home Learning

As soon as it became clear the government was considering school closures, Headteachers, teachers and the central education team began to prepare for pupils learning at home. All schools provided regular home learning for pupils but provision for home learning from each school varied depending on a number of factors including catchment area, access to Wi-Fi and IT capability, existing systems and structures in school and needs of pupils. The central team have supported this process with Deputy Directors of Education (DDoEs) collating home learning from all schools onto Microsoft Teams. Combining materials from all schools has provided access to a wealth of material for all Trust schools. The DfE, organisations and businesses have provided, free of charge to schools, additional materials. These resources and links were shared with schools through the update sheets sent out on a regular basis and highlighted during Headteacher briefings.

Take-up was variable across the Trust. Although 66% of pupils completed home learning provided by the school, there was great variation across schools with a number, such as Martlesham, Concordia and Heath Hayes reporting take-up above 90% and others, Unity, Purfleet and Sir Martin Frobisher below 40%. Generally, figures support the hypothesis that up-take is linked to the level of deprivation and challenges facing a school, this has resulted a review of the Trusts digital strategy.

Safeguarding

Autumn term

The safeguarding team categorised schools as requiring one of three levels of support: core, enhanced and intensive. This decision was informed by the outcomes of the previous year's safeguarding audit conducted by the safeguarding team, the capacity and stability of the current leadership to sustain effective safeguarding over time, and whether or not the school was classed by the Trust as a transformation school. Where schools required the enhanced or intensive level of support, a bespoke programme was put in place, in agreement with the DDoE and the school's leaders, to support the school's progress towards its targets. This was reviewed at the end of Autumn 1 and Autumn 2, and where needed support programmes were revised or agreed to be completed. Where schools required a level of support, this was provided by the safeguarding team.

Spring term

The first half of the Spring term continued as had been the case in the Autumn term, with school's identifying risks and progress towards agreed actions/targets reviewed at the end of Spring 1. In Spring 2, the focus was on supporting schools with policy and practice to work safely towards closure of schools, monitoring and supporting pupils whilst learning from home, and operating childcare for vulnerable pupils and keyworker children. A COVID-19 annex to the substantive safeguarding and child protection policy was provided to all schools, and a safeguarding meeting was conducted with the Headteacher, Designated Safeguarding Lead (DSL) and leaders of each school with their safeguarding lead to review the school's actions for safeguarding and vulnerable pupils under the expectations outlined by the DfE in their school closure guidance. Schools were supported by the safeguarding team to raise and escalate concerns with the Local Authority and other agencies where families believed to be vulnerable were not engaging with staff or with home learning.

Summer term

This term focussed on supporting schools to welcome more children back to school, either in childcare or in education, and to prepare for wider re-opening in September. The annex to the safeguarding policy was updated every four weeks to reflect the evolving requirements for schools regarding safeguarding and as more pupils returned. Regular DSL drop in sessions were offered across clusters, and where requested by the school and/or DDoE additional bespoke support was provided to DSLs and other school leaders to support their safeguarding processes. Ready for September, the template for the Single Central Record was fully reviewed and updated in line with new guidance and feedback received from schools and other stakeholders, and accompanying training materials and resources to support the effective management of the SCR were updated and shared with schools. Also, a series of training and CPD documents for staff in schools to support regular safeguarding refreshers throughout the year were created and shared, which has been very positively received.

Wellbeing

The focus for the Wellbeing Strategy in 2019/20 was Mental Health. The look and content of the Mental Health pages on REAchin (the Trust's intranet) were expanded to include sections for individuals, line managers and Wellbeing Champions. A DDoE meeting in June outlined the strategy and called for nominations for Wellbeing Champions from each school. These will be put in place and meetings arranged for autumn 2020. Bids for external funding to train Mental Health First Aiders (1 in each school) were submitted and the outcome should be known in October 2020.

In the last academic year, 10 mindfulness "zooms" were held, available to colleagues from all REAchin2 schools and service areas. Communications throughout the pandemic have included a reminder of the wellbeing resources available on REAchin and contained details of Education Support's free confidential helpline.

603 colleagues have completed the online Mental Health Awareness course via Flick Training and in-house training on mental health awareness for managers across the Trust has been prepared, to be delivered in the 2020/21 academic year.

Risk Management Process

The Trust conducted its pilot of a new Trust-wide Risk Management process. This required schools to complete risk registers at school level that then informed Cluster and Trust level risk. The process covered the full spectrum of areas in which schools might face possible risk (Health and Safety, Safeguarding, Education, People, Finance, Operations, Legal and Regulatory). This process allowed specialists within the Trust to have a more detailed understanding of risk in every school as well as a greater ability to spot trends that affected multiple schools.

The pilot was paused after schools were closed due to COVID-19 and will be extended to spring 2021. Feedback so far has been positive, with a range of alterations that will help streamline the process.

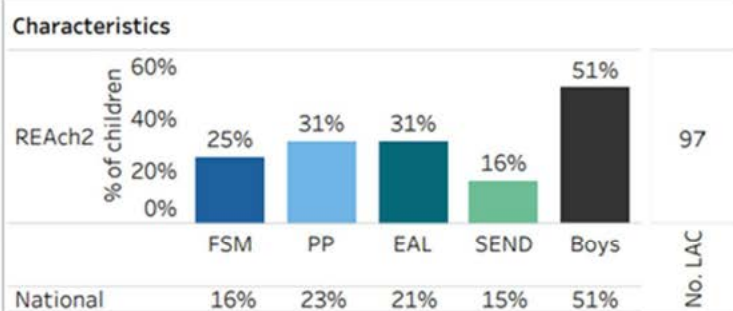
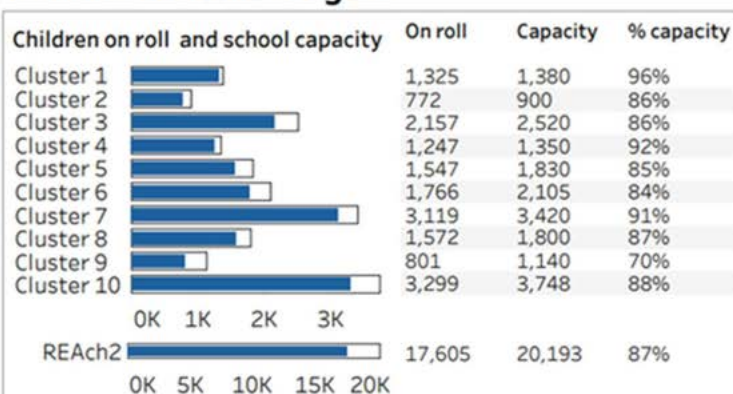
Trust Context

Please see the below Trust Data Dashboard key context metrics (as at 17 February 2020).

Capacity – Overall, 87% of school places within the Trust were filled. There was variation between clusters, but Cluster 9 saw the lowest capacity rate at 70% and Cluster 1 the highest at 96%. Between joiners and leavers, there was a net change of losing 20 pupils.

Characteristics – The Trust continues to have higher than average rates of Free School Meals, Pupil Premium, and English as an additional language. Children with Special Educational Needs and/or Disabilities remains near the national average.

REAch2 Context - Page 1



Exclusions			
	No. of FTE	No. of children	Permanent
2018/19	610	266	17
2018/19 Aut1-Spr1	348		13
2019/20 (YTD)	320	149	3

Attendance		
	Attendance	PA
2017/18	95.2%	12.3%
2018/19	95.3%	11.9%
2018/19 Aut 1 to Spr 1	95.4%	10.9%
2019/20 (YTD)	95.3%	12.6%
2017/18	95.8%	8.7%
2018/19	96.1%	8.4%
2019/20		

On roll and characteristics correct at 17 February 2020 and exclude nursery.

Year to date (YTD) is 02 September 2019 to 14 February 2020.

Attendance relates to statutory school age children only (see DfE definition). All data sourced from Arbor except 2017/18 attendance and capacity.

National attendance is from DfE published statistics - 2018/19 relates to Autumn and Spring terms only. Capacity is calculated based on the school admissions policy and number of years open (taking into account bulge classes etc).

Trust view

Page 1

REAch2 Context - Page 2



Overall Effectiveness Ofsted Ratings



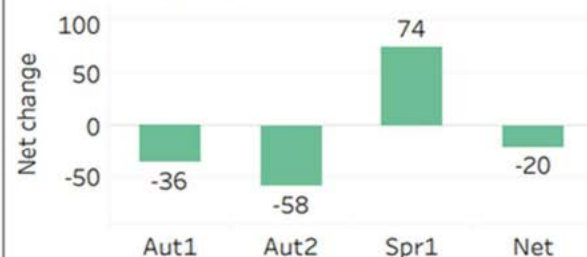
Ofsted overtime

	Aut 1	Aut 2	Spr 1	Spr 2	Sum 1	Sum 2
Good or better	85%	85%	83%			
Requires Improvement	10%	9%	11%			
Inadequate	6%	6%	6%			

Mobility

	Joiners			Leavers			Net
	Aut1	Aut2	Spr1	Aut1	Aut2	Spr1	
Cluster 1	15	20	23	28	17	20	-7
Cluster 2	9	8	6	16	13	1	-7
Cluster 3	77	41	32	72	39	23	16
Cluster 4	13	12	9	13	10	6	5
Cluster 5	21	4	18	28	16	20	-21
Cluster 6	35	20	30	24	25	16	20
Cluster 7	38	13	28	37	37	20	-15
Cluster 8	31	36	23	44	35	15	-4
Cluster 9	38	22	17	47	25	18	-13
Cluster 10	79	41	46	83	58	19	6
REAch2	356	217	232	392	275	158	-20

Net change in joiners/leavers



Joiners counted from 20 September onwards up to 14 February. Leavers counted from 02 September to 14 February.

Joiners/leavers date calculated from Arbor using entry and leaving dates. Excludes end of phase transfers.

Ofsted data relates to Section 5 inspections.

Correct as of 17 February 2020.

Trust view

Page 2

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Trustees have approved a growth plan over the next 3 years, under the new Reserves Policy detailed below. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Trustees' Duty to Promote the Success of the Trust – Section 172 Companies Act Statement

Trustees have a duty to promote the success of the Trust to achieve its charitable purposes and in doing so, are required by Section 172 of the Companies Act 2006 to have regard to the following:

- i) The likely consequences of decisions in the long-term
- ii) The interests of employees
- iii) The need to foster the Trust's relationships with suppliers, customers and others
- iv) The impact of the Trust's operations on the community and the environment
- v) The desirability of the Trust maintaining a reputation for high standards of business conduct

The day-to-day management and decision-making of the Trust is delegated by the Trustees to the Chief Executive and Executive Team who act in furtherance of the Trust's strategy and in accordance with all policies and procedures approved by the Trustees or in accordance with the Trust's Scheme of Delegation. Policies and procedures are reviewed on a rolling cycle and trustees receive updates on performance, KPIs and strategic objectives at trustee meetings in the light of the strategic plan. Active trust board and staff succession planning ensures that the Trust continues to have the people and leadership it needs to remain effective and provide sufficient diversity of perspectives to enable robust decision-making.

Strategic agendas are embedded within the governance framework with an emphasis on the Trust's vision and ethos at Trustee, committee and member meetings. In addition, Trust board sub-committees review performance with regard to the terms of reference outlining the oversight activities for each committee. A review of board effectiveness took place during the year utilising the principles set out in The Charity Governance Code to improve the quality and impact of governance. The Trustees have access to legal advisors and a Company Secretary for advice on legal and compliance matters and governance structures reinforce clearly defined roles and responsibilities. By ensuring clarity of vision, ethos and strategic direction and ensuring monitoring and accountability that drives up educational standards and financial performance, the Trustees obtain assurance that in promoting the success of the Trust, due regard has been given to the factors set out in section 172 of The Companies Act.

The likely consequence of decisions in the long-term.

As part of the work carried out to refresh the organisational strategy, the Executive team carried out a stakeholder consultation exercise during the summer of 2020 with a view to developing a statement of intent to influence the future strategic direction of the Trust. A Trustee strategy meeting took place at the start of the new financial year shortly after the financial year ending 31 August 2020 in order to review the strategic plan for the final 2 years of the original 5-year plan in the context of the COVID-19 pandemic as well as to undertake a facilitated discussion on risks and consider progress with developing further the Trust's commitment to improving diversity and inclusion throughout the entire Trust. Prior to this during June and July 2020, think tank consultation sessions were held between the CEO and a number of representative stakeholder groups across the Trust in order to identify emerging priorities. The purpose of the sessions was to seek views on the impact of the pandemic on the organisation, allowing people to reflect and comment upon what has been learnt from the experience, what the Trust is getting right, what the Trust should consider doing differently and what the implications are for the future. The strategic discussion on the future direction of the Trust held by trustees in early September 2020 was informed by this feedback received from the stakeholder consultation. The redeveloped strategy will be finalised during 2020-21.

The redeveloped strategic plan will form part of the assessment of risk, focusing on the strands and risk associated with failure to achieve the KPIs and objectives. The Board of Trustees will monitor the risks which might threaten delivery of the overall aims and goals of the strategic plan and the actions that are being taken to mitigate or contain the exposure.

The need to foster the Trust's relationships with suppliers, customers and others.

As explained in the statement on engagement with suppliers on page 11 the Trust seeks to ensure fairness in all business relationships and this applies to all relationships and stakeholders throughout the Trust. During the year the Trust consulted with Directors, Deputy Directors and Heads of Service, Central Team Nominees, Head Teachers, School Business Managers, Headteachers Advisory Group, Cluster Boards and LGBs and plans are in place to carry out further consultation with parents and pupils during 2020-21. As part of the statement and intent for the next 2 years of the Trust's strategic plan, one strand is focussed on continued work on communicating and consultation with stakeholders in a structured and supportive way to ensure all stakeholders are able to contribute meaningfully to the work and development of the Trust.

The Interests of Employees

The Trust has established a practice of consulting regularly with employees during 2019-20. Monthly briefings are provided for Headteachers and School Business Managers where key topics are discussed, initiatives are updated and there is an opportunity to ask questions. These are complemented by 'open' sessions, hosted by HR, Finance and Estates to ensure a coordinated approach across schools and the Central Team.

REAch2 meets half termly with the National Joint Consultative Council (NJCC) which represents staff on matters such as policy and risk management. The NJCC comprises representatives from NEU, NASUWT, NAHT, ASCL, UNISON and GMB. The Trust has in place a number of detailed personnel policies and is continually in the process of developing these further through engagement and consultation with unions and stakeholders. A National Recognition agreement is in place with trade unions and all policies are approved by the Trust Board and publicised.

COVID-19 was a significant feature for discussions with the unions, and with staff who were disproportionately affected. During the COVID-19 lockdown restrictions, the Trust actively encouraged employees from Black, Asian and Minority Ethnic (BAME) groups to join a discussion regarding the Trust's approach to COVID-19 to inform effective risk management and risk reduction for all. Every member of staff was invited to a conversation about their personal situation, resulting in an individualised risk assessment and actions (where appropriate).

One strand of the Trust's work for the next 2 years is to 'champion and embody diversity for all, providing an inclusive environment for all to thrive'. The Trust has set an objective to carry out further work to build a diverse and inclusive workforce that understands the communities served by the Trust and delivers exceptional opportunities for all. In the autumn term, views and ideas will be sought from school staff across the Trust, governance representatives and Central Team to inform the strategy and near-term actions.

In addition, the Trust has set an objective to implement talent conversations as part of a talent management programme to ensure that all staff, and specifically those from under-represented groups, receive the professional development they need and are supported in seeking career opportunities.

The Trust remains committed to the work that commenced on the wellbeing strategy.

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

The Trust is committed to outreach and engagement within each local community where it operates and decision-making processes within the Trust consider the impact of decision-making on relevant stakeholders. REAch2 Academies are each at the centre of their own local communities. Each school has the opportunity and freedom to respond to the needs of parents and children and create their own local solutions. The Trust proactively engages with parents and the local communities.

The Trust monitors the environmental impact of its activities and the streamlined energy and carbon report can be found on page 21.

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

The shared vision and values of REAch2 and all the Academies underpins the governance and activities of the Trust. The Trust is committed to creating a culture that strongly reflects the 7 core values and principles that make the Academies unique; these are described in the Trust's 'Touchstones': inclusion, learning, leadership, enjoyment, responsibility, inspiration and integrity. The Local Governing Bodies are the champions of these values in the Academies. The Academy Trust Members uphold these values as part of each AGM and a discussion on the embedding of the values within the Trust forms part of the AGM agenda.

The Trust has implemented, and keeps under regular review, a suite of policies and procedures to promote its values, ethical behaviour and corporate compliance and responsibility including (not exclusively) policies on safeguarding, health and safety, whistleblowing, procurement, conflicts of interest, related party transactions, code of conduct, modern slavery statement, dignity at work and executive pay policies. Policies and compliance are subject to periodic review by internal audit. The Trust employs a dedicated Head of Safeguarding and safeguarding is considered in several trust committees as well as being a standing item on the Trust board agenda. All staff and local governors undertake regular safeguarding training and the Trust has strict safer recruitment processes in place.

Every person involved in board governance throughout the Trust (Trustees, cluster board non-executive representatives and local governors) are required to disclose potential or actual conflicts of interest for inclusion in the register of interests and relevant pecuniary interests are published on the Trust's website. Each year trustees are required to declare their ongoing eligibility to serve as a trustee and the Trust Board carried out a self-review of governance during the year as part of its commitment to continual improvement of board effectiveness. The Trustees support the principles of good governance set out in the Charity Governance Code.

TRUSTEES' REPORT (continued)

The Trust is committed to setting out its objectives for equality, diversity and inclusion across its staff and board roles throughout the Trust and this is a key strategic strand of work for 2020-21.

Financial Review

During the period, ESFA\LA grants totalled to £102,127 (2019: £96,290k). Other income included within the restricted funds totalled to £1,490k (2019: £2,393k). The restricted fund expenditure totalled to £108,850k (2019: £105,578k).

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to a particular purpose. The grants received from the ESFA during the 12-month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), 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 continue to increase for the foreseeable. The Trust balance sheet and cash flow are in line with budgeted outcomes.

The Trust has appointed a Chief Operating Officer (COO) and also a separate Head of Finance.

The Chief Operating Officer has been reviewing the financial policies, processes and controls with an ongoing review of systems used in supporting financial management. All schools are required to produce monthly financial reports that are reviewed at all levels of Governance. These are compared against the budget submitted to the ESFA and reforecasts undertaken when required.

During the Summer term 2020, as a result of school closures due to the Covid-19 pandemic, monthly reporting was suspended for the March and May month-ends to allow schools to focus on specific scenario forecasting related to the pandemic, which fed into the April and June monthly reports which received detailed reviews.

Any school that is presenting financial challenges are escalated to the Chief Operating Officer who, along with Trustees will work on a five-year strategic plan to ensure the schools financial viability. During the year, a new Securing Financial Sustainability strategy was agreed with Trustees, which set out how schools that were missing their budget, or that did not have the minimum reserves would be supported.

On an annual basis the finance committee receive and review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the strategic aims of the Trust.

The assets were used exclusively for providing education and the associated services to the pupils of the academies. The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS102

Reserves Policy

Reserves form part of the cash balance for each school. The total cash balance across all schools is managed centrally and invested prudently in interest earning bank accounts. The interest earned is passed back to schools based on their average cash balance.

A new reserves policy was implemented from September 2019. The new policy was developed within a culture of financial management that aimed to be open, fostering positive relationships and ensuring the Trust's aims into the future are delivered. Reserves are split into three categories: Core reserves to include the minimum reserve of money that the Trust requires as a financially sustainable organisation, contingency reserves to cover unforeseen operational costs and investment reserves for longer-term strategic planning purposes as part of the Trust's resilience and continued ability to deliver exceptional opportunities for all children within the Trust.

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 Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the academy.

The reserves policy was reviewed by Trustees during the year to ensure it was achieving its goals and was reapproved without any material change.

In relation to core reserve, and after a period of consultation the Trust have proposed that the amount is set at 7% of

TRUSTEES' REPORT (continued)

GAG income (this equates to approximately just over 2 weeks of operating expenditure). Core reserves are calculated on a school by school basis. In relation to contingency reserve, it is recommended that schools account for at least 1.5% of a school's income. In relation to investment reserve, this will be linked closely to each school's development plan with schools expected to plan for the replacement of old equipment, and installation of new facilities as appropriate.

Total reserves at the end of the period amounted to £218,127k. This balance includes unrestrictive funds (free reserves) of £2,960k which is considered sufficient for the academy trust, and restricted funds excluding pension and fixed assets of £2,533k.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totalling £61,911k. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straightaway and expended for the specific purpose of that fund.

Users should note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect of the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years.

The academy trust thus takes this fact into account when reviewing current business plans and budgets and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the academy trusts budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the academy trust due to the recognition of the deficit.

Investment Policy

The Trust agreed during 2019 to invest surplus balances in a new bank deposit account in order to achieve a better rate of return. The choice of bank deposit account was made after a risk analysis was carried out on banks – with a view to improving the rate of return in a risk averse manner. However, the COVID-19 pandemic subsequently intervened and the closing cash balance at the end of the 2020 financial year is largely held as readily accessible cash rather than being held on deposit. This is due to the fall in interest rates during the year resulting from the COVID-19 pandemic and uncertainty over elements of Trust income over an extended period. No long-term investments are held by the Trust, with just over £1m held in a short-term notice account.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principle risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cashflow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

The academies Risk Registers and the Trusts' approach to risk have been comprehensively reviewed during the financial year. Changes to the risk strategy were implemented from 1 September 2019 ensuring that risk remains a focus area and key priority for the Trust. The Trust has articulated 8 key high-level strategic areas of risk including Health and Safety, Safeguarding, Quality of Education, Leadership and Management, Personal development, behaviour and attitudes, People, Financial Sustainability, Operational and Legal or Regulatory Requirements as the key areas for the new risk management framework for the Trust. The rollout of the new risk strategy will be a pilot for the academic year with a constant process of review and feedback.

Systems and procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. During the first term, key stakeholders including a representative from academies Local Governing Body, Headteachers and School Business Managers and key central staff members all received training in the new risk framework. The key risks on the Academies risk registers will be considered at every Local Governing committee meeting.

Trustees have implemented a number of systems to assess risks that each 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 finances. 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.

Considerable additional work took place around risk management and risk assessments following the national lockdown restrictions and particular effects on schools during the COVID-19 pandemic. In advance of re-opening schools as educational establishments, schools re-visited risk assessments on a daily basis and extensive work was carried out in relation to the Risk Management Plan. Any changes or matters of concern were escalated through the Trust and risk

TRUSTEES' REPORT (continued)

assessment and monitoring was a live and continual daily process. Extensive work was carried out with the Heads of Service in relation to risk management plans looking at all key areas including staffing capacity, anticipated student numbers, health & safety, wellbeing of staff and pupils, estates management and input from parental surveys. The Risk and Audit Committee reviewed the overall risk assessment process prior to the re-opening of schools in order to gain assurance on the robust and comprehensive process in place. In July 2020 all schools were asked to consider, in light of full reopening from September, further areas of risk that were added to the Risk Management Plans to address the arrangements for the full re-opening of schools in September 2020 in the light of COVID-19.

A material risk for the academy trust in relation to the defined pension scheme has been mitigated as parliament has agreed at the request of the Secretary of State for Education to guarantee that in the event of an academy closure outstanding LGPS pension scheme liabilities would be met by the Department of Education. This guarantee came into force on 18 July 2013.

The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff, visitors and its pupils.

Fundraising Practices

The Trust expects schools to carry out effective fundraising activities, including raising money through voluntary PTA events. To ensure compliance with the Charities Act 2016 fundraising rules in the Charities (Protection and Social Investment) Act 2016 the Trust follows Institute of Fundraising guidelines and the Code of Fundraising Practice and ensures that schools follow the standards, particularly in relation to fundraising activities requiring closer safeguarding and the Institute of Fundraising guidance on fundraising with children.

During the summer term of 2020, the Trust revised its Donation policy, which was approved by Trustees and implemented in October 2020.

In order to assist schools with income generation the Trust engaged with a commercial partner during the year to focus on securing commercial partnerships, and to identify potential grants and assist with applications. The Trust and individual schools retain full control of these processes, which are subject to ongoing scrutiny and review. To date, no complaints have been received about fundraising practices.

During the year, the Trust recorded £318k of grant applications via the commercial partner and were successful in securing £34k of funds from these, with £159k of applications awaiting a response, with delays as a result of Covid-19 common. This work remains under constant review.

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

The REAch2 Academy Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all 59 schools controlled during the reporting period along with vehicles used for business mileage.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

TRUSTEES' REPORT (continued)

The electricity, gas, solar PV, and transport consumption was compiled from invoices, meter reads and mileage records. Mileage claims were used to calculate energy use and emissions associated with grey fleet. If gas and electricity data were not available estimates have been made; the methodology used was either pro-rating the data provided by a linear extrapolation, or by using the same month from a different year. All of the Solar PV generated electricity is assumed to be consumed on site.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities (scope 1), purchased electricity (scope 2) and in-direct emissions that occur as a consequence of company activities (scope 3).

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20
Mandatory energy:	
Gas	14,981,710
Purchased electricity from the grid	5,314,172
Transport fuel	239,442
Total mandatory energy	20,535,324
Voluntary energy:	
Gas Oil	479,604
Consumed electricity from on-site renewable sources	981,871
Total voluntary energy	1,461,474
Total mandatory & voluntary energy	21,996,798

Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the autumn 2019 Census.

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2019/20
Mandatory emissions:	
<u>Scope 1</u>	
Natural gas	2,754.4
<u>Scope 2</u>	
Purchased electricity (location-based)	1,358
<u>Scope 3</u>	
Transport – Business travel in employee owned vehicles	57.8
Total gross mandatory emissions	4,170.5
<u>Intensity ratios (mandatory emissions only)</u>	
Tonnes of CO ₂ e per pupil	0.236
Voluntary emissions:	
<u>Scope 1</u>	
Gas Oil	123.1
Solar PV	0.0
Total gross voluntary emissions	123.1
Total gross voluntary & mandatory emissions	4,293.6

Energy efficiency action during current financial year

It is worth noting that energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. Despite this temporary reduction in energy use, the trust is committed to reducing longer term emissions and this year has seen the implementation of numerous energy efficiency measures, some of which include:

- Installing high performance insulation at Beccles Primary Academy, Bushbury Lane, Five Spires and Moor Green Academy.

TRUSTEES' REPORT (continued)

- Installing high efficiency boilers at Bushbury Lane, Robert Fitzroy Academy and Silkmore Academy.
- Replacing old windows with improved modern double-glazed windows across a number of sites, reducing thermal losses.

In addition to the energy efficient actions taken this financial year, REAch2 Academy trust been reducing their carbon footprint with some larger projects in previous years. These include installing Solar PV installations across 26 academies in 2017 and LED installations across 15 academies in 2018.

Plans for Future Periods

In March 2020, the global pandemic saw all schools across the UK close their doors as educational establishments and reopen to provide childcare. Covid-19 required the Trust leadership team to re-evaluate priorities, adapting these in response to the pandemic and at the same time considering whether those existing priorities were still fit for purpose.

Following several 'Think tank' sessions, stakeholder groups across the Trust were able to share their thoughts and consider changes, adapting ways of working and reprioritising what is needed over the coming weeks and months, this resulted in a number of new themes being identified under the headings of technology, diversity, wellbeing, provision, optimisation, communication, profile/influence and sustainability.

REAch2 is committed to providing exceptional opportunities for learning across all of its academies. REAch2 believes that every child can achieve the highest academic standards at the same time as equipping them to be resilient and able to adapt to the changing environment in which they find themselves. This character building will shape children to succeed to be the best version of themselves as they develop through their primary education. REAch2's strategic approach to securing the very best for all pupils will ensure that through the touchstones of Inclusion, Responsibility, Learning and Enjoyment, pupils and schools are delivering exceptional opportunities to thrive and learn.

The Trust has four key strands of work for the next academic year as follows:

1. To equip children and staff to enable them access to the digital world around them whilst investing internally to enhance and streamline systems and processes.
2. To champion and embody diversity for all, whilst providing an inclusive environment for all to thrive.
3. To support our staff, children and their families to achieve good mental health and wellbeing.
4. To achieve financial security for all schools and the Trust.

Key performance indicators for each strand will be measured and reported against over a 2-year period.

REAch2's board of Trustees' committee structure will hold REAch2 Executives and Directors to account for outcomes described within the Statement of Intent. Each Committee will receive the following to support each strand:

1. An action plan including baseline data, objectives, KPIs and time frames for actions to be achieved on a termly and annual basis.
2. A summary each term describing the outcomes that have been achieved which is to include a progress tracker and overall risk rating.
3. Feedback from stakeholders (where applicable) on actions achieved and the impact this has had.

Presently the Trust has plans to open 2 further free schools in 2022, with planning meetings taking place during autumn 2020.

Funds held as custodian trustee on behalf of others.

The Academy Trust and its Trustees did not act as a custodian trustee during the current or previous period. Trustees do not anticipate that the Trust will in the future hold any funds as custodian for any third party.

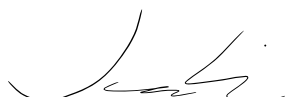
TRUSTEES' REPORT (continued)

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10th December 2020 and signed on the board's behalf by:



Jeremy King

Chair of Trustees

GOVERNANCE STATEMENT For the Year Ended 31 August 2020

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that REAch2 Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between REAch2 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weakness or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Jeremy King - Chair	5	6
Gavin Robert – Vice Chair	6	6
Colin Powell	4	6
Michael Peters	5	6
Victoria Pigott	3	6
Dr Louise Askew	6	6
Tony Gilbey	6	6
Clive Rockingham	5	6
David Walker *	6	6
Ralph Kugler	5	6
Teresa Beach	5	6
Wade Newmark	4	6
Jonathan Lewis	4	6
Sir Steve Lancashire (ex-officio)	6	6

(* denotes trustees who joined or left during the reporting year)

In addition to the 6 formal trustee meetings, trustees also held optional fortnightly (weekly during June 2020) update teleconference/video conference calls during the COVID-19 lockdown between April and June 2020. These calls supported the temporary governance changes put in place during this time, where some committees in the trust were temporarily paused. The teleconference/video conference calls enabled the Executive Team to provide regular verbal updates to all trustees in an efficient manner and provide regular updates on the organisation's response to COVID-19 on matters including pupil attendance, risk assessments, communications, home-learning resources, safeguarding, health & safety, trust finances and staff wellbeing. During this time the Trustees agreed temporary COVID19 Business Continuity Terms of Reference to ensure the governance in place during this time was agile and responsive whilst adhering to good governance and due process in this short period where some committees in the trust were temporarily paused.

During the last reporting period, trustees undertook an annual self-evaluation review of governance in order to inform the continual process of board improvement. This year the review focussed on the trustee board as a collective, deemed appropriate following the skills audit carried out in 2019 and whilst the new cluster model was still being embedded following the governance review carried out during 2018-19. The Company Secretary led this review and undertook telephone interviews with each trustee using conversation headings taken from the ICSA MAT board effectiveness guidance and The Charity Governance Code. The outcome of this review was shared with the trust board to enable the work to feed into the work on board composition, equality, diversity and inclusion, future skills audits, trustee induction design and trustee development plans, trustee succession planning and also work on drafting a new and revised scheme of delegation for the Trust.

GOVERNANCE STATEMENT (continued)

The main areas agreed by trustees for further action and further embedding in governance processes in the year ahead included the following:

- Identification of board succession priorities.
- Training, induction and trustee development – recognising that induction is a key input to board effectiveness
- The sequencing and timing of board committees in relation to the work flow and input into the main Trust Board
- Considerations on improving diversity, equality and inclusion on the Trust Board and throughout the Trust
- Revising the Scheme of Delegation following the new cluster structure and training those involved in governance throughout the trust on use of the scheme of delegation and providing clarity on decision-making processes and matters reserved for the Trust Board.
- Ensuring agendas remain strategic and maintaining a strategic focus with clarity on future direction and long-term strategy.

Much of this work has already been incorporated into the governance processes with the introduction of strategic agendas. The sequencing of board and committee meetings has been overhauled and revised for the 2020-21 year. A revised scheme of delegation was drafted by the Company Secretary during the period with input from stakeholders throughout the trust following the input received from trustees during the board evaluation process. The work on the scheme of delegation will continue throughout the 2020-21 year with further stakeholder input being incorporated up until December 2020 when Trustees will be asked to approve the final document. Work also commenced on considering ways to continually improve trustee diversity and equality and ways to bring new backgrounds and diversity into education leadership; this work will continue to be a high priority for the Trust board in 2020-21.

The Governance Steering Group established within the Trust in 2018-19 chaired by Louise Askew met in the autumn term of the 2019-20 year on 15 November 2019 to oversee the introduction of the cluster boards at the start of the school year.

In addition to the trust board self-evaluation review and the drafting of a new Scheme of Delegation for the Trust, other strands of governance work carried out during the year included (not exhaustive):

- A thorough review of the current terms of reference for each Trust Board Committee to ensure governance is effective across the Trust.
- The drafting and approval of role descriptions for the Chair and Vice Chair of the Trust Board
- The development of detailed annual schedules of business and meeting cycles.
- A revision of the Articles of Association (non-regulated alterations)
- The drafting of COVID-19 Business Continuity Terms of Reference for Board and Committees as well as drafting of approved protocols for Chair's Action.
- Drafting role descriptions for the role of members and consideration of the role of members at the AGM held in January 2020.
- New rolling action summaries introduced for all trust board and committee meetings for more effective tracking of decision-making and completion of actions.
- Drafting and agreeing terms of reference for a trust board nominations committee
- A review of website compliance across the Trust
- A review of governance policies including Conflicts of Interest and Related Party Transactions, along with a review of trustee declaration forms (including trustee eligibility declarations) to ensure forms in use within the trust are up-to-date and reflect current legislation and governance practice.

The Academy Trust has six sub committees reporting into the Board of Trustees:

- Finance
- Risk and Audit
- Human resources
- Educational Standards & Performance
- Estates and Free School
- Remuneration

GOVERNANCE STATEMENT (continued)

Each sub-committee comprises at least three trustees, one of whom is the committee chair. Each committee meets at least termly and presents a report of key findings and actions taken to the Board of Trustees.

The finance committee is a sub-committee of the main board of trustees. Its duties include:

- To develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy,
- To receive financial monitoring reports from individual academies,
- To consider individual academy budget proposals for authorisation,
- To consider exceptional requests for expenditure,
- To oversee significant investment and capital financing decisions
- To oversee the financial position of the trust.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Antony Gilbey (Chair)	4	4
Jonathan Lewis	3	4
Jeremy King	4	4
Wade Newmark	3	4
Sir Steve Lancashire (ex-officio)	3	4

The Risk and Audit committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- Monitor the integrity of the financial statements
- Review internal financial control and directing the trust's programme of internal audit scrutiny.
- Reviewing the academy's internal control and risk management systems reporting to the trust board on the adequacy of the trust's controls.
- To review the action and implementation of risk management policy across the Academy Trust, reporting to the Trust board on the adequacy of the Trust's management of risk.
- Making recommendations to the governing body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- Reviewing the auditor's independence and objectivity

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Gavin Robert (Chair)	5	6
Jeremy King	6	6
Clive Rockingham	6	6
Teresa Beach	6	6
Michael Peters	3	6

The HR committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To consider, determine and keep under review any strategies and policies for human resources and organisational development
- To consider, determine and keep under review effective arrangements for consultation with staff as a whole and for negotiation and consultation with appropriately recognised Trade Unions and/or other representatives
- To undertake the role of the disputed resolution panel to consider appeals against the Chief Executive

GOVERNANCE STATEMENT (continued)

Officer or Academy Trust decisions

- To ensure effective measures are in place to promote equality and diversity in employment
- To consider the details of restructuring programs following any necessary approvals in principle by the Trust Board
- To develop strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the Academy Trust's staff
- To address the topic of pay for employees below Executive level. Executive Pay should only be reviewed and addressed at the Remuneration Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Victoria Pigott (Chair)	2	2
Teresa Beach	2	2
Colin Powell	1	2
Ralph Kugler	2	2
Sir Steve Lancashire (ex-officio)	2	2

The Education, Standard and Performance committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To ensure that the highest possible standards are set and maintained across the Academy Trust
- To receive a termly report from the Executive Team regarding standards and performance of the Academy Trust against key performance indicators
- To identify any areas of concern in respect of standards and performance and to implement an action plan with the Executive Team
- To ensure that the Academy Trust's curriculum is balanced and broadly based
- To scrutinise and review Academy Trust policies for recommendation to the Trust Board
- To ensure that effective processes are in place for the quality assurance and self-evaluation of teaching and learning, the curriculum, inclusion and the sharing of good practice across the Academy Trust
- To support the Chief Executive Officer in the creation, implementation and monitoring of the Academy Trust's self-evaluation development plan and any post-Ofsted action plan
- To advise the Trust Board with respect to targets for student achievement across the Academy Trust
- To ensure that effective arrangements are in place across the Academy Trust for pupil support and representation, for monitoring pupil attendance and for pupil discipline.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michael Peters (Chair)	3	3
Colin Powell	2	3
Jonathan Lewis	1	3
Louise Askew	2	3
Sir Steve Lancashire (ex-officio)	2	3

The Estates and Free Schools committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To ensure that the operation and asset management of the Trust's estate, is delivered appropriately

GOVERNANCE STATEMENT (continued)

- To ensure that the Free Schools programme is delivered appropriately
- To ensure that effective processes are in place for the quality assurance of the Executive's work on Estates and capital management and on overall project management of the Free Schools programme, identifying any areas of concern or untapped potential and overseeing appropriate planning and action by the Executive Team
- To ensure that capital requirements are taken into account in the development, implementation and review of any Trust policies, programmes for reserves and investment and funding decisions, working closely with the Finance Committee
- To identify, initiate, consider and keep under review the fullest range of external sources and avenues for capital funding and to ensure an appropriate pursuit by the executive of options with the best potential
- To scrutinise, review and where appropriate approve relevant policies, where relevant in liaison with other Trust Board Committees
- To scrutinise and review the estates teams' role in terms of reporting into the Health, Safety and Wellbeing function along with the expedient resolution of estates related health and safety defects and/or implementation of appropriate risk control measures.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Wade Newmark (Chair)	2	2
Clive Rockingham	2	2
David Walker	2	2
Sir Steve Lancashire	2	2

The Remuneration committee, a sub-committee of the main Board of Trustees. Its purpose is to:

- To consider, determine and keep under review a framework or policy for the remuneration, benefits and incentives of the Chief Executive Officer and such other members of the Senior Executive Team as the Trust Board shall from time to time direct
- In determining that framework, to seek evidence of the remuneration, benefits and incentives paid to senior executives in comparable employment within the commercial and voluntary sectors
- To consider the outcome of every appraisal of the performance of the Chief Executive Officer and such other senior executives as the Board shall from time to time direct
- To make recommendations to the Trust Board as to the remuneration, benefit and incentives that should be paid to the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct with a view to ensuring that they are encouraged to enhance their performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Academy Trust and its progress towards fulfilling its objectives
- To make recommendations to the Trust Board as to the remuneration, benefits and incentives of newly appointed senior executives
- To determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct
- To consider other topics, as defined by the Trust Board from time to time.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ralph Kugler (Chair)	3	4
Gavin Robert	4	4
Jeremy King	4	4
Louise Askew	3	4
Wade Newmark	3	4

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers' resources received. During 2019/20 an internal benchmarking process was introduced in relation to the budget return documentation and assessing value for money and was used alongside benchmarking information provided by government. During the year, training sessions were conducted for staff in the use of benchmarking.

The Accounting Officer considered how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Continuing to support close working relationship within clusters of schools to enable proactive support and challenge across our academies, including the identification of synergies. Transparency and clarity of spending schools' budgets is scrutinised and ratified across all tiers of governance. Schools are also able to challenge the Trust in how it spends money.
- Providing a greater level of transparency and challenge on school budgets, including longer term planning around schools with investment needs, and those with financial challenges, using benchmarks from other Trust schools as a model for improvement.
- Ongoing review of the procurement of services across our academies to achieve better quality, economies of scale and consistent outcomes across the academies, including a better understanding of the benefits of in-house service provision, vs outsourcing key deliverables, such as cleaning and catering.
- Educational outcomes have improved by ongoing support from the Trust including receiving regular data reviews and moderation of the academies self-evaluation and school development plans. These are reviewed and challenged at all levels of Governance across the Trust.
- Ongoing review both external and internal of our academies to ensure that the expected outcome of the academies during Ofsted are in line with Trust expectations. Intervention is delivered where required.

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 the risks to the achievement of the 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 REAch2 Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risks

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and a new risk strategy was implemented from 1 September 2019 to enable consolidation and identification of common risks across the entire trust by embedding the risk framework.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- Regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risk

The board of trustees considered the need for a specific internal audit function and decided to appoint Michelle Roe as an in-house internal Auditor. Given the large size of the trust and the scale of the internal audit function, it was felt that an in-house function was the most effective way of delivering the Trust's internal audit scrutiny.

The work plan for the Internal Auditor is driven and agreed by the Audit and Risk Committee and is informed by risk. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and non-financial systems and undertaking Responsible Officer visits. In addition, the checks carried out in the current period included:

- Testing of compliance with the scheme of delegation and internal controls
- Testing of purchase systems
- Testing of procurement

On a termly basis, Michelle Roe the internal auditor reports to the board of trustees, through the risk and audit committee on the operation of the system of control and on the discharge of the board of trustee's financial responsibilities.

Due to the Coronavirus the audit plan could not be fully completed due to visits being suspended so alternative work was completed as agreed by the risk and audit committee.

The work completed in the plan was sufficient to confirm that there were no material control issues and thus no remedial action was required to be taken.

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

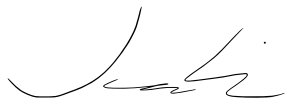
As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor
- 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 been advised of the implications of the results of their review of the system of internal control by the Risk and Audit committee and a plan to ensure continuous improvement of the system is in place.

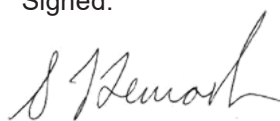
Approved by order of the members of the board of trustees on 10th December 2020 and signed on its behalf by

Signed:



Jeremy King
Chair of Trustees

Signed:



Sir Steve Lancashire
Chief Executive Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
For the Year Ended 31 August 2020

As Accounting Officer of REAch2 Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 the funding agreement under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Sir Steve Lancashire
Accounting Officer

19 January 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

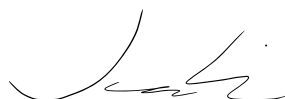
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 10th December 2020 and signed on its behalf.



Jeremy King
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REACH2 ACADEMY TRUST

Opinion

We have audited the financial statements of REAch2 Academy Trust ("the charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2019 to 2020* issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Annual Report and Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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; or We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 33, the trustees (who are the directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
 Chartered Accountants 1 Sovereign Square Sovereign Street Leeds
 LS1 4DA

22 January 2021.

Independent Reporting Accountant's Assurance Report on Regularity to REAch2 Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 17 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by REAch2 Academy Trust during the period 1 September 2019 to 31 August 2020 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 REAch2 Academy Trust (the Academy Trust) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principal on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2019;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Annex B of the Academies Accounts Direction 2019 to 2020.

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 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clare Partridge Reporting Accountant
for and on behalf of KPMG LLP Chartered Accountants
1 Sovereign Square Sovereign Street Leeds
LS1 4DE

22 January 2021

**STATEMENT OF FINANCIAL ACTIVITIES INCLUDE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST
2020**

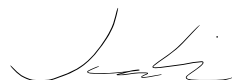
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020 £'000	Total 2019 £'000
	Note	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	2	-	-	3,670	3,670	5,866
Transfer of donated assets	2	-	-	12,874	12,874	3,712
Transfer on Conversion	-	-	-	-	-	32,769
<i>Charitable activities:</i>						
- Funding for educational operations	3	1,905	103,784	-	105,689	100,963
- Teaching Schools	31	-	267	-	267	230
Other trading activities	4	535	-	-	535	793
Investment income	5	40	-	-	40	51
Total income		<u>2,480</u>	<u>104,051</u>	<u>16,544</u>	<u>123,075</u>	<u>144,384</u>
Expenditure on:						
<i>Charitable activities:</i>						
. Trust's educational operations	6, 7	2,480	108,850	11,262	122,592	119,584
- Teaching Schools	31	-	288	-	288	224
. Inherited defined benefit pension liability	6, 7	-	-	-	-	626
. Assets transferred out of the Trust	6, 7	-	-	-	-	-
Total resources expended	6, 7	<u>2,480</u>	<u>109,138</u>	<u>11,262</u>	<u>122,880</u>	<u>120,434</u>
Net income / (expenditure) before transfers		<u>-</u>	<u>(5,087)</u>	<u>5,282</u>	<u>195</u>	<u>23,950</u>
Transfers						
Transfers between funds	18	-	888	(888)	-	-
Net income / (expenditure) before other recognised gains and losses		<u>-</u>	<u>(4,199)</u>	<u>4,394</u>	<u>195</u>	<u>23,950</u>
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	20	-	(9,665)	-	(9,665)	(13,496)
Net movement in funds		<u>-</u>	<u>(13,864)</u>	<u>4,394</u>	<u>(9,470)</u>	<u>10,454</u>
Reconciliation of funds						
Total funds brought forward	18	2,960	(45,514)	270,151	227,597	217,143
Total funds carried forward		<u>2,960</u>	<u>(59,378)</u>	<u>274,545</u>	<u>218,127</u>	<u>227,597</u>

The deficit restricted general reserve includes surplus restricted general funds of £2,533,000 offset by deficit pension reserves of £61,911,000

BALANCE SHEET AS AT 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Fixed assets					
Tangible assets	12		279,431		275,600
Investments			-		-
Total fixed assets			<u>279,431</u>		<u>275,600</u>
Current assets					
Stock	13	13		10	
Debtors	14	3,341		4,532	
Cash at bank and in hand		<u>11,664</u>		<u>8,350</u>	
Total current assets		15,018		12,892	
Liabilities:					
Creditors: Amounts falling due within one year	15	<u>(10,211)</u>		<u>(10,050)</u>	
Net current assets			4,807		2,842
Total assets less current liabilities			284,238		278,442
Creditors: Amounts falling due after more than one year	17		<u>(4,200)</u>		<u>(4,800)</u>
Net assets excluding pension liability			280,038		273,642
Defined benefit pension scheme liability	20		<u>(61,911)</u>		<u>(46,045)</u>
Net assets including pension liability			<u>218,127</u>		<u>227,597</u>
Funds of the academy:					
Restricted funds					
. Fixed asset fund(s)	18		274,545		270,151
. Restricted income fund(s)	18		2,533		531
. Pension reserve	18, 20		<u>(61,911)</u>		<u>(46,045)</u>
Total restricted funds			<u>215,167</u>		<u>224,637</u>
Unrestricted funds					
. Unrestricted income fund(s)	18		<u>2,960</u>		<u>2,960</u>
Total unrestricted funds			<u>2,960</u>		<u>2,960</u>
Total Funds			<u>218,127</u>		<u>227,597</u>

The financial statements set out on pages 29 to 56 were approved and authorised for issue by the Board of Trustees and authorised for issue on 10th December 2020 and signed on its behalf by:



Jeremy King
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

		2020 Total £'000	2019 Total £'000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	21	2,423	(2,672)
Cash funds transferred on conversion		-	-
		<u>2,423</u>	<u>(2,672)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		40	51
Capital funding from sponsors and others		3,670	5,866
Payments to acquire fixed assets		(2,219)	(10,063)
		<u>1,491</u>	<u>(4,146)</u>
Cash flows from financing activities			
Cash net inflows/(outflows) from new borrowing	22	(600)	2,400
		<u>(600)</u>	<u>2,400</u>
Change in cash and cash equivalents in the reporting period		<u>3,314</u>	<u>(4,418)</u>
Cash and cash equivalents brought forward		8,350	12,768
Cash and cash equivalents carried forward		<u>11,664</u>	<u>8,350</u>

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

REAch2 Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of a grant towards the normal running costs and capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2020-21 changes arising from the Covid-19 pandemic and projected student numbers for 2021-22, the trustees are of the opinion that, taking account of severe but plausible downsides, the trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Conversion to an Academy Trust

The conversion of one state maintained school to an academy and its transfer into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the maintained school to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from Local Authority on conversion in the Statement of Financial Activities and analysed under Unrestricted Funds, Restricted General Funds and Restricted Fixed Asset Funds. Further details of the transaction are set out in note 28.

1.4 Income

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

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies (Continued)

Grants receivable

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

On conversion, the school properties were transferred from the Local Authority and legacy academies to the Academy Trust for £nil consideration. Such properties are included in the accounts at fair value.

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies (Continued)

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

Freehold buildings	50 years
Leasehold land and buildings	50 years or UEL, whichever is lower
Leasehold improvements	50 years
Furniture and equipment	4 years
Plant and machinery	4 years
Computer equipment	3 years
Motor vehicles	4 years

No depreciation is provided in respect of freehold land.

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

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

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies (Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other Restricted Funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

1.13 Financial instruments

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Notes to the Financial Statements
For the year ended 31 August 2020**

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.14 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust included properties transferred on conversion at fair value, being recognised in the Statement of Financial Activities in the year of conversion. The Trust engages independent valuation specialists to determine fair value. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the properties.

Notes to the Financial Statements
For the year ended 31 August 2020

2 Donations and Capital Grants	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Donated Assets	-	12,874	12,874	32,769
Other Donations	-	-	-	-
Capital Grants - DfE / EFA	-	3,481	3,481	5,866
Capital Grants - Non Government	-	189	189	-
Funds inherited on transfer	-	-	-	-
	<u>-</u>	<u>16,544</u>	<u>16,544</u>	<u>38,635</u>

Capital grants relate to ESFA Devolved Capital and School Conditioning Funding

Donated Assets includes 1 Local Authority presumption (Green Ridge Academy). The academy opened in temporary accommodation on 1st September 2017, moved into its permanent site in September 2018, with the lease being completed in September 2019.

3 Funding For Educational Operations	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
DfE / ESFA and Other Government Grants				
DfE / ESFA General Annual Grant	-	77,865	77,865	75,240
DfE / ESFA Start Up Grants	-	642	642	811
DfE / ESFA Pupil Premium	-	7,713	7,713	7,845
DfE / ESFA Other Grants	-	7,334	7,334	4,351
Other Government Revenue Grants	-	8,573	8,573	8,043
	<u>-</u>	<u>102,127</u>	<u>102,127</u>	<u>96,290</u>
Exceptional Government Funding				
Coronavirus Job Retention Scheme Grant		123	123	-
Coronavirus exceptional support		44	44	-
	<u>-</u>	<u>167</u>	<u>167</u>	<u>-</u>
Other Income				
School Trips	-	410	410	838
Catering Income	741	-	741	1,139
Music Lessons	-	78	78	104
Clubs	-	1,002	1,002	1,451
Other	1,136	-	1,136	1,098
Uniform Sales	28	-	28	43
	<u>1,905</u>	<u>1,490</u>	<u>3,395</u>	<u>4,673</u>
	<u>1,905</u>	<u>103,784</u>	<u>105,689</u>	<u>100,963</u>

The master funding agreement of the Trust is not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

DfE/ESFA Other Grants includes £446,113 of rates grants, and £2,515,344 of funding for Universal Infant Free School Meals.

Other government revenue grants includes £4,029,026 of Early Years Foundation funding and £3,301,998 of SEN funding.

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £44k of additional cleaning and catering costs. These costs are included in notes 7 and 9 below as appropriate.

- The academy furloughed some of its nursery and extended activities staff under the government's CJRS. The funding received of £123k relates to staff costs in respect of 29 staff which are included within note 8 below as appropriate.

4 Other Trading Activities	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Lettings	319	-	319	413
Other income	216	-	216	380
	<u>535</u>	<u>-</u>	<u>535</u>	<u>793</u>

5 Investment Income	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Bank interest	40	-	40	51
	<u>40</u>	<u>-</u>	<u>40</u>	<u>51</u>

Notes to the Financial Statements
For the year ended 31 August 2020

6 Other trading expenses

	Staff Costs	Non Pay Expenditure		Total	Total
	£'000	Premises	Other Costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Educational operations					
. Direct costs (note 7)	78,481	1,689	9,368	89,538	87,124
. Allocated support costs (note 7)	14,899	6,382	11,773	33,054	32,460
. Implementation costs	-	-	-	-	-
	<u>93,380</u>	<u>8,071</u>	<u>21,141</u>	<u>122,592</u>	<u>119,584</u>
Assets transferred out of Trust				-	
Governance costs including allocated support costs					
Fixed asset adjustment	-	-	-	-	
Transfer from Local Authority			-	-	-
. Loans on conversion					-
. Inherited defined pension liability	-	-	-	-	626
Total expenditure	<u>93,380</u>	<u>8,071</u>	<u>21,141</u>	<u>122,592</u>	<u>120,210</u>

No unrestricted reserves have been expended in the year.

Other trading expenses (continued)	2020	2019
	£'000	£'000
Fees payable to auditor - audit	78	76
- other services	29	43
- Internal auditor	72	70
- other leases	-	-
Operating lease rental - land and buildings	-	-
Operating lease rentals - plant, machinery and equipment	489	386
Depreciation	11,262	10,882
Impairment	-	-
(Profit) / loss on disposal of fixed assets	-	-
Impairment	-	-
Governors' liability insurance	<u>-</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 August 2020

7 Charitable Activities - Educational Operations

	Total 2020 £'000	Total 2019 £'000
Direct costs		
Teaching staff costs	51,193	46,403
Other direct staff costs	18,566	17,796
Direct supply costs	2,076	3,049
Pension costs - deficit repayment contributions & net service costs	6,201	4,601
Educational supplies	1,628	2,388
Technology costs	1,254	1,267
Staff development	445	329
Recruitment	149	177
School uniform	43	76
Free school meals	739	823
Catering	2,491	3,074
Staff transport and travel	308	516
Telephones	429	439
Printing, postage and stationary	183	218
Legal costs - conversion	11	61
Legal costs - other	84	196
Professional fees	157	157
Insurance	169	180
Licences and subscriptions	79	261
Marketing and advertising	76	48
Educational visits	616	1,150
Educational consultancy	617	768
Music services	291	438
Hire of equipment	435	567
Other educational services	799	1,069
Bank interest	115	123
Other direct costs	384	950
	<u>89,538</u>	<u>87,124</u>
Support costs		
Support staff costs	14,899	14,370
Depreciation & impairment	11,262	10,882
Maintenance of premises and equipment	2,165	2,149
Cleaning	1,418	1,343
Insurance	352	389
Utilities	1,564	1,569
Security	94	154
Rent and rates	449	579
Health and safety	125	105
Other occupancy costs	215	337
Other support costs	332	394
	<u>32,875</u>	<u>32,271</u>
Audit		
- audit of financial statements	80	76
- other	99	113
	<u>179</u>	<u>189</u>
Total Support Costs	<u>33,054</u>	<u>32,460</u>
Inherited pension liabilities	-	626
Total Costs	<u>122,592</u>	<u>120,210</u>

Notes to the Financial Statements
For the year ended 31 August 2020

8 Staff Costs

a) Staff cost

Staff costs during the year were:

	Total 2020 £'000	Total 2019 £'000
Wages and salaries	65,200	62,057
Social security costs	5,368	5,141
Pension costs	20,148	15,539
Apprenticeship levy	301	283
	<u>91,017</u>	<u>83,020</u>
Supply staff costs	2,076	3,049
Staff development and other staff costs	445	329
Pension liability inherited on transfers	-	626
	<u>93,538</u>	<u>87,024</u>
Staff restructuring costs comprise:		
- Redundancy Payments	89	67
- Severance Payments costs	38	52
- Other restructuring costs	-	-
	<u>127</u>	<u>119</u>

b) Staff severance payments

Included within the staff restructuring costs non-statutory/non-contractual severance payments totalling £37,887. Individually, the payments were £7,000, £8,387, £22,500

c) Staff numbers

The average number of persons (including senior management team) employed by REAch2 Academy Trust during the year expressed as full time equivalents were as follows:

	2020 No.	2019 No.
Charitable Activities		
Teachers	820	814
Admin and support	1,133	1,153
Management and central team	212	201
	<u>2,165</u>	<u>2,168</u>

The average number of persons (including senior management team) employed by REAch2 Academy Trust during the year were as follows:

	2020 No.	2019 No.
Charitable Activities		
Teachers	882	888
Admin and support	1,863	1,885
Management and central team	228	217
	<u>2,973</u>	<u>2,990</u>

Notes to the Financial Statements
For the year ended 31 August 2020

d) Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	40	41
£70,001 - £80,000	22	14
£80,001 - £90,000	8	11
£90,001 - £100,000	9	7
£100,001 - £110,000	2	1
£110,001 - £120,000	3	3
£120,001 - £130,000	0	0
£130,001 - £140,000	0	0
£140,001 - £150,000	0	0
£150,001 - £160,000	1*	0
£160,001 - £170,000	1	1
£170,001 - £180,000	0	0
£220,001 - £230,000	1	0
£230,001 - £240,000	0	1

* Includes a back dated pay award to January 2019, actual salary range 140,001 - 150,000

e) Key management personnel

The key management personnel of REAch2 Academy Trust comprise the Trustees and the Senior Management Team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £667,655 (2019:£619,640).

9 Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer only receives remuneration in the respect of services they provide undertaking the role of the Chief Executive under their contract of employment.

Sir Steve Lancashire (Chief Executive Officer and Accounting Officer) £220,000 - £230,000 (2019: £230,000 - £240,000)

The above employee participated in the Teachers' Pension Scheme this year. During the year ended 31 August 2020 pension contributions amounted to £54,465 (2019:£37,904)

Payments made to Trustees of The Board relating to travel and subsistence were £436 (2019: £1,086).

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees' and Officers' Insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustee and officers indemnity element from the overall cost of the RPA scheme membership.

11 Central Services

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

- Accountancy and financial planning systems;
- Accountancy support;
- HR support;
- Payroll;
- Estates strategic management and capital improvement;
- Governance support;
- Policy development;
- Executive Principals and Associate School Leaders;
- School Performance Management;
- Risk Management;
- School leadership development and training;
- School leadership performance management;
- Trust leadership and networking;
- Liaison with regulators and policy makers (DfE, ESFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House)
- Media and publicity management;
- Crisis management.

The Trust charges for these services based on a percentage of GAG income excluding grants received towards rates and insurance. In 2020 this was 6.5% (2019: 6.5%).

Notes to the Financial Statements
For the year ended 31 August 2020

11 Central Services (continued)

The amounts charged during the year were as follows:

	2020	2019
	£'000	£'000
Aerodrome Primary Academy	100	86
Beccles Primary Academy	64	63
Brampton Primary Academy	91	97
Burrsville Infant Academy	56	62
Bushbury Lane Primary Academy	61	61
Camulos Primary Academy	73	62
Chapel End Junior Academy	101	109
Chigwell Primary Academy	55	56
Civitas Academy	72	55
Concordia Primary Academy	48	35
Copperfield Academy	121	119
Dorothy Barley Junior Academy	136	143
Eastbrook Primary Academy	103	101
Five Spires Academy	38	30
Garden City Academy	70	68
Greenridge Primary Academy	66	44
Gunton Primary Academy	77	74
Heath Hayes Primary Academy	51	47
Henhurst Ridge Primary Academy	21	16
Kemsley Primary Academy	53	53
Kirby Primary Academy	53	56
Langtons Junior Academy	70	73
Lawley Village Academy	47	38
Lower Farm Academy	18	-
Manor Park Primary Academy	124	121
Martlesham Primary Academy	26	28
Phoenix St Peter	56	54
Milton Court Primary Academy	54	56
Moor Green Primary Academy	108	103
Newhall Primary Academy	31	18
Northfield St Nicholas Primary Academy	112	115
Norton Canes Primary Academy	59	61
Oakfield Primary Academy	98	92
Pemberley Academy	56	47
Purfleet Primary Academy	146	133
Racemeadow Primary Academy	76	67
Ranikhet Academy	63	71
Riverside Academy	55	56
Robert Fitzroy Academy	204	207
Scientia Academy	109	98
Silkmore Primary Academy	65	62
Sir Martin Frobisher Primary Academy	75	81
Springfield Primary Academy	150	125
Springhill Primary Academy	43	47
Sprites Primary Academy	95	99
St Margaret's Primary Academy	111	112
St Mark's Church of England Primary Academy	52	47
Summerside Primary Academy	127	137
The Globe Primary Academy	120	126
The Limes Primary Academy	26	17
The Palmer Primary Academy	109	109
The Woodside Primary Academy	322	304
Tidemill Academy	169	167
Tymberwood Academy	100	101
Unity Primary Academy	99	102
Veritas Primary Academy	81	75
Water Lane Primary Academy	51	47
White Meadows Primary Academy	154	155
Wilshire-Dacre Junior Academy	64	62
	<u>5,035</u>	<u>4,850</u>

**Notes to the Financial Statements For
the year ended 31 August 2020**

12 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Plant and Machinery	Computer Equipment	Assets under construction	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1 September 2019	5,719	292,261	15,585	4,157	2,720	4,883	258	31	325,614
Additions	-		813	306	134	894	72		2,219
Disposals									-
Reclassification			1		321		(322)		-
Acquisitions		12,874							12,874
At 31 August 2020	5,719	305,135	16,399	4,463	3,175	5,777	8	31	340,707
Depreciation									
At 1 September 2019	348	40,080	662	3,093	2,125	3,682	-	24	50,014
Charged in year	87	8,967	328	538	334	1,001		7	11,262
Disposals									-
Impairment									-
At 31 August 2020	435	49,047	990	3,631	2,459	4,683	-	31	61,276
Net book values									
At 31 August 2020	5,284	256,088	15,409	832	716	1,094	8	-	279,431
At 31 August 2019	5,371	252,181	14,923	1,064	595	1,201	258	7	275,600

Included in Freehold Land & Buildings is an amount of £1,367,500 in respect of land which is not depreciated.

Where fixed assets have transferred upon merger from existing Academy Trusts or from Local Authorities, the cost recognised in fixed asset additions is equal to the net book value of fixed assets on the date of transfer. Upon transfer, management have considered the useful economic life of each asset at both the date of its initial recognition, when it was originally purchased, and at the date of transfer to the Trust. Accordingly depreciation has been charged over the reassessed useful economic life of the asset. Where the year ended 31 August 2020 would have represented the final year of an assets useful economic life prior to transferring to the Trust, should the assessment by management have identified no extension of useful economic life, the entire cost recognised in additions in year was depreciated in the year ended 31 August 2020. This will also have affected the charge made against assets with useful economic lives due to expire in 2019 and 2020.

**Notes to the Financial Statements For
the year ended 31 August 2020**

13 Stock

	2020	2019
	£'000	£'000
Educational supplies	13	10
	<u>13</u>	<u>10</u>

14 Debtors: amounts owed within one year

	2020	2019
	£'000	£'000
Trade debtors	690	1,302
Prepayments & accrued income	2,598	3,162
Other debtors	53	68
	<u>3,341</u>	<u>4,532</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	2,446	3,179
Taxation and social security	827	466
Other creditors	950	391
Accruals and deferred income	5,388	5,414
Loan	600	600
	<u>10,211</u>	<u>10,050</u>

16 Deferred income

(Included in Accruals and deferred income above)

	2020	2019
	£'000	£'000
Deferred Income brought forward	3,099	3,516
Amounts released from previous years	(3,099)	(3,516)
Resources deferred in the year	3,150	3,099
Deferred Income carried forward	<u>3,150</u>	<u>3,099</u>

Included in deferred income are amounts received in advance from the Local Authorities and the ESFA for Free School Meals, Early Years Funding, capital grants and other pupil related income.

17 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Loan		
Due 1 - 2 years	600	600
Due 2 - 5 years	2,400	2400
Due over 5 years	1,200	1800
	<u>4,200</u>	<u>4,800</u>

Included within creditors is a loan with a balance of £4,800,000 (of which £0.6m is due within one year) from the Education and Skills Funding Agency, as part of the MAT Loan Pilot scheme. Interest is charged on the loan at 1.91%, and repayable in equal instalments over the next 8 years

Notes to the Financial Statements
For the year ended 31 August 2020

18 Funds

	Balance at 1 September 2019 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)		77,865	(76,751)	888	2,002
Start Up Grant		642	(642)	-	-
Pupil Premium		7,713	(7,713)	-	-
Other DfE/EFA grants		7,531	(7,531)	-	-
Other government income		8,696	(8,696)	-	-
Other restricted		1,604	(1,604)	-	-
Funds inherited on transfers from LA and mergers	531	-	-	-	531
	<u>531</u>	<u>104,051</u>	<u>(102,937)</u>	<u>888</u>	<u>2,533</u>
Pension reserve	(46,045)	-	(6,201)	(9,665)	(61,911)
	<u>(45,514)</u>	<u>104,051</u>	<u>(109,138)</u>	<u>(8,777)</u>	<u>(59,378)</u>
Restricted fixed asset funds					
DfE/EFA capital grants and expenditure from GAG	25,257	3,670	(2,295)	(888)	25,744
Donated assets	244,894	12,874	(8,967)	-	248,801
	<u>270,151</u>	<u>16,544</u>	<u>(11,262)</u>	<u>(888)</u>	<u>274,545</u>
Total restricted funds	<u>224,637</u>	<u>120,595</u>	<u>(120,400)</u>	<u>(9,665)</u>	<u>215,167</u>
Unrestricted funds					
General Funds	2,960	2,480	(2,480)	-	2,960
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unrestricted funds	<u>2,960</u>	<u>2,480</u>	<u>(2,480)</u>	<u>-</u>	<u>2,960</u>
Total funds	<u>227,597</u>	<u>123,075</u>	<u>(122,880)</u>	<u>(9,665)</u>	<u>218,127</u>

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

	Balance at 1 September 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
General Annual Grant (GAG)		75,240	(75,240)	-	-
Start Up Grant		811	(811)	-	-
Pupil Premium		7,845	(7,845)	-	-
Other DfE/EFA grants		4,351	(4,351)	-	-
Other government income		8,043	(8,043)	-	-
Other restricted		2,393	(2,393)	-	-
Funds inherited on transfers from LA and mergers	1,565	-	(2,288)	1,254	531
	<u>1,565</u>	<u>98,683</u>	<u>(100,971)</u>	<u>1,254</u>	<u>531</u>
Pension reserve	(27,322)	-	(5,227)	(13,496)	(46,045)
	<u>(25,757)</u>	<u>98,683</u>	<u>(106,198)</u>	<u>(12,242)</u>	<u>(45,514)</u>
Restricted fixed asset funds					
DfE/EFA capital grants and expenditure from GAG	31,527	5,866	(10,882)	(1,254)	25,257
Donated assets	208,413	36,481	-	-	244,894
	<u>239,940</u>	<u>42,347</u>	<u>(10,882)</u>	<u>(1,254)</u>	<u>270,151</u>
Total restricted funds	<u>214,183</u>	<u>141,030</u>	<u>(117,080)</u>	<u>(13,496)</u>	<u>224,637</u>
Unrestricted funds					
General Funds	2,960	3,124	(3,124)	-	2,960
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unrestricted funds	<u>2,960</u>	<u>3,124</u>	<u>(3,124)</u>	<u>-</u>	<u>2,960</u>
Total funds	<u>217,143</u>	<u>144,154</u>	<u>(120,204)</u>	<u>(13,496)</u>	<u>227,597</u>

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

Restricted general funds must be used for the normal running costs of the Trust. In line with the Master Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

Unrestricted funds will be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

Funds transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non GAG funding.

Notes to the Financial Statements
For the year ended 31 August 2020

18 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£'000	£'000
Aerodrome Primary Academy	345	507
Beccles Primary Academy	(19)	(21)
Brampton Primary Academy	(586)	(426)
Burrsville Infant Academy	125	76
Bushbury Lane Primary Academy	119	127
Camulos Primary Academy	229	154
Chapel End Junior Academy	349	254
Chigwell Primary Academy	96	111
Civitas Academy	200	(16)
Concordia Primary Academy	210	151
Copperfield Academy	(371)	(189)
Dorothy Barley Junior Academy	623	553
Eastbrook Primary Academy	203	180
Five Spires Academy	31	(8)
Garden City Academy	197	122
Greenridge Primary Academy	91	12
Gunton Primary Academy	165	78
Heath Hayes Primary Academy	147	44
Henhurst Ridge Primary Academy	27	0
Kemsley Primary Academy	304	201
Kirby Primary Academy	260	219
Langtons Junior Academy	489	422
Lawley Village Academy	81	53
Lower Farm Academy	32	0
Manor Park Primary Academy	556	340
Martlesham Primary Academy	(112)	(130)
Milton Court Primary Academy	177	71
Minerva Academy	0	0
Moor Green Primary Academy	362	211
Newhall Primary Academy	(17)	(23)
Northfield St Nicholas Primary Academy	(322)	(289)
Norton Canes Primary Academy	171	51
Oakfield Primary Academy	752	609
Pemberley Academy	409	346
Phoenix St Peter Academy	(220)	(193)
Purfleet Primary Academy	244	142
Racemeadow Primary Academy	221	165
Ranikhet Academy	247	218
Reach2 Head Office	(5,512)	(4,967)
Riverside Academy	344	252
Robert Fitzroy Academy	491	407
Scientia Academy	568	366
Silkmore Primary Academy	223	96
Sir Martin Frobisher Primary Academy	66	60
Springfield Primary Academy	430	161
Springhill Primary Academy	(144)	(84)
Sprites Primary Academy	42	176
St Margaret's Primary Academy	245	236
St Mark's Church of England Primary Academy	45	48
Summerside Primary Academy	63	125
The Globe Primary Academy	122	244
The Limes Primary Academy	105	16
The Palmer Primary Academy	468	426
The Woodside Primary Academy	98	112
Tidemill Academy	620	489
Tymberwood Academy	99	54
Unity Primary Academy	175	118
Veritas Primary Academy	262	251
Water Lane Primary Academy	272	198
White Meadows Primary Academy	444	495
Wilshire-Dacre Junior Academy	152	90
	5,493	3,491
Fixed asset reserves	274,545	270,151
Pension reserve	(61,911)	(46,045)
	218,127	227,597

Notes to the Financial Statements
For the year ended 31 August 2020

18 Funds (continued)

Analysis of academies by cost

	Teaching Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding fixed asset expenses)	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Aerodrome Primary Academy	2,168	333	40	724	3,265	3,008
Beccles Primary Academy	862	213	11	122	1,208	1,288
Brampton Primary Academy	1,286	213	4	241	1,744	1,958
Burnsville Infant Academy	625	195	15	119	954	1,066
Bushbury Lane	611	169	25	291	1,096	1,153
Camulos Academy	882	200	31	188	1,301	1,254
Chapel End Junior Academy	1,214	202	27	381	1,824	1,883
Chigwell Primary Academy	570	166	27	235	998	1,045
Civitas Academy	695	111	7	193	1,006	945
Concordia Primary Academy	467	89	19	184	759	572
Copperfield Academy	1,669	194	62	426	2,351	2,436
Dorothy Barley Junior Academy	1,599	260	40	391	2,290	2,357
Eastbrook Primary Academy	1,464	230	23	231	1,948	1,923
Five Spires Academy	408	79	14	153	654	638
Garden City Academy	948	148	29	233	1,358	1,379
Greenridge Primary Academy	1,009	136	35	217	1,397	1,042
Gunton Primary Academy	1,067	184	43	138	1,432	1,413
Heath Hayes Primary Academy	628	126	16	138	908	920
Henhurst Ridge Primary Academy	259	84	17	99	459	317
Kemsley Primary Academy	714	137	16	149	1,016	1,010
Kirby Primary Academy	653	175	9	119	956	968
Langtons Junior Academy	873	174	10	180	1,237	1,313
Lawley Village Academy	579	71	20	224	894	682
Lower Farm Academy	161	65	17	35	278	-
Manor Park Primary Academy	1,276	348	26	476	2,126	2,086
Martlesham Primary Academy	300	99	8	131	538	528
Milton Court Primary Academy	704	108	23	216	1,051	1,048
Minerva Academy	-	-	-	-	-	26
Moor Green Primary Academy	1,398	215	18	437	2,068	1,896
Newhall Primary Academy	746	96	15	173	1,030	689
Northfield St Nicholas Primary Academy	1,653	329	29	197	2,208	2,285
Norton Canes Primary Academy	681	179	20	217	1,097	1,255
Oakfield Primary Academy	1,090	172	24	333	1,619	1,672
Pemberley Academy	690	137	41	131	999	874
Phoenix St Peter Academy	710	180	6	204	1,100	1,132
Purfleet Primary Academy	1,827	345	47	483	2,702	2,590
Racemeadow Primary Academy	937	134	29	257	1,357	1,250
Ranikhet Academy	861	93	11	233	1,198	1,453
Reach2 Head Office	-	6,061	111	2,409	8,581	8,866
Riverside Academy	673	136	14	185	1,008	1,027
Robert Fitzroy Academy	2,480	550	42	617	3,689	3,741
Scientia Academy	1,314	206	32	362	1,914	1,721
Silkmore Primary Academy	746	127	16	339	1,228	1,395
Sir Martin Frobisher	797	251	22	317	1,387	1,825
Springfield Primary Academy	1,470	273	46	559	2,348	2,556
Springhill Primary Academy	655	80	8	161	904	948
Sprites Primary Academy	1,243	308	53	278	1,882	1,733
St Margaret's Primary Academy	1,355	309	58	234	1,956	2,143
St Mark's Church of England Primary Academy	708	148	12	160	1,028	973
Summerside Primary Academy	1,836	321	18	468	2,643	2,723
The Globe Primary Academy	1,601	203	8	263	2,075	2,266
The Limes Primary Academy	290	120	20	101	531	369
The Palmer Primary Academy	1,416	215	29	303	1,963	2,137
The Woodside Primary Academy	5,044	1,066	114	941	7,165	6,385
Tidemill Academy	2,419	411	50	576	3,456	3,378
Tymberwood Academy	1,483	305	19	286	2,093	2,128
Unity Primary Academy	1,309	327	14	241	1,891	1,996
Veritas Primary Academy	1,201	191	18	316	1,726	1,571
Water Lane Primary Academy	602	149	11	117	879	903
White Meadows Primary Academy	2,571	300	34	359	3,264	2,843
Wilshire-Dacre Junior Academy	733	120	25	214	1,092	1,110
	66,230	18,566	1,628	18,705	105,129	104,091

Notes to the Financial Statements
For the year ended 31 August 2020

19 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted General Fund	Restricted General Fund	Restricted Fixed Asset Fund	Total 2020 £'000
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	279,431	279,431
Current assets	2,960	12,058	-	15,018
Current liabilities	-	(9,525)	(686)	(10,211)
Non-Current liabilities	-	-	(4,200)	(4,200)
Pension scheme liability	-	(61,911)	-	(61,911)
Total net assets	2,960	(59,378)	274,545	218,127

**Notes to the Financial Statements
For the year ended 31 August 2020**

20 Pension and Similar Obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £817k (2019: £115k) were payable to the Teachers Pension Scheme at 31 August 2020 and are included within creditors.

Contributions amounting to £108k (2019: £94k) were payable to the Local Government Pension Scheme at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year ended 31 August 2020 amounted to £10,004,000 (2019: £8,151,000)

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

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

Notes to the Financial Statements
For the year ended 31 August 2020

20 Pension and Similar Obligations (continued)

Local Government Pension Schemes

REAch2 is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds; City of Westminster Pension Fund, Essex Pension Fund, Kent County Council Pension Fund, Royal County of Berkshire Pension Fund, West Midlands Pension Fund, Hertfordshire County Council Pension Fund, London Borough of Barking and Dagenham Pension Fund, London Borough of Croydon Pension Fund, London Borough of Havering Pension Fund, London Borough of Lewisham Pension Fund, Staffordshire Pension Fund, Suffolk Pension Fund, Warwickshire Pension Fund, West Sussex County Council Pension Fund, London Borough of Bexley Pension Fund, London Borough of Waltham Forest Pension Fund, Shropshire County Pension Fund, Barnet Council Pension Fund and Buckinghamshire County Council Pension Fund.

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

Principal actuarial assumptions (average)	2020	2019
	%	%
Rate of increase in salaries	3.1	3.1
Rate of increase for pensions in payment / inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.1	2.1

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

	2020	2019
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.1	24.0
<i>Retiring in 20 years</i>		
Males	23.1	23.2
Females	25.6	25.7

Sensitivity analysis	£'000	£'000
Discount rate +0.1%	2,957	2,483
Discount rate -0.1%	(2,993)	(2,501)
Mortality assumption – 1 year increase	(4,055)	(1,352)
Mortality assumption – 1 year decrease	4,032	1,349
CPI rate +0.1%	(2,571)	(2,115)
CPI rate -0.1%	2,564	2,075

The Trust's share of the assets in the scheme were:

	2020	2019
	£'000	£'000
Equities	30,790	29,651
Gilts	1,384	647
Corporate bonds	8,807	8,331
Property	4,616	5,197
Cash and other liquid assets	1,934	1,188
Derivatives	-	462
Investment funds	-	6
Asset backed securities	-	5
Other	2,816	2,131
Total market value of assets	50,347	47,618

The return on scheme assets was £5,310,000 (2019: £2,634,000)

Notes to the Financial Statements
For the year ended 31 August 2020

20 Pension and Similar Obligations (continued)

Amount recognised in the Statement of Financial Activities

	2020	2019
	£'000	£'000
Current service cost (net of employer contributions)	5,297	2,874
Past service cost	12	923
Net interest cost	852	755
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	40	49
Total amount recognised in the SOFA	<u>6,201</u>	<u>4,601</u>

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

	2020	2019
	£'000	£'000
At 1 September 2019	93,663	65,936
Transferred in on existing academies joining the trust	-	626
Transferred out on existing academies leaving the academy trust	-	-
Current service cost	11,271	8,232
Past service cost	12	923
Interest cost	1,796	1,904
Employee contributions	1,494	1,402
Actuarial (gain)/loss	5,030	15,035
Benefits paid	(1,008)	(395)
At 31 August 2020	<u>112,258</u>	<u>93,663</u>

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

	2020	2019
	£'000	£'000
At 1 September 2019	47,618	38,614
Transferred in on existing academies joining the trust	-	-
Transferred out on existing academies leaving the academy trust	-	-
Interest on assets	944	1,149
Actuarial (gain)/loss	(4,634)	1,539
Employer contributions	5,974	5,358
Employee contributions	1,493	1,402
Benefits paid	(1,008)	(395)
Admin expenses	(40)	(49)
At 31 August 2020	<u>50,347</u>	<u>47,618</u>
Net defined benefit liability / (asset)	<u><u>61,911</u></u>	<u><u>46,045</u></u>

The estimated value of employer contributions for the year ended 31 August 2021 £5,936,000

Notes to the Financial Statements
For the year ended 31 August 2020

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities	2020 Total £'000	2019 Total £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	195	(16,785)
Adjusted for:		
Depreciation and impairment charges (note 12)	11,262	18,577
Assets gifted on conversion	(12,874)	(14,903)
Capital grants from DfE and other capital income	(3,670)	(3,000)
Interest receivable (note 5)	(40)	(57)
Defined benefit pension scheme net finance cost/ (income)	6,201	5,108
Defined benefit pension scheme cost less contributions payable	-	-
(Increase) / decrease in stock	(3)	(6)
Decrease / (increase) in debtors	1,191	(280)
Increase / (decrease) in creditors	161	1,661
Loss on disposal of tangible fixed assets	-	9,620
Net cash provided by / (used in) operating activities	2,423	(65)

22 Cashflow from financing activities	2020 Total £'000	2019 Total £'000
Repayment of borrowing	(600)	(600)
Cash Inflow from new borrowings	-	3,000
Net cash provided by/(used in) financing activities	(600)	3,000

23 Analysis of changes in net debt

	As at 1 September 2019 £'000	Cashflow £'000	Acquisition / disposal of subsidiary £'000	New finance leases £'000	Other non- cash changes £'000	As at 31 August 2020 £'000
Cash	8,350	3,314	-	-	-	11,664
	8,350	3,314	-	-	-	11,664
Loans falling due within one year	(600)	-	-	-	-	(600)
Loans falling due after more than one year	(4,200)	-	-	-	600	(3,600)
	(4,800)	-	-	-	600	(4,200)
TOTAL	3,550	3,314	-	-	600	7,464

24 Capital Commitments	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	76	379

25 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases were:

	2020 £'000	2019 £'000
Amounts due within one year	322	311
Amounts due within two and five years	973	993
Amounts due after five years	343	544
	1,638	1,848

26 Related party transactions

Owing to the nature of the organisation's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which someone may have an interest. All transactions involving such organisations are conducted at arm's-length and in accordance with the organisations financial regulations and normal procurement procedures. The following related party transactions took place in the period of the accounts.

Income relating to services provided to Reach2 Inspiration Limited, a whole owned subsidiary of REAch2 Academy Trust amounted to £205k in the year, with a debtor balance of £357k and costs of £232k during the year with a creditor balance of £56k at the year end.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2019.

27 Post balance sheet events

On 1 September 2020 one new primary school joined the Trust:

- Green Park Village Primary Academy, a new free school based in Reading.

At the time of signing the accounts management have not been able to determine the value of funds transferred to the Trust relating to this school.

28 Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

29 Conversion to an academy

During the year, a free school presumption Lower Farm Academy opened on 1st September 2019, in Nuneaton, Warwickshire. It opened in a temporary building on the school site. Due to circumstances beyond the control of REAch2 Academy Trust it is not yet known when it will move into its permanent building. As such, no assets or liabilities have been included within the Statement of Financial Activities

Notes to the Financial Statements
For the year ended 31 August 2020

30 Investments

REAch2 Academy Trust owns 100% of the issued ordinary share capital of Reach2 Inspiration Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year ends on 24 August 2020.

The accounts of the subsidiary do not justify consolidation, as Reach2 Inspiration Limited is not deemed to be material to the organisation as a whole. The materiality of the trading company will be reviewed on an annual basis, thus ensuring that the financial statements continue to be prepared using best accounting practice.

31 Teaching School Trading Account

	2020 Total £'000	2020 Total £'000	2020 Total £'000	2019 Total £'000	2019 Total £'000	2019 Total £'000
Income						
Direct Income						
Other income		153			156	
Other Income						
Fundraising and other trading activities		114			74	
Total Income			267			230
Expenditure						
Direct Costs						
Direct staff costs	121			112		
Staff development	89			0		
Other direct costs	0			0		
Total direct costs		210			112	
Other costs						
Support staff costs	17			13		
Depreciation	0			0		
Technology costs	0			0		
Recruitment	0			0		
Security	0			0		
Other support costs	61			99		
Governance costs	0			0		
Total other costs		78			112	
Total Expenditure			288			224
Transfer between funds excluding depreciation						0
Surplus/(Deficit) from all sources			(21)			6
Teaching School Balance as at 1 September 2019			21			15
Teaching School Balance as at 31 August 2020			0			21