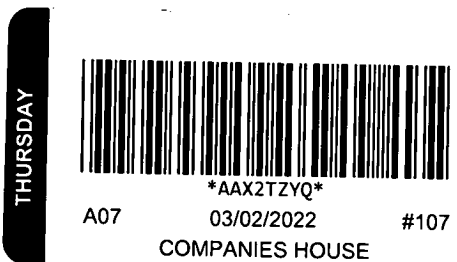


**COMPANY REGISTRATION NO. 08452281 (ENGLAND AND WALES)**

**REACH2 ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**



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**TRUSTEES' REPORT**  
**REFERENCE AND ADMINISTRATIVE DETAIL**  
**For the Year Ended 31 August 2021**

<b>Members</b>	Jeremy King Roger Pryce Peter Little
<b>Trustees</b>	Dr Louise Askew (resigned 31.08.21) Teresa Beach Rosalind Cordner (appointed 15.07.2021) Marc Doyle (appointed 15.07.2021) Anthony Gilbey Jeremy King (Chair to 31.07.2021) Ralph Kugler Sir Steve Lancashire (CEO and Accounting Officer) Jonathan Lewis Wade Newmark Michael Peters Victoria Pigott Colin Powell (resigned 15.07.2021) Gavin Robert (Chair from 01.09.2021) Clive Rockingham (resigned 08.02.2021) David Walker Adanna Welch-Charles (appointed 15.07.2021)
<b>Company Secretary</b>	Helen Ashley Taylor (resigned 01.11.2020)
<b>Executive Leadership Team</b>	Sir Steve Lancashire (Chief Executive Officer and Accounting Officer) Catherine Paine (Deputy Chief Executive Officer) Katherine Alexander (Chief Operating Officer and Chief Finance Officer)
<b>Company Name</b>	REach2 Academy Trust
<b>Registered Office and Head Office</b>	Enhurst Ridge Primary Academy Enhurst Ridge Burton-on-Trent ENGLAND DE13 9TQ
<b>Company Registration Number</b>	08452281 (England and Wales)
<b>Independent Auditor</b>	KPMG UK 1 Sovereign Square, Sovereign Street Leeds LS1 4DA
<b>Bankers</b>	Royal Bank of Scotland 3 <sup>rd</sup> Floor, Houblon House 62-63 Threadneedle Street, London EC2R 8HP
<b>Solicitors</b>	<b>Veale Wasbrough Vizards LLP (to 31.03.2021)</b> Narrow Quay House, Narrow Quay, Bristol BS1 4QU  <b>Browne Jacobson LLP (from 01.04.2021)</b> Mowbray House, Castle Meadow Road, Nottingham, England, NG2 1BJ

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

<b>Academy</b>	<b>Headteacher</b>	<b>Address</b>
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)	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 CO130LW
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	Rachael Dobbie	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

Academy	Headteacher	Address
Pemberley Academy	Neil Coster	Hodings Road, Harlow CM20 1NW
Phoenix St Peter Academy	Tim Culpin (EHT) Matthew Jordon (Associate HT)	Enstone Road, Lowestoft NR33 ONE
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 Sanghera (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 Conroy	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	Lucy Williams (Acting HT)	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 2021**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Academy Trust operated 60 primary academies across the UK as at 31 August 2021. Its academies had a combined pupil capacity of 18,212 and a roll of 21,033 as at the October 2021 Census date (based on 60 academies).

\*Capacity is based on the actual number of children (in Reception to Year 6) that all academies within the Trust can accommodate during the year. This will include, free schools with reduced year groups, academies 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 charitable 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 purposes 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 3.

#### **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.

#### **Trustees' 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 3. Members provide an independent oversight of the governance to 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 matches the Trust's vision and strategic priorities. 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 become more inclusive by welcoming all backgrounds and diversity into education leadership as part of the Trust's wider diversity and inclusion strategy.

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
- Risk management
- 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 its Trustees to inform the recruitment and ongoing Trustee development processes, 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 Trust 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 subcommittee 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 Trust held six 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 children. New trustees are provided with copies of Trust policies, procedures, minutes, budgets, plans, strategy and risk frameworks 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 the Trust's 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 keep 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.

## **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 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 main trustee sub-committees are detailed in the Governance Statement on page 29)
- Executive leadership and management team (the Executive Team)
- Cluster Boards – these committees provide an additional level of governance, supporting the Trust's governance structure
- Local Governing Bodies for each Academy.

The Clusters are split geographically, and the Directors of Education are each responsible five clusters. Each Cluster is 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.

The 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 responsibility of the Cluster Boards' and 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 children 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 as shown on page 3. 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 2020 -2021 the average annual salary of a newly qualified teacher across the trust was £28,642.

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 Trust's); and comparison with similar sectors. Any recommendation from the remuneration committee is taken to the Trust Board for final sign off. The remuneration committee is a sub-committee of the Trust Board and was chaired by Ralph Kugler. 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 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 (2020-21)

### Relevant Union Officials

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
25	21.84

### Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	10
1-50%	15
51-99%	0
100%	0

### Percentage of pay bill spent on facility time

Total cost of facility time	£47,665.20
Total pay bill	£ 85,907,260.31
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05548 %

### Paid trade union activities

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:</i>  <i>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i>	0.0 %
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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 Trust's approved.

While the Trust's 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 Trust's would positively cooperate and how that cooperation would be governed.

The strength of the partnership across both Trust's will enable a REAch2 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, hence providing best value.

### **Engagement with Employees (including disabled persons)**

REAch2 Academy Trust strives to ensure that no employee or potential employee will receive less favourable treatment due to their disability. The Trust's approach to selection and recruitment is designed to meet the standards set out within the context of the Equality Act 2010 as a minimum. Applicants are asked to complete and return an online Equal Opportunities Monitoring Form, separate to their application, within which applicants are encouraged to disclose any disability. 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 an occupational health assessment 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 <https://www.reach2.org/wp-content/uploads/2021/08/GPG-Narrative-2020-21.pdf>

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

Further information in relation to the actions that the Trust have taken during the reporting period to introduce, maintain and develop arrangements with employees, can be found on page 20.

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

The Trust works with a range of suppliers both locally 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 and 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, the 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 Trust's Streamlined Energy and Carbon Reporting can be seen on page 25.

### **Objectives and Activities**

Our mission is to provide exceptional opportunities for learning by running "Great Academies". Some of our academies can already be described in this way, however the Trust aspires for every school to achieve this and for this to become the reality for every single one of our children.

### **Objects and Aims**

Everything we do will be driven by the following goals:

- **Truly Exceptional Performance**  
To become an exemplary provider of primary education, creating and upholding our "above and beyond" performance standards. As a system leader we will continue to contribute to government policy and lead on sector improvement
- **Distinctive Contribution**  
All academies have an educational offer defined by aspiration, enrichment and opportunity that provides social, personal and cultural capital. In REAch2 academies children develop distinctive characteristics which prepare them for a brighter future, equip them to tackle challenges and reach their potential
- **Enduring Impact**  
We intend to be 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 and strive to attract the best talent into the organisation.

### **Objectives, Strategies and Activities**

In response to the pandemic, the Trust leadership team re-evaluated its priorities taking into account stakeholder survey feedback that took place at the end of the previous academic year. It was agreed that a two-year plan would be put in place, to support a number of priority areas, five of which were agreed for year one:

- Technology - Equip children and staff to enable them access to the digital world around and internally invest to enhance and streamline systems and processes
- Diversity - Champion and embody diversity for all, providing an inclusive environment for all to thrive
- Wellbeing - Support staff, children and their families to achieve positive mental health and wellbeing
- Education Provision - Provide an education, which takes account of the needs and context of every child in every academy
- Sustainability - Achieve financial security for all academies and the Trust

Further information in relation to the priorities and outcomes can be found on page 15.

### **Public Benefit**

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit and exercised 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 Trust's' 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 children, which will be evidenced from feedback received from external assessments.

## **Strategic Report**

### ***Achievements and Performance***

#### **Responding to Covid-19**

The Academic year 2020-2021 commenced with all 60 REAch2 academies opening their doors to all children within the first week of term. Academies opened under the Trust's stringent risk management plan with significant COVID-19 measures remaining in place to keep staff and children safe.

The standard of leadership across academies was exemplary and leaders ensured that academies remained a safe place for children to learn and thrive.

With the halt on national testing including EYFS, KS1 and KS2 SATs and Ofsted inspections, assurance was required to ensure that children's educational needs were being met, this was delivered through the implementation of the remote learning strategy.

#### **Remote Learning**

Due to the continuing COVID-19 pandemic a remote learning strategy was developed to support academies with the challenge of educating children learning from home. This strategy was developed by a team composed of central staff with support from a number of school leaders who had volunteered to be part of a working group.

There were three key aims to the strategy:

1. To effectively secure a high-quality education for children
2. To ensure all children are able to access learning
3. To support teacher confidence and workload

The strategy was driven by the importance of professional development and support at all levels, so that both our central teams and school-based staff gained the knowledge, confidence and skills to deliver remote education effectively. It was also important to ensure that the Trust were making the most of any existing practice within the academies to build capacity and improve our approach.

Phase 1 of the strategy was focused on ensuring that school staff had the systems, confidence and training needed to deliver the statutory requirements of remote learning effectively. Phase 2 was focused on deepening this work to improve the quality of remote teaching and learning. The work to support the academies within this phase was based on principle of gaining an understanding of the experiences of children, families, school staff and other stakeholders and using this information to provide support to the academies.

Following mandated school closure due to the third lockdown on 5<sup>th</sup> January, the training programme was immediately accelerated with the most vulnerable academies being prioritised. 41 central training sessions were delivered from December to February with recorded training sessions available online. A full baseline evaluation of each school's remote learning capacity was achieved by 12<sup>th</sup> January to inform plans for the targeted support that academies would receive and to ensure that all academies would become fully confident in their capacity and ability to deliver remote learning.

	Baseline Evaluation 12/1/21	Updated Evaluation 8/2/21	Progress
Average Remote Learning Baseline Evaluation Score Across the Trust (across all indicators)	62.6	70.1	+7.5
Number of Academies 'secure' within phase 1 (and ready to work on phase 2)	34	52	+18
Number of Academies 'making progress' within phase 1	22	8	-14
Number of Academies causing concern within phase 1	4	0	-4

Strong progress was made overall, across all indicators since the completion of the baseline assessment. The eight academies that were not fully secure at phase 1 were nevertheless secure across most indicators. These academies were then fully supported to ensure they were secure within phase 1 within the next three weeks. Across the Trust, uptake increased and by the end of the spring term 92% of children were accessing remote learning. 81% of children were engaged in online learning.

Whilst there have been no subsequent national lockdowns, further bubble closures have taken place at a few schools so maintaining the facility to provide remote learning has remained.

### **Wellbeing**

As the impact of COVID-19 continued to take its toll on academies, with continuing issues with staff absence, anxiety and attendance and in response to national trends in declining levels of wellbeing, the Trust put in place pro-active measures to try and provide as much support to staff as is possible.

The Trust re-launched the Wellbeing Strategy, with five clear drivers for wellbeing that were embedded via the Cluster Leadership Forums and Wellbeing Steering Group. The Trust worked with its academies to deliver a strategy that sets out clear and measurable targets for wellbeing.

Within the strategy re-launch, the Trust committed to supporting mental health resilience for staff. To this effect, a new Employee Assistance programme which, provides all REAch2 staff with access to six face-to-face or remote counselling sessions, extending to co-habiting family members was launched. The service has already seen over 50 referrals, with most related to issues of anxiety and depression.

Linked to the strategy, the Trust also launched a new dedicated mental health resilience App and provided access to Perks at Work (providing access to mindfulness tools, exercise classes and high street discounts and already being accessed by 500+ staff).

There has been a heavy focus on the role of the Mental Health First Aider through the initial launch stages of the strategy, successfully delivering four externally facilitated Mental Health First Aider training courses to at least one person in every academy. This programme of training will continue, with ongoing training planned from May 2022.

All academies have additionally nominated a Wellbeing Coordinator, who acts as a central point of contact for all wellbeing related correspondence. Both the coordinators and Mental Health First Aiders have been linked together with a new Teams group, to facilitate ongoing peer to peer support.

A significant aspect of our wellbeing strategy is the ability to measure success and the Trust will be working with the central team and academy colleagues during 2021 – 2022 to deliver a full staff engagement survey. The survey, once complete, will provide the Trust with a baseline and will cover key aspects of wellbeing as well as a raft of other work-related issues, being modelled in part on national benchmarkable data.

### **Safeguarding**

As a core priority for all educational establishments, the Trust reviewed the approach to safeguarding in response to the impact of Covid-19 and a number of programmes of work were put in place, to include:

#### ***Direct school support***

In the Autumn term, audits of safeguarding files took place in all academies. Practice, in the main, was reported to be effective, and where concerns were identified, these were swiftly fed back to school leaders and DDoEs so that action could be taken. Trust-wide themes relating to effective practice and to those areas identified as in need of improvement and/or further training were collated and presented in a summary paper. This informed further feedback, support and training for individual academies and across the Trust, as required. File audits were accompanied by remote attendance at vulnerable pupil meetings or a caseload supervision session. Where new or inexperienced leaders required additional support with establishing good practice in this area, the REAch2 safeguarding lead modelled appropriate expectations and advised on process, including agenda, schedule, key questions and record keeping.

In the Spring term, following the announcement of pupil attendance at school being restricted on 4<sup>th</sup> January, an updated annex to the Safeguarding and Child Protection Policy was provided for academies to personalise and adopt. Key areas that the annex included were the school's approach to arrangements for their Designated Safeguarding Lead(s), supporting children in school, safeguarding provision for children learning remotely, and how staff should report safeguarding concerns when working remotely. Additional guidance materials were provided to share with staff and parents to support them in considering how best to safeguard their children whilst learning remotely.

In the summer term, following the full re-opening of academies, a programme of post-lockdown support and quality assurance checks began. The checks comprised elements of existing audit tools, covering Single Central Record (SCR), aspects of wider school safety, i.e. administration of medicines, and safeguarding files, and also included interviews of school leaders, staff and children.

A number of academies previously highlighted as requiring additional support pre-COVID, had shown continued and sustained improvement.

In the majority of academies, interviews with DSLs, staff and Headteachers was a particular highlight.

Further support in relation to safer recruitment checks was provided to a small number of academies. This support included clear direction to Headteachers and SBMs and reminders about legal and statutory requirements issued by the DfE in KCSIE. Additional safer recruitment training sessions were also delivered remotely.

### **Training and Development**

Academies were provided with a set of safeguarding training materials produced by the safeguarding team to use with their staff teams. Entitled '7-minute briefings', they were designed to support DSLs and leaders in academies with their CPD programmes, reflecting the statutory requirement that safeguarding training should be regularly re-visited throughout the year.

Safer recruitment training continued to take place throughout the year, delivered remotely in line with the Trust COVID-19 risk assessment in place at the time.

### **Key Performance Indicators**

#### **2 Year Plan Priorities**

Key performance indicators for each of the priority areas noted on page 12 were agreed and reported against over the year.

The priorities and outcomes are set out below:

- Technology - Equip children and staff to enable them access to the digital world around and internally invest to enhance and streamline systems and processes.

*Key successes: 60% of Academies were on-boarded to the Trust's IT systems, training for over 50% of REAch2 staff took place on Office 365 to support the delivery of education and remote learning, all academies were provided with support to develop a rolling five-year IT investment plan, Cyber Security Essentials Accreditation was obtained, and Business continuity and Disaster Recovery strategies were developed (and will continue to be in 2021-2022)*

- Diversity - Champion and embody diversity for all, providing an inclusive environment for all to thrive.

*Key successes: work commenced on the Trust Equality, Diversity and Inclusion Strategy, with the aim of 'providing an inclusive environment for all to thrive'. During the academic year work commenced on educating leaders on what is meant by EDI and looking at ways this can be considered in the school context. Many of our academies have shared examples of school-based initiatives. This remains an ongoing priority for the 2021 – 2022.*

- Wellbeing - Support staff, children and their families to achieve positive mental health and wellbeing.

*Key successes: The launch of the Wellbeing Strategy, with the ongoing commitment to continuously consider and adapt our approach, in response to the pandemic. The implementation of a Trust-wide*

*Employee Assistance Programme, a wellbeing app to enable staff to manage their own wellbeing, an annual staff survey and accredited Mental Health First-aider training for one member of staff per school.*

- Education Provision - Provide an education, which takes account of the needs and context of every child in every academy.

*Key success: The implementation of the Remote Learning Strategy, ensuring that all children are able to access learning – over 92% engagement. A programme of training for school staff resulting in an increased level of confidence in relation to the use of technology to deliver teaching and learning. The early identification for the need for an Attendance Strategy piloted with 17 academies. Further work to develop the CPD offering for all staff across the Trust including the assignment of NPQ and ECF Programme facilitators and the development of associated programmes. A review of the Assessment Strategies, adapted where required to take into account the new ways of working.*

- Sustainability - Achieve financial security for all academies and the Trust

*Key successes: The embedding of the Reserves Strategy. A central review of contracts – which has seen a streamlined approach to contract management (including changes to legal and compliance contracts). Work to support academies with the elimination of unnecessary variable costs and a reduction in the cost of supply. Furthermore, the central management of cashflow and payments has seen the Trust's reserves and cash balances increase, despite the financial impact Covid 19 had on academies.*

### **Ofsted**

OFSTED suspended routine inspection throughout the 2020-2021 academic year due to the COVID-19 pandemic. In the autumn and spring term they undertook a series of 'remote assurance visits' to academies. These were not evaluative but instead were intended to provide developmental feedback whilst also collecting information nationally about the impact of the pandemic. Four academies received these visits: Copperfield, Sprites, Ranikhet and Purfleet.

In the summer term, OFSTED began on-site inspections once again. This included monitoring visits of vulnerable academies and section 8 inspections of good academies whose previous inspection had been more than 5 years ago. Both Ranikhet and Copperfield received a monitoring visit and were found to have made sufficient progress to be removed from special measures. They were among the first academies in the country to be removed from special measures and achieve a 'good' rating upon OFSTED's resumption of on-site inspection.

53 of the Trust academies have now been inspected by OFSTED, with 46 academies (87%) currently graded as good or outstanding.

School	Type of Inspection	Date Inspected	Previous Inspection Grade	Inspection Outcome
Copperfield	Section 8 – Converted to Section 5	5 <sup>th</sup> and 6 <sup>th</sup> May 2021	Inadequate	Good
Ranikhet	Section 8 – Converted to Section 5	12 <sup>th</sup> and 13 <sup>th</sup> May 2021	Inadequate	Good
Sprites	Section 8 - Monitoring	11 <sup>th</sup> and 12 <sup>th</sup> May 2021	Inadequate	Taking Effective Action
Aerodrome	Section 8	18 <sup>th</sup> and 19 <sup>th</sup> May 2021	Good	Good

### **Attendance**

Attendance for the Trust between 1 September 2020 to 23 July 2021 was 94.6%. Nationally, for all Primary State funded academies, the overall attendance rate for 2018/19 was 96.0% (this is the most recent full year data point



due to COVID-19 disruption in 2019/20). COVID-19 continued to affect attendance during 2020-2021, with COVID-19 related illness or absence being 1.5%<sup>1</sup>. Persistent absence continues to be higher within the Trust when compared to national rates, and this was exacerbated by COVID-19.

Below are the Attendance figures from 1 September 2020 to 23 July 2021.

Aerodrome Primary Academy	94.5%	Northfield St Nicholas Primary Academy	94.6%
Beccles Primary Academy	95.4%	Norton Canes Primary Academy	95.6%
Brampton Primary Academy	95.8%	Oakfield Primary Academy	93.8%
Burrsville Infant Academy	96.4%	Pemberley Academy	97.1%
Bushbury Lane Academy	94.4%	Phoenix St. Peter Academy	95.3%
Camulos Academy	96.7%	Purfleet Primary Academy	92.7%
Chapel End Junior Academy	94.2%	Racemeadow Primary Academy	95.4%
Chigwell Primary Academy	95.3%	Ranikhet Academy	93.9%
Civitas Academy	95.3%	Riverside Academy	95.4%
Concordia Academy	95.8%	Robert Fitzroy Academy	96.5%
Copperfield Academy	93.0%	Scientia Academy	95.3%
Dorothy Barley Junior Academy	91.8%	Silkmore Primary Academy	95.9%
Eastbrook Primary Academy	94.5%	Sir Martin Frobisher Academy	86.7%
Five Spires Academy	96.7%	Springfield Primary Academy	91.7%
Garden City Academy	95.8%	Springhill Primary Academy	94.8%
Green Park Village Primary Academy	99.6%	Sprites Primary Academy	95.3%
Green Ridge Primary Academy	97.2%	St Margaret's Primary Academy	94.6%
Gunton Primary Academy	95.4%	St Mark's Church of England Primary Academy	97.0%
Heath Hayes Primary Academy	95.6%	Summerside Primary Academy	94.4%
Henhurst Ridge Primary Academy	97.8%	The Globe Primary Academy	95.6%
Kemsley Primary Academy	96.3%	The Limes Primary Academy	94.2%
Kirby Primary Academy	95.3%	The Palmer Primary Academy	95.8%
Langtons Junior Academy	95.5%	The Woodside Primary Academy	93.5%
Lawley Village Academy	97.3%	Tidemill Academy	95.4%
Lower Farm Academy	97.7%	Tymberwood Academy	89.5%
Manor Park Primary Academy	95.1%	Unity Primary Academy	91.6%
Martlesham Primary Academy	97.7%	Veritas Primary Academy	96.9%
Milton Court Primary Academy	91.0%	Water Lane Primary Academy	94.8%
Moor Green Primary Academy	94.4%	White Meadows Primary Academy	94.6%
Newhall Primary Academy	97.1%	Wilshire-Dacre Junior Academy	96.4%

<sup>1</sup> Attendance codes I01, I02,X02,X05,X06,X07, X08, X09

## Suspensions and Exclusions

There was a similar number of suspensions as in the previous year. However, the number of permanent exclusions increased slightly during the year.

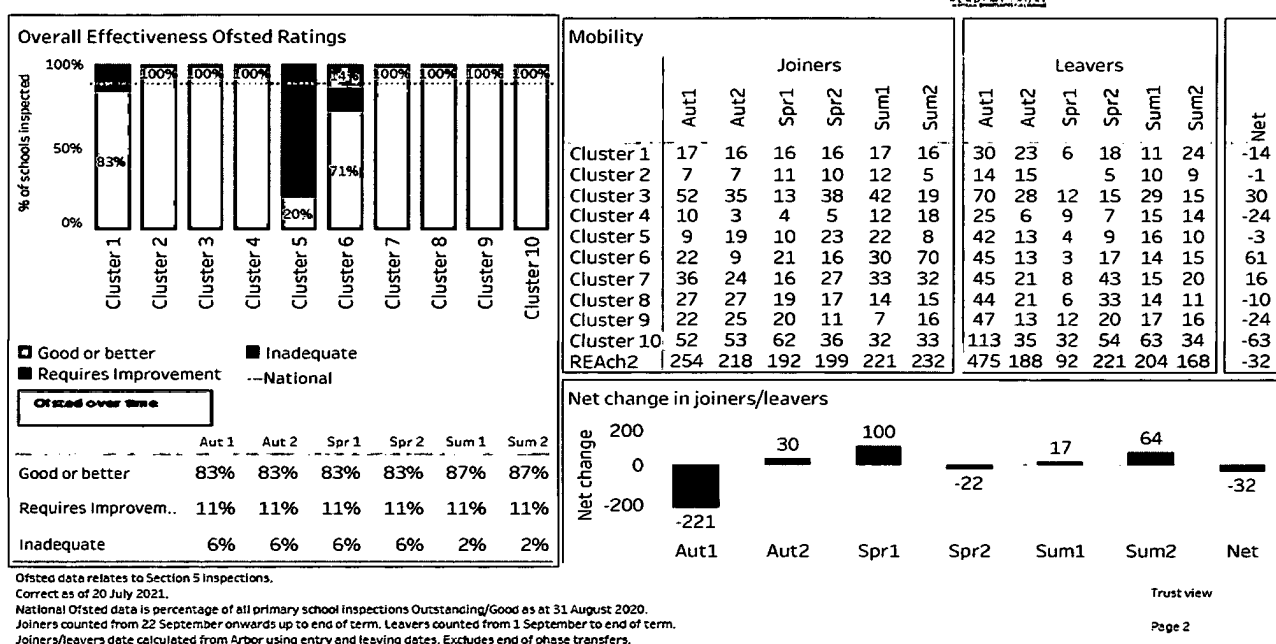
## Trust Context

Please see the below Trust Data Dashboard key context metrics (as at 26 July 2021).

**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 71% and Cluster 1 the highest at 96%. Between joiners and leavers, there was a net change of losing 32 children.

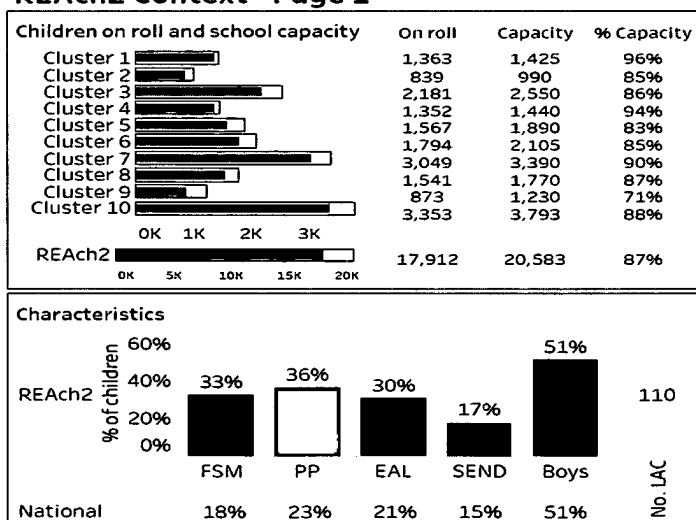
**Characteristics** – The Trust continues to have higher than average rates of Free School Meals, Pupil Premium, and English as an additional language. Children with Special Educational Needs and/or Disabilities remains near the national average.

## REAch2 Context - Page 2



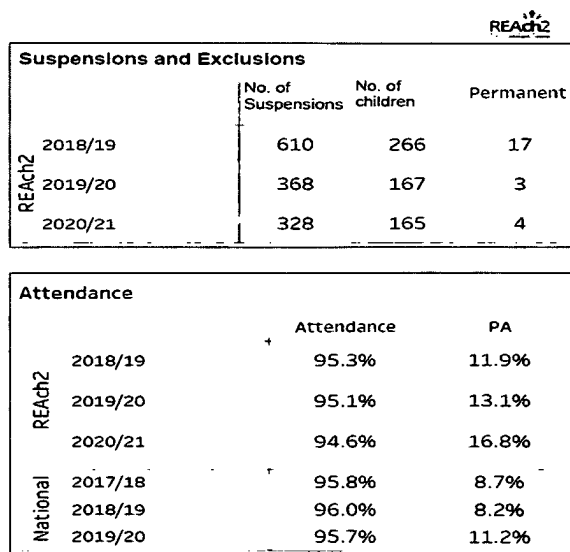
Trust view  
Page 2

## REAch2 Context - Page 1



Attendance relates to statutory school age children only (see DfE definition). 2019/20 is Aut1 up to 20 March 2020 to give a fair comparator due to COVID attendance restrictions. National attendance is from DfE published statistics, with 2019/20 covering Autumn term only. All REAch2 data sourced from Arbor except capacity. Capacity is calculated based on the school admissions policy and number of years open (taking into account bulge classes etc). National data based on following DfE publications: FSM, EAL and boys from 2020 Pupils and their characteristics. SEND from 2020 Special Educational Needs. PP from 2020/21 Pupils Premium allocations, deprivation premium percentage.

Trust view  
Page 1



### ***Risk Management Process***

The Trust concluded its pilot of a new Trust-wide Risk Management process which requires all academies, every half term, to complete a school level risk register which informs Cluster and Trust level risk. The process covers the full spectrum of areas in which academies might face possible risk (Health and Safety, Safeguarding, Education, People, Finance, Operations, Legal and Regulatory).

All academies risk registers are reviewed at the Team around the cluster meetings allowing experts within the Trust to have full oversight on what is going on at academy level and to provide additional support / intervention as well as being able to spot trends that may affect multiple academies.

At each level of governance, risk registers are received and reviewed to enable oversight and scrutiny to take place.

The process has been adapted during the year following feedback from academies and stakeholders.

### ***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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### ***Promoting the success of the Company***

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:

- The likely consequences of any decisions in the long-term
- The interests of Trust's employees
- The need to foster the Trust's business relationships with suppliers, customers and others
- The impact of the Trust's operations on the community and the environment
- The desirability of the Trust maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company.

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.

An 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. The review of board effectiveness continued, 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 any decisions in the long-term***

The Trust has commenced its second year of the two-year strategy, following the consultation exercise which took place during the summer 2020. This replaced the final two year of the Trust's five-year strategic plan, which following the impact of covid, no longer met the Trust's immediate needs.

During this academic year and with the appointment of the new CEO, the development of the five-year strategic plan will commence. The strategic direction for the Trust will be informed by feedback received from stakeholder consultation which will commence in the Spring term. The redeveloped strategic plan for the trust will deliver on the Trust's core objectives in addition to enabling more outreach work to commence across academies and for the cluster development to drive change on a more local level.

The Board of Trustees will continue to 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 Interests of Employees***

The Trust established a practice of consulting regularly with employees during 2019-2020, delivering monthly briefings for Headteachers and School Business Managers where key topics were discussed, initiatives were updated and an opportunity to ask questions was provided. These were complemented by 'open' sessions, hosted by HR, Finance and Estates to ensure a coordinated approach across academies and the Central Team. The sessions continued during 2020-2021 and are now regarded as a business-as-usual activity.

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 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 policies are approved by the Trust Board and publicised.

One strand of the Trust's ongoing work 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. During the 2020-2021 academic year, initial conversations took place with key stakeholders and the Trust began work on the EDI Strategy, with work continuing in the 2021-2022 academic year. The Trust appointment Linbert Spencer OBE to deliver EDI awareness and development sessions to Headteachers and Trust staff.

During the year, the Trust began 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 talent management conversations will form part of the appraisals process for Trust staff in 2021 – 2022 as a pilot programme.

The Trust relaunched the Wellbeing Strategy as well as a number of Wellbeing initiatives to support both school and Trust staff. Further details can be found on page 14.

- ***The need to foster the Trust's business 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 a range of stakeholders and further stakeholder engagement opportunities are planned for the 2021 – 2022 academic year.

As part of the statement and intent for the Trust's strategic plan, there is a focus on continuing the work on communicating and consulting 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 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 academy 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 25.

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

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.

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/academies website. Each year trustees are required to declare their ongoing eligibility to serve as a trustee. The Trustees support the principles of good governance set out in the Charity Governance Code.

- ***The need to act fairly as between members of the company***

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.

## **Financial Review**

During the period, ESFA\LA grants totalled to £106,456k (2020: £102,127k). Other income included within the restricted funds totalled to £946k (2020: £1,490k). The restricted fund expenditure totalled to £113,910k (2020: £108,850k).

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 2021 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 future. The Trust balance sheet and cash flow are in line with budgeted outcomes.

The Trust has appointed a Chief Operating Officer (COO) who also acts as the Trust's Chief Finance Officer (CFO), the Trust employs a Head of Finance.

The CFO has been reviewing the financial policies, processes and controls with an ongoing review of systems used in supporting financial management. All academies 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 Autumn term 2020, as a result of school closures and other pressures relating to the COVID-19 pandemic, monthly reporting was suspended for the November month-end to allow academies to focus on operational issues.

Any academy presenting financial challenges are escalated to the CFO who, along with Trustees will work on a five-year strategic plan to ensure the academies financial viability. A small number of academies which were identified as presenting a higher financial risk than normal, were monitored closely and reported separately to Trustees.

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 children 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 academies is managed centrally and invested prudently in interest earning bank accounts.

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 re-approved without any material change.

In relation to core reserves, and after a period of consultation the Trust has proposed that the amount is set at 7% of 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 academies 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 academies 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 £202,017k. 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 £5,867k.

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 £82,119k. 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 Trust in the form of an increase or decrease in employers' pension contributions over a period of years.

The 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 Trust's 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 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 2020-2021 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. The low interest rates continued through the 2020-2021 academic year, and as a result the Trust continues to hold no long-term investments, 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 Trust is exposed to financial risks including credit, cashflow and liquidity risks. Given the Trust'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 Trust's system of internal controls ensures risk is minimal in these areas.-

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 Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. -

Trustees have implemented 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.

When considering the reopening of academies at the start of term, additional work took place, and every academy had a risk management plan which was adapted to suit the local context. - This was reviewed throughout the year considering the changes in the national contingency framework and local guidance.

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.

Details of the Trust's Risk Management Process can be found on page 19.

### ***Fundraising Practices***

The Trust expects academies 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 academies 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, with training on the updated policy being made available to academies in January 2021.

In order to assist academies 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 academies 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 £286k of grant applications via the commercial partner and were successful in securing £6k of funds from these, with £248k of applications awaiting a response, as a result of some funds taking many months to formally respond. This work remains under constant review.

### ***Streamlined Energy and Carbon Reporting***

#### **UK energy use and associated greenhouse gas emissions.**

Annual energy usage and associated annual greenhouse gas (“GHG”) emissions are reported 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 assets owned or operated within the UK only. This includes all 60 academies controlled during the reporting period along with personal vehicles used for business mileage (“grey fleet”).
- **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 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, solar PV, gas oil, and grey fleet fuel consumption was compiled from invoices, meter readings and mileage records. Where invoices or meter readings were not available, estimations have been made from calculating an apportionment or using historical data. On site renewable solar photovoltaic electricity is included within scope 2, and it is assumed that all generated electricity is used on site. Generally, gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

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



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

Energy type	2019/20	2020/21
<b>Mandatory requirements:</b>		
Gas	14,981,710	18,882,301
Purchased electricity from the grid	5,314,172	5,500,251
Transport fuel	239,442	102,253
<b>Total energy (mandatory)</b>	<b>20,535,324</b>	<b>24,484,806</b>
<b>Voluntary requirements:</b>		
Gas Oil	479,604	690,279
Consumed electricity from on-site renewable sources	981,871	878,938
<b>Total energy (voluntary)</b>	<b>1,461,474</b>	<b>1,569,217</b>
<b>Total energy (mandatory &amp; voluntary)</b>	<b>21,996,798</b>	<b>26,054,023</b>

**Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):**

Emission source	2019/20	2020/21
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Natural gas	2,754.4	3,458.5
<u>Scope 2</u>		
Purchased electricity (location-based)	1,358.0	1,167.9
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	57.8	25.2
<b>Total gross emissions (mandatory)</b>	<b>4,170.5</b>	<b>4,651.5</b>
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO <sub>2</sub> e per pupil	0.236	0.260
Tonnes of CO <sub>2</sub> e per square meter floor area	0.032	0.033
<b>Voluntary requirements:</b>		
<u>Scope 1</u>		
Gas Oil	123.1	177.3
Solar PV	0.0	0.0
<b>Total gross emissions (voluntary)</b>	<b>123.1</b>	<b>177.3</b>
<b>Total gross emissions (mandatory &amp; voluntary)</b>	<b>4,293.6</b>	<b>4,828.8</b>

- **Intensity ratio**

The primary intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e (mandatory emissions) per pupil, which is the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2020 Census.

A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of most emissions.

- **Energy efficiency action during current financial year**

It is worth noting that there is an expectation for energy consumption to be higher than the last reporting period due to occupancy levels largely returning to normal following COVID-19 restrictions from 23rd March 2020, at which time academies remained open for children of keyworkers and vulnerable children only.

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:

- **Beccles Primary Academy / Roofing**  
Replacement Existing roof was failing and at end of life. A 350m<sup>2</sup> roof has been replaced using IKO materials including a high-performance insulation.
- **Beccles Primary Academy / Replacement of Ceilings, Defective Lighting & Replacement Windows**  
Internal fibre board ceilings in corridor replaced due to damage following roof leaks. Replacement suspended ceilings installed together with LED down lighters, fitted to BS5266.
- **Bushbury Lane Academy / Roof Replacement**  
Bushbury Lane roofing replacement incorporated a thermal upgrade involving the addition of 120mm insulation boards.
- **Bushbury Lane Academy / Boiler Replacement**  
New boiler installed. An increased level of energy efficiency will be achieved.
- **Five Spires Primary Academy / Replacement External Cladding**  
Existing vertical wooden cladding to external school building and Nursery replaced with Fibre Cement Cedar Lap Weatherboard. Improved insulation to the buildings will help lower their carbon footprint.
- **Garden City Academy / Replacement Suspended Ceilings**  
Suspended ceilings replaced in corridors and installed in school hall. This will reduce heating costs and offer insulation.
- **Manor Park Primary Academy / Replacement Fire Doors**  
New powder coated aluminium doors and glazed screen fitted are all “thermally broken” and designed to prevent any conductive thermal energy loss, with a lowered “U-value” compared against the existing doors, consequently improving the energy efficiency of the school.
- **Moor Green Primary Academy / Replacement Roof**  
The roof replacement project at Moor Green incorporated a tapered insulation scheme which has two main benefits; the tapered design improves the falls on the roof to prevent any pooling of water, while the material has strong insulating properties.
- **Robert Fitzroy Academy / Boiler Replacement**  
Boiler replacement - with new plant, an increased level of energy efficiency is expected.
- **Silkmore Primary Academy / Heating Pipework Replacement**  
Boiler and pipework replaced following heating failure at the school. With new plant and pipework, an increased level of energy efficiency is achieved.
- **Sprites / Replacement Windows & Doors**  
Age expired windows replaced with aluminium powder coated windows agreed with Local Authority’s Conservation Officer. New glazed windows will improve energy efficiency within the school and reduce heating costs.
- **White Meadows / Replacement Fire Doors**  
New fire doors installed, designed to prevent any conductive thermal energy loss, with a lowered “U-value” compared against the existing doors, improving the energy efficiency of the school.

### **Plans for Future Periods**

The return of children in the Autumn has seen some unanticipated challenges, in particular around children's behaviour and the ability to self-regulate.

The Trust has centrally appointed two Associate School Leaders, for Behaviour and SEND to assist academies. For many children and staff, their wellbeing has been detrimentally affected, the Trust are committed to supporting staff and children.

The continued development of the wellbeing strategy and associated services will further support with this commitment throughout the 2021 – 2022 academic year.

REAch2 remains committed to providing exceptional opportunities for learning across all of its academies and 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 children will ensure that through the touchstones of Inclusion, Responsibility, Learning and Enjoyment, children and academies are delivering exceptional opportunities to thrive and learn.

To support with the delivery of the Trust's' commitment, key priorities for the 2021 - 2022 academic year are:

1. Provide an education, which takes account of the needs and context of every child in every academy. Prioritisation in 2021-22 will be given to:
  - Inclusion - Establish a Trust Strategy and support network for children with SEND
  - REAch Forward - Ensure catch-up funding is appropriately targeted, has impact and the framework is utilised
  - Cluster Development - Enhance the effectiveness of the cluster model through collaboration, talent management and improved decision-making
2. Cluster Optimisation enables more children to receive a REAch2 Education. Clusters move towards maximum occupancy, financial sustainability is achieved.
3. Champion and embody diversity for all, providing an inclusive environment for all to thrive.
4. Support REAch2 staff, their families and REAch2 children to achieve positive mental health and wellbeing through the Trust's Wellbeing Strategy and REAch Forward Framework.
5. Improve brand equity for REAch2 with all stakeholders, and increase overall pupil occupancy through a Pupil Place Strategy.

Key performance indicators for each strand will be measured and reported through the Trust committees and the Board.

The Board of Trustees' will hold REAch2 Executives and Directors to account for the outcomes described within each of the statements above, with committees monitoring the progress of each statement and the full board receiving a progress update on each throughout the year.

Presently the Trust has plans to open one further free school in 2023.

### **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.

**Auditor**

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'G. Robert', written in a cursive style.

**Gavin Robert**  
**Chair of Trustees**

**Date:** 9 December 2021

## GOVERNANCE STATEMENT

### For the Year Ended 31 August 2021

#### 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.

As trustees, we have reviewed and taken account of guidance in DFE's Governance Handbook and competency framework for governance ([Governance handbook and competency framework - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/publications/governance-handbook-and-competency-framework))

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	6	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 *	1	3
David Walker	6	6
Ralph Kugler	6	6
Teresa Beach	6	6
Wade Newmark	4	6
Jonathan Lewis	6	6
Marc Doyle **	N/A	N/A
Rosalind Cordner **	N/A	N/A
Adanna Welch-Charles **	N/A	N/A
Sir Steve Lancashire (ex-officio)	6	6

(\* denotes trustees who left during the reporting year)

(\*\* denotes trustees who were appointed during the reporting year)

During the last reporting period, trustees undertook an annual self-evaluation review of governance to inform the continual process of board improvement. Following the previous self-evaluation that focussed on the board

as a collective, this year's evaluation was expanded to include the Trust Board and its committees, including the cluster boards and local governing bodies. Working with the Chair and Vice Chair of the Trust Board, the central governance team and COO prepared a survey for each governance tier that can be issued on an annual basis to monitor trends and patterns. The survey was modelled on the Trust Improvement Capacity Framework developed by the Confederation of School Trust's.

Responses to the Trust Board and Cluster Board surveys were analysed and the outcomes shared with the relevant board to enable the work to feed into the work on board composition and committee structure, equality, diversity and inclusion, trustee induction design and trustee development plans and priorities, trustee succession planning and also updating the scheme of delegation for the Trust.

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

- Training, induction and trustee development – recognising that induction is a key input to board effectiveness
- The number and scope of committees and refreshed membership
- The sequencing and timing of board committees in relation to the workflow and input into the main Trust Board
- Considerations on improving diversity, equality and inclusion on the Trust Board and throughout the Trust
- Ensuring agendas remain strategic and maintaining a strategic focus with clarity on future direction and long-term strategy
- Improving communication across the governance tiers.

Alongside, and in response to the self-evaluation process, much consideration was given to the committee structure of the Trust Board, their membership, efficiency and effectiveness. Following conversations and consideration of various options it was determined to alter the committee structure for the 2021-22 reporting year. This revised structure amalgamates the finance and estates & resources committee to form the new finance and resources committee. The HR committee has been disbanded and work undertaken to ensure that HR matters are addressed in the other committees via committee programmes of work and strategic agenda drafting.

During the reporting year, three long standing Trustees terms of office expired and were not renewed. In response to this Trustees undertook a recruitment drive, considering future priorities, skills gaps and diversity, to recruit a number of new Trustees. Applications were received and following a robust shortlisting and interview process three new Trustees were appointed as co-opted Trustees at the end of the summer term 2021.

Following the resignation of the CEO (in summer 2021), Trustees instigated a Nominations Committee to oversee the process of recruiting a new CEO, this new committee met for the first time in March 2021. To ensure greater objectivity, an external member was co-opted to the committee.

In addition to the trust board self-evaluation review, trustee recruitment and reviewing and restructuring the Trust Board committees, other key strands of 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 development of detailed annual schedules of business and meeting cycles
- 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
- Further development of communication to other layers of the governance structure including weekly newsletters and half termly template meeting agendas
- Further development of a comprehensive training programme, accessible to all layers of governance
- Continuing recruitment of non-executive representatives for cluster boards
- The development and launch of a Trust staff wellbeing strategy, including the procurement of a Trust wide Employee Assistance Programme.
- Reviewing and developing marketing practices across the Trust to drive an increase in pupil numbers

- The development of the Trust's response to COVID in terms of educational performance and lost learning, resulting in the REACH Forward Framework to support academies to plan their recovery, future development and eventual growth
- Monitoring the financial performance of the Trust and considering options for cluster optimisation in the future
- The launch of REACH Teach, the Trust's academy-led initial teacher training pathway.

During the year 2020–2021, the Academy Trust had six sub committees reporting into the Board of Trustees:

- Finance
- Risk and Audit
- Human resources
- Educational Standards & Performance
- Estates and Free Academies
- Remuneration
- Executive Nominations

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 to take 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 for each academy,
- 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
Anthony Gilbey (Chair)	5	5
Jonathan Lewis	5	5
Jeremy King	5	5
Wade Newmark	4	5
Sir Steve Lancashire (ex-officio)	5	5

The Risk and Audit committee is 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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Gavin Robert (Chair)	6	7
Jeremy King	6	7
Clive Rockingham	2	4
Teresa Beach	7	7
Michael Peters	3	7
Sir Steve Lancashire (ex-officio)	6	7

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

- Consider, determine and keep under review any strategies and policies for human resources and organisational development
- 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
- Undertake the role of the disputed resolution panel to consider appeals against the Chief Executive Officer or Academy Trust decisions
- Ensure effective measures are in place to promote equality and diversity in employment
- Consider the details of restructuring programs following any necessary approvals in principle by the Trust Board
- Develop strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the Academy Trust's staff
- 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Victoria Pigott (Chair)	2	3
Teresa Beach	1	3
Colin Powell	3	3
Ralph Kugler	3	3
Sir Steve Lancashire(ex-officio)	2	3

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

- Ensure that the highest possible standards are set and maintained across the Academy Trust
- Receive a termly report from the Executive Team regarding standards and performance of the Academy Trust against key performance indicators
- Identify any areas of concern in respect of standards and performance and to implement an action plan with the Executive Team
- Ensure that the Academy Trust's curriculum is balanced and broadly based



- Scrutinise and review Academy Trust policies for recommendation to the Trust Board
- 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
- 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
- Advise the Trust Board with respect to targets for student achievement across the Academy Trust
- 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Michael Peters (Chair)	4	4
Colin Powell	3	4
Jonathan Lewis	4	4
Louise Askew	4	4
Sir Steve Lancashire (ex-officio)	2	4

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

- Ensure that the operation and asset management of the Trust's estate, is delivered appropriately
- Ensure that the Free Schools programme is delivered appropriately
- 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
- 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
- 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
- Scrutinise, review and where appropriate approve relevant policies, where relevant in liaison with other Trust Board Committees
- 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Wade Newmark (Chair)	3	3
Clive Rockingham	1	1
David Walker	3	3
Sir Steve Lancashire (ex-officio)	3	3

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

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Ralph Kugler (Chair)	4	4
Gavin Robert	3	4
Jeremy King	3	4
Louise Askew	4	4
Wade Newmark	2	4

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

- Determine the approach and process for the recruitment of a new CEO and carry out a public search
- Review and recommend a job and person specification for a new CEO
- Determine the approach to communications throughout the CEO recruitment process
- Consider applications and interview candidates for the position of CEO
- Consult the Remuneration Committee on Executive pay ranges and final appointment packages for recommending to the Trust Board
- Recommend an appointment to the Trust Board
- Oversee the induction of a new CEO
- Oversee the recruitment and induction of any new Trustees, making recommendations for appointment to the Trust Board

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Teresa Beach (Chair)	5	5
Jeremy King	5	5
Louise Askew	5	5
Gavin Robert	5	5
Victoria Pigott	3	5
Jonathan Lewis	2	2
Stephen Posey* (co-opted member)	2	3

\*Stephen Posey joined the committee for two meetings as an independent co-opted member of the Exec Nomination Committee.

### Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust deliver good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers' resources received.

During 2020-2021, the Trust continued to use the benchmarking information provided by government, and Trustees were included within this process. The internal budget benchmarking process which was introduced during 2019-2021 was put on hold due to the effect that COVID-19 was having on academy budgets, but this will be reintroduced during 2021-2022, including additional training.

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 or by using a framework 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 to enable proactive support and challenge across our academies, including the identification of synergies. Transparency and clarity of spending academies' budgets is scrutinised and ratified across all tiers of governance. The benefits of this were particularly highlighted during the COVID-19 pandemic, helping academies deal with absences and enforced closures, whilst professionals from a wide variety of disciplines within the trust were able to interpret guidance and advise academies as necessary when required. Academies are also able to challenge the Trust in how it spends money.
- Providing a greater level of transparency and challenge on academy budgets, including longer term planning around academies with investment needs, and those with financial challenges, using benchmarks from other academies 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. The Trust also increased the number of centrally procured services in the year to achieve better outcomes, in particular around IT infrastructure, software, and estates compliance checks.
- 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **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
- 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 inhouse 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 other systems and undertaking Responsible Officer visits. In particular, the checks carried out in the current period included:

- Testing of the safeguarding systems and processes
- Testing of system access across the different staffing groups
- Testing of the program of work for planned maintenance
- Testing of the GDPR system and processes

These were identified alongside the changes to the Academies Trust Handbook (ATH).

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 and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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.

### **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 School Resource Management Self-Assessment Tool
- 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 9 December 2021 and signed on its behalf by

Signed:



**Gavin Robert**  
Chair of Trustees

Signed:



**Sir Steve Lancashire**  
Chief Executive Officer

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**For the Year Ended 31 August 2021**

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 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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**  
9 December 2021

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**For the year ended 31 August 2021**

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 2020 to 2021
- 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 9<sup>th</sup> December 2021 and signed on its behalf by:



**Gavin Robert**  
**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 2021 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 2021, 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 2020 to 2021* 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").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Trust will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included.

- Enquiring of Trustees and inspection of policy documentation as to the Trust’s high-level policies and procedures to prevent and detect fraud, and the public interest disclosure “whistleblowing” policy as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the correct period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, year end journals supporting LGPS balances, year end journals supporting donated assets, unusual combinations between revenue and balance sheet codes.
- We sample tested cash receipts during August and September 21 to supporting documentation to test that revenue had been recorded in the correct period.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management (as required by auditing standards) and discussed with the management the policies and procedures regarding compliance with laws and regulations.

As the Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with Education regulatory requirements of the Education Skills Funding Agency and recognising the regulated nature of the Trust’s activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**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 40, 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.

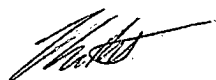
#### **Auditor's responsibilities**

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](http://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

23 December 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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 2020 to 2021 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 2020;
- 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 2020 to 2021.

### **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 2020 to 31 August 2021 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

23 December 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	Note	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	4,326	4,326	3,670
Transfer of donated assets	2	-	-	9,232	9,232	12,874
Transfer on Conversion	-	-	-	-	-	-
<i>Charitable activities:</i>						
- Funding for educational operations	3	2,057	109,071	-	111,128	105,689
- Teaching Schools	31	-	331	-	331	267
Other trading activities	4	721	-	-	721	535
Investment income	5	-	-	-	-	40
<b>Total income</b>		<b>2,778</b>	<b>109,402</b>	<b>13,558</b>	<b>125,738</b>	<b>123,075</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
- Trust's educational operations	6, 7	2,778	113,910	11,792	128,480	122,592
- Teaching Schools	31	-	331	-	331	288
- Inherited defined benefit pension liability	6, 7	-	-	-	-	-
- Assets transferred out of the Trust	6, 7	-	-	-	-	-
<b>Total resources expended</b>	6, 7	<b>2,778</b>	<b>114,241</b>	<b>11,792</b>	<b>128,811</b>	<b>122,880</b>
<b>Net income / (expenditure) before transfers</b>		<b>-</b>	<b>(4,839)</b>	<b>1,766</b>	<b>(3,073)</b>	<b>195</b>
<b>Transfers</b>						
Transfers between funds	18	-	1,001	(1,001)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>-</b>	<b>(3,838)</b>	<b>765</b>	<b>(3,073)</b>	<b>195</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	20	-	(13,037)	-	(13,037)	(9,665)
<b>Net movement in funds</b>		<b>-</b>	<b>(16,875)</b>	<b>765</b>	<b>(16,110)</b>	<b>(9,470)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	18	2,960	(59,378)	274,545	218,127	227,597
<b>Total funds carried forward</b>		<b>2,960</b>	<b>(76,253)</b>	<b>275,310</b>	<b>202,017</b>	<b>218,127</b>

The deficit restricted general reserve includes surplus restricted general funds of £5,867,000 offset by deficit pension reserves of £82,119,000

# **BALANCE SHEET AS AT 31 AUGUST 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		279,627		279,431
<b>Total fixed assets</b>			<u>279,627</u>		<u>279,431</u>
<b>Current assets</b>					
Stock	13	11		13	
Debtors	14	3,309		3,341	
Cash at bank and in hand		15,538		11,664	
<b>Total current assets</b>		<u>18,858</u>		<u>15,018</u>	
<b>Liabilities:</b>					
<b>Creditors: Amounts falling due within one year</b>	15	<u>(10,749)</u>		<u>(10,211)</u>	
<b>Net current assets</b>			<u>8,109</u>		<u>4,807</u>
<b>Total assets less current liabilities</b>			287,736		284,238
<b>Creditors: Amounts falling due after more than one year</b>	17		<u>(3,600)</u>		<u>(4,200)</u>
<b>Net assets excluding pension liability</b>			284,136		280,038
Defined benefit pension scheme liability	20		<u>(82,119)</u>		<u>(61,911)</u>
<b>Total net assets</b>			<u>202,017</u>		<u>218,127</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	18		275,310		274,545
. Restricted income fund	18		5,866		2,533
. Pension reserve	18, 20		<u>(82,119)</u>		<u>(61,911)</u>
<b>Total restricted funds</b>			<u>199,057</u>		<u>215,167</u>
<b>Unrestricted funds</b>					
. Unrestricted income fund(s)	18		<u>2,960</u>		<u>2,960</u>
<b>Total unrestricted funds</b>			<u>2,960</u>		<u>2,960</u>
<b>Total Funds</b>			<u>202,017</u>		<u>218,127</u>

The financial statements set out on pages 45 to 72 were approved and authorised for issue by the Board of Trustees and authorised for issue on 9 December 2021 and signed on its behalf by:



Gavin Robert  
Chair of Trustees



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 Total £'000	2020 Total £'000
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	21	2,905	2,423
Cash funds transferred on conversion		-	-
		<u>2,905</u>	<u>2,423</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		-	40
Capital funding from sponsors and others		4,326	3,670
Payments to acquire fixed assets		<u>(2,757)</u>	<u>(2,219)</u>
		<u>1,569</u>	<u>1,491</u>
<b>Cash flows from financing activities</b>			
Cash net inflows/(outflows) from new borrowing	22	<u>(600)</u>	<u>(600)</u>
		<u>(600)</u>	<u>(600)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u><b>3,874</b></u>	<u><b>3,314</b></u>
Cash and cash equivalents at 1 September 2020		11,664	8,350
Cash and cash equivalents at 31 August 2021		<u><b>15,538</b></u>	<u><b>11,664</b></u>

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**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 2020 to 2021 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 12 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2021-22 changes arising from the Covid-19 pandemic and projected student numbers for 2022-23, 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 Income**

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the Balance Sheet in the Restricted Fixed Asset Fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**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.

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**1 Accounting policies (Continued)**

**1.4 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.

**1.5 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 2021**

**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 Useful Economic Life, 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

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

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

**1.6 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.

**1.7 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.

**1.8 Stock**

Unsold uniform and catering stocks are 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.

**1.9 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.

**1.10 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.

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**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 unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, 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.

**1.11 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.

**1.12 Financial instruments**

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

*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.

Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Taxation and social security are not included in the financial statements disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**1 Accounting policies (Continued)**

*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

**1.13 Critical accounting estimates and areas of judgement**

*Cash and cash equivalents*

Is classified as a basis financial instrument and is measured at face value. 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.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 the depreciated replacement cost (DRC) 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 2021**

<b>2 Donations and Capital Grants</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Donated Assets	-	9,232	9,232	12,874
Other Donations	-	-	-	-
Capital Grants - DfE / EFA	-	4,267	4,267	3,481
Capital Grants - Non Government	-	59	59	189
Funds inherited on transfer	-	-	-	-
	<u>-</u>	<u>13,558</u>	<u>13,558</u>	<u>16,544</u>

Capital grants relate to ESFA Devolved Capital and School Conditioning Funding

Included within Donated Assets is 1 Freeschool (Green Park Village Academy) which opened on the 1st September 2020 (£8,665k).

During the year the Trust participated in the DfE Laptop scheme in order to support disadvantaged pupils with access to home learning. The trust received a total of 2,048 devices which were distributed amongst the academies within the trust. On receipt of the devices the risk and reward of ownership passed to the trust, and as such, the laptops have been recognised as donated assets at fair value (£566k).

<b>3 Funding For Educational Operations</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000*</b>
<b>DfE / ESFA Grants</b>				
General Annual Grant (GAG)	-	81,318	81,318	78,153
Other ESFA Grants	-	-	-	-
-Universal Infant Free School Meals (UIFS)	-	2,665	2,665	2,515
-Pupil Premium	-	7,962	7,962	7,713
-Other	-	5,904	5,904	5,173
	<u>-</u>	<u>97,849</u>	<u>97,849</u>	<u>93,554</u>
<b>Other Government Grants</b>				
Local authority grants	-	8,607	8,607	8,573
	<u>-</u>	<u>8,607</u>	<u>8,607</u>	<u>8,573</u>
<b>COVID-19 Additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	1,441	1,441	-
Other DfE/ESFA COVID-19 funding	-	136	136	44
	<u>-</u>	<u>1,577</u>	<u>1,577</u>	<u>44</u>
<b>COVID-19 Additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme Grant	-	33	33	123
Other COVID-19 funding	-	59	59	-
	<u>-</u>	<u>92</u>	<u>92</u>	<u>123</u>
<b>Other Income</b>				
School Trips	-	71	71	410
Catering Income	730	-	730	741
Music Lessons	-	31	31	78
Clubs	-	844	844	1,002
Other	1,290	-	1,290	1,136
Uniform Sales	37	-	37	28
	<u>2,057</u>	<u>946</u>	<u>3,003</u>	<u>3,395</u>
	<u>2,057</u>	<u>109,071</u>	<u>111,128</u>	<u>105,689</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 2021.

\*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Trust's funding for UIFS is no longer reported under the Other DfE Group grants heading, but as separate lines under the OtherDfE/ESFA grants heading. The prior year numbers have been reclassified.

Other government revenue grants includes £3,948,706 of Early Years Foundation funding and £3,714,650 of SEN funding.

The academy trust received £1,441k of funding for catch-up premium and costs incurred in respect of this funding totalled £961k, with the remaining £480k to be spent in 2021/22.

- The academy furloughed some of its nursery and extended activities staff under the government's CJRS. The funding received of £33k relates to staff costs in respect of 18 staff which are included within note 8 below as appropriate.

<b>4 Other Trading Activities</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
Lettings	266	-	266	319
Other income	455	-	455	216
	<u>721</u>	<u>-</u>	<u>721</u>	<u>535</u>
<b>5 Investment Income</b>				
Bank interest	-	-	-	40
	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>



**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**6 Other trading expenses**

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other Costs	2021	2020
	£'000	£'000	£'000	£'000	£'000
Educational operations					
. Direct costs (note 7)	82,341	2,150	9,109	93,600	89,538
. Allocated support costs (note 7)	15,313	7,170	12,397	34,880	33,054
				-	-
	<u>97,654</u>	<u>9,320</u>	<u>21,506</u>	<u>128,480</u>	<u>122,592</u>

No unrestricted reserves have been expended in the year.

**Net income / (expenditure) for the period includes:**

	2021	2020
	£'000	£'000
Fees payable to auditor - audit	80	78
- other services	57	29
- Internal auditor	-	72
Operating lease rental - land and buildings	-	-
Operating lease rentals - plant, machinery and equipment	483	489
Depreciation	11,792	11,262
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 2021

**7 Charitable Activities - Educational Operations**

	<b>Total 2021 £'000</b>	<b>Total 2020 £'000</b>
<b>Direct costs</b>		
Teaching staff costs	53,988	51,193
Other direct staff costs	18,573	18,566
Direct supply costs	2,152	2,076
Pension costs - deficit repayment contributions & net service costs	7,350	6,201
Educational supplies	2,108	1,628
Technology costs	1,623	1,254
Staff development	278	445
Recruitment	101	149
School uniform	58	43
Free school meals	872	739
Catering	2,407	2,491
Staff transport and travel	151	308
Telephones	195	429
Printing, postage and stationary	206	183
Legal costs - conversion	2	11
Legal costs - other	113	84
Professional fees	144	157
Insurance	183	169
Licences and subscriptions	103	79
Marketing and advertising	68	76
Educational visits	116	616
Educational consultancy	475	617
Music services	161	291
Hire of equipment	527	435
Other educational services	749	799
Bank interest	95	115
Other direct costs	802	384
	<u>93,600</u>	<u>89,538</u>
<b>Support costs</b>		
Support staff costs	15,313	14,899
Depreciation & impairment	11,792	11,262
Maintenance of premises and equipment	2,734	2,165
Cleaning	1,583	1,418
Insurance	341	352
Utilities	1,531	1,564
Security	104	94
Rent and rates	541	449
Health and safety	82	125
Other occupancy costs	254	215
Other support costs	468	332
	<u>34,743</u>	<u>32,875</u>
<b>Audit</b>		
- audit of financial statements	80	80
- other	57	99
	<u>137</u>	<u>179</u>
<b>Total Support Costs</b>	<u>34,880</u>	<u>33,054</u>
<b>Inherited pension liabilities</b>		
<b>Total Costs</b>	<u>128,480</u>	<u>122,592</u>

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**8 Staff Costs**

**a) Staff costs**

Staff costs during the year were:

	<b>Total 2021 £'000</b>	<b>Total 2020 £'000 *</b>
Wages and salaries	67,488	65,200
Social security costs	5,566	5,368
Pension costs	14,682	13,947
Apprenticeship levy	324	301
	<u>88,060</u>	<u>84,816</u>
Supply staff costs	2,152	2,076
Staff development and other staff costs	278	445
Pension liability inherited on transfers	-	-
	<u>90,490</u>	<u>87,337</u>
Staff restructuring costs comprise:		
- Redundancy Payments	224	89
- Severance Payments costs	44	38
- Other restructuring costs	-	-
	<u>268</u>	<u>127</u>

\* Following the reclassification in the Academes Accounts Direction 2020/21, finance costs associated with membership of the Local Government pension scheme are no longer included within Note 8, but remain as a separate heading under note 7. The prior year numbers have been reclassified.

**b) Staff severance payments**

Included within the staff restructuring costs are non-statutory/non-contractual severance payments totalling £44,038 (2020: £37,887). Individually, the payments were £11,614, £7,821, £5,770, £4,980, £3,580, £3,080, £3,000, £2,000, £1,191, £1,000, £1, £1.

**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:

	<b>2021 No.</b>	<b>2020 No.</b>
<b>Charitable Activities</b>		
Teachers	817	820
Admin and support	1,113	1,133
Management and central team	219	212
	<u>2,149</u>	<u>2,165</u>

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

	<b>2021 No.</b>	<b>2020 No.</b>
<b>Charitable Activities</b>		
Teachers	875	882
Admin and support	1,863	1,863
Management and central team	233	228
	<u>2,971</u>	<u>2,973</u>

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**d) Higher paid staff**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	57	40
£70,001 - £80,000	16	22
£80,001 - £90,000	16	8
£90,001 - £100,000	6	9
£100,001 - £110,000	3	2
£110,001 - £120,000	2	3
£120,001 - £130,000	1	0
£130,001 - £140,000	1	0
£150,001 - £160,000	0	1
£160,001 - £170,000	1	1
£220,001 - £230,000	1	1

**e) Key management personnel**

The key management personnel of REAch2 Academy Trust comprise the Trustees and the Senior Management Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £674,060 (2020:£667,655).

**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 (2020 :£220,000 - £230,000)

The above employee participated in the Teachers' Pension Scheme this year. During the year ended 31 August 2021 pension contributions amounted to £54,465 (2020: £54,465)

Payments made to Trustees of The Board relating to travel and subsistence were £nil (2020: £436).

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

**Notes to the Financial Statements  
For the year ended 31 August 2021**

**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 2021 this was 6.5% (2020: 6.5%).

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**11 Central Services (continued)**

The amounts charged during the year were as follows:

	2021 £'000	2020 £'000
Aerodrome Primary Academy	148	100
Beccles Primary Academy	61	64
Brampton Primary Academy	93	91
Burnsville Infant Academy	52	56
Bushbury Lane Primary Academy	64	61
Camulos Primary Academy	87	73
Chapel End Junior Academy	100	101
Chigwell Primary Academy	62	55
Civitas Academy	83	72
Concordia Primary Academy	76	48
Copperfield Academy	110	121
Dorothy Barley Junior Academy	137	136
Eastbrook Primary Academy	107	103
Five Spires Academy	44	38
Garden City Academy	69	70
Greenridge Primary Academy	83	66
Green Park Village Primary Academy	28	-
Gunton Primary Academy	78	77
Heath Hayes Primary Academy	51	51
Henhurst Ridge Primary Academy	31	21
Kemsley Primary Academy	56	53
Kirby Primary Academy	56	53
Langtons Junior Academy	68	70
Lawley Village Academy	49	47
Lower Farm Academy	22	18
Manor Park Primary Academy	125	124
Martlesham Primary Academy	29	26
Pheonix St Peter	54	56
Milton Court Primary Academy	57	54
Moor Green Primary Academy	122	108
Newhall Primary Academy	50	31
Northfield St Nicholas Primary Academy	114	112
Norton Canes Primary Academy	58	59
Oakfield Primary Academy	99	98
Pemberley Academy	58	56
Purfleet Primary Academy	149	146
Racemeadow Primary Academy	78	76
Ranikhet Academy	61	63
Riverside Academy	58	55
Robert Fitzroy Academy	185	204
Scientia Academy	111	109
Silkmore Primary Academy	70	65
Sir Martin Frobisher Primary Academy	75	75
Springfield Primary Academy	148	150
Springhill Primary Academy	47	43
Sprites Primary Academy	91	95
St Margaret's Primary Academy	112	111
St Mark's Church of England Primary Academy	54	52
Summerside Primary Academy	118	127
The Globe Primary Academy	122	120
The Limes Primary Academy	36	26
The Palmer Primary Academy	108	109
The Woodside Primary Academy	337	322
Tidemill Academy	172	169
Tymberwood Academy	102	100
Unity Primary Academy	100	99
Veritas Primary Academy	93	81
Water Lane Primary Academy	55	51
White Meadows Primary Academy	152	154
Wilshire-Dacre Junior Academy	69	64
	<u>5,284</u>	<u>5,035</u>

Notes to the Financial Statements  
For the year ended 31 August 2021

**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
<b>Cost or Valuation</b>									
At 1 September 2020	5,719	305,135	16,399	4,463	3,175	5,777	8	31	340,707
Additions	-	-	181	559	126	964	927	-	2,757
Disposals	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-
Acquisitions	-	8,665	-	-	-	566	-	-	9,231
At 31 August 2021	5,719	313,800	16,580	5,022	3,301	7,307	935	31	352,695
<b>Depreciation</b>									
At 1 September 2020	435	49,047	990	3,631	2,459	4,683	-	31	61,276
Charged in year	87	9,152	331	560	339	1,323	-	-	11,792
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
At 31 August 2021	522	58,199	1,321	4,191	2,798	6,006	-	31	73,068
<b>Net book values</b>									
At 31 August 2021	5,197	255,601	15,259	831	503	1,301	935	-	279,627
At 31 August 2020	5,284	256,088	15,409	832	716	1,094	8	-	279,431

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 market 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 2021 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 2021. This will also have affected the charge made against assets with useful economic lives due to expire in 2021 and 2022.

Notes to the Financial Statements  
For the year ended 31 August 2021

**13 Stock**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Educational supplies	11	13
	<u>11</u>	<u>13</u>

**14 Debtors: amounts owed within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	481	690
Prepayments & accrued income	2,772	2,598
Other debtors	56	53
	<u>3,309</u>	<u>3,341</u>

**15 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	3,432	2,446
Taxation and social security	556	827
Other creditors	996	950
Accruals and deferred income	5,165	5,388
Loan	600	600
	<u>10,749</u>	<u>10,211</u>

**16 Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
(Included in Accruals and deferred income above)		
Deferred Income brought forward	3,150	3,099
Amounts released from previous years	(3,150)	(3,099)
Resources deferred in the year	2,529	3,150
Deferred Income carried forward	<u>2,529</u>	<u>3,150</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**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loan</b>		
Due 1 - 2 years	600	600
Due 2 - 5 years	2,400	2,400
Due over 5 years	600	1,200
	<u>3,600</u>	<u>4,200</u>

Included within creditors is a loan with a balance of £4,200,000 (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 7 years



**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**18 Funds**

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,002	81,318	(79,877)	1,001	4,444
UIFSM	-	2,665	(2,665)	-	-
Pupil Premium	-	7,962	(7,909)	-	53
Catch-up Premium	-	1,441	(961)	-	480
Other ESFA Grants	-	6,235	(5,909)	-	326
Other DfE/ESFA COVID-19 funding	-	136	(136)	-	-
Other Government Grants	-	8,607	(8,575)	-	32
Coronavirus Job Retention Scheme Grant	-	33	(33)	-	-
Other COVID-19 funding	-	59	(59)	-	-
Other restricted income	-	946	(946)	-	-
Funds inherited on transfers from LA and mergers	531	-	-	-	531
	<u>2,533</u>	<u>109,402</u>	<u>(107,070)</u>	<u>1,001</u>	<u>5,866</u>
<b>Pension reserve</b>	<u>(61,911)</u>		<u>(7,171)</u>	<u>(13,037)</u>	<u>(82,119)</u>
	<u>(59,378)</u>	<u>109,402</u>	<u>(114,241)</u>	<u>(12,036)</u>	<u>(76,253)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants and expenditure from GAG	25,744	4,267	(2,366)	(1,001)	26,644
Capital Grants - Non Government	-	59	-	-	59
Donated assets	248,801	9,232	(9,426)	-	248,607
	<u>274,545</u>	<u>13,558</u>	<u>(11,792)</u>	<u>(1,001)</u>	<u>275,310</u>
<b>Total restricted funds</b>	<u>215,167</u>	<u>122,960</u>	<u>(126,033)</u>	<u>(13,037)</u>	<u>199,057</u>
<b>Unrestricted funds</b>					
General Funds	2,960	2,778	(2,778)	-	2,960
	<u>2,960</u>	<u>2,778</u>	<u>(2,778)</u>	<u>-</u>	<u>2,960</u>
<b>Total unrestricted funds</b>	<u>2,960</u>	<u>2,778</u>	<u>(2,778)</u>	<u>-</u>	<u>2,960</u>
<b>Total funds</b>	<u>218,127</u>	<u>125,738</u>	<u>(128,811)</u>	<u>(13,037)</u>	<u>202,017</u>

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

	Balance at 1 September 2019 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
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>
<b>Pension reserve</b>	<u>(46,045)</u>		<u>(6,201)</u>	<u>(9,665)</u>	<u>(61,911)</u>
	<u>(45,514)</u>	<u>104,051</u>	<u>(109,138)</u>	<u>(8,777)</u>	<u>(59,378)</u>
<b>Restricted fixed asset funds</b>					
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>
<b>Total restricted funds</b>	<u>224,637</u>	<u>120,595</u>	<u>(120,400)</u>	<u>(9,665)</u>	<u>215,167</u>
<b>Unrestricted funds</b>					
General Funds	2,960	-	-	-	2,960
	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,960</u>
<b>Total unrestricted funds</b>	<u>2,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,960</u>
<b>Total funds</b>	<u>227,597</u>	<u>120,595</u>	<u>(120,400)</u>	<u>(9,665)</u>	<u>218,127</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 2021.

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 2021**

**18 Funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2021 were allocated as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Aerodrome Primary Academy	408	345
Beccles Primary Academy	54	(19)
Brampton Primary Academy	(487)	(586)
Burrsville Infant Academy	131	125
Bushbury Lane Primary Academy	233	119
Camulos Primary Academy	340	229
Chapel End Junior Academy	372	349
Chigwell Primary Academy	207	96
Civitas Academy	396	200
Concordia Primary Academy	273	210
Copperfield Academy	(595)	(371)
Dorothy Barley Junior Academy	667	623
Eastbrook Primary Academy	164	203
Five Spires Academy	85	31
Garden City Academy	285	197
Greenridge Primary Academy	338	91
Green Park Village Primary Academy	123	0
Gunton Primary Academy	214	165
Heath Hayes Primary Academy	189	147
Henhurst Ridge Primary Academy	64	27
Kemsley Primary Academy	378	304
Kirby Primary Academy	313	260
Langtons Junior Academy	508	489
Lawley Village Academy	105	81
Lower Farm Academy	172	32
Manor Park Primary Academy	570	556
Martlesham Primary Academy	(110)	(112)
Milton Court Primary Academy	255	177
Moor Green Primary Academy	571	362
Newhall Primary Academy	39	(17)
Northfield St Nicholas Primary Academy	(242)	(322)
Norton Canes Primary Academy	209	171
Oakfield Primary Academy	856	752
Pemberley Academy	422	409
Phoenix St Peter Academy	(230)	(220)
Purfleet Primary Academy	413	244
Racemeadow Primary Academy	255	221
Ranikhet Academy	204	247
Reach2 Head Office	(5,783)	(5,512)
Riverside Academy	431	344
Robert Fitzroy Academy	507	491
Scientia Academy	714	568
Silkmore Primary Academy	371	223
Sir Martin Frobisher Primary Academy	42	66
Springfield Primary Academy	502	430
Springhill Primary Academy	(77)	(144)
Sprites Primary Academy	(24)	42
St Margaret's Primary Academy	280	245
St Mark's Church of England Primary Academy	85	45
Summerside Primary Academy	20	63
The Globe Primary Academy	87	122
The Limes Primary Academy	152	105
The Palmer Primary Academy	359	468
The Woodside Primary Academy	536	98
Tidemill Academy	899	620
Tymberwood Academy	146	99
Unity Primary Academy	296	175
Veritas Primary Academy	340	262
Water Lane Primary Academy	286	272
White Meadows Primary Academy	251	444
Wilshire-Dacre Junior Academy	257	152
	<b>8,826</b>	<b>5,493</b>
Fixed asset reserves	275,310	274,545
Pension reserve	(82,119)	(61,911)
	<b>202,017</b>	<b>218,127</b>

Notes to the Financial Statements  
For the year ended 31 August 2021

18 Funds (continued)

Analysis of academies by cost

	Teaching Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding fixed asset expenses)	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Aerodrome Primary Academy	2,348	340	47	638	3,113	3,205
Beccles Primary Academy	791	136	11	153	1,091	1,208
Brington Primary Academy	1,213	139	12	275	1,639	1,744
Burnville Infant Academy	626	132	10	189	957	954
Bushbury Lane	659	102	28	313	1,102	1,086
Cannike Academy	1,031	135	60	331	1,557	1,301
Chapel End Junior Academy	1,280	163	26	435	1,904	1,824
Chigwell Primary Academy	583	108	16	254	961	998
Cotass Academy	748	122	27	353	1,250	1,009
Concordia Primary Academy	652	121	24	227	1,024	759
Copperfield Academy	1,653	181	58	336	2,228	2,351
Dorothy Barley Junior Academy	1,707	193	36	461	2,397	2,200
Eastbrook Primary Academy	1,516	175	23	303	2,017	1,948
Five Spines Academy	515	77	19	228	839	854
Garden City Academy	882	140	59	269	1,350	1,358
Greenbridge Primary Academy	1,238	156	46	266	1,706	1,397
Green Park Village	212	60	22	85	379	-
Gurton Primary Academy	1,121	97	47	242	1,507	1,432
Heath Hayes Primary Academy	645	112	25	184	966	908
Hornsea Ridge Primary Academy	393	82	21	153	649	458
Kempsley Primary Academy	733	129	32	153	1,047	1,018
Kirby Primary Academy	679	112	18	210	1,019	958
Langtons Junior Academy	874	141	17	233	1,265	1,237
Lewsey V Ridge Academy	589	71	36	230	926	894
Lower Farm Academy	230	70	15	74	388	278
Mancr Park Primary Academy	1,237	183	59	683	2,162	2,126
Martlesham Primary Academy	337	68	6	130	541	538
Milton Court Primary Academy	766	110	33	188	1,095	1,051
Moor Green Primary Academy	1,476	139	30	604	2,249	2,068
Newhall Primary Academy	665	113	16	236	1,030	1,000
Northfield St Nicholas Primary Academy	1,572	156	19	339	2,086	2,208
Norton Canes Primary Academy	729	157	40	233	1,159	1,097
Oakfield Primary Academy	1,196	120	60	476	1,852	1,810
Pennsley Academy	787	115	38	144	1,084	899
Phoenix St Peter Academy	531	111	12	366	1,020	1,100
Purfleet Primary Academy	2,020	248	40	455	2,783	2,702
Reasenmeadow Primary Academy	1,038	89	32	312	1,471	1,357
Ravenhill Academy	934	80	40	241	1,295	1,168
Reach2 Head Office	132	5,914	72	2,874	8,992	8,581
Riverdale Academy	700	119	29	210	1,058	1,008
Robert Fitzroy Academy	2,509	378	39	610	3,536	3,688
Science Academy	1,811	182	84	574	1,921	1,914
Silvorne Primary Academy	883	112	34	297	1,326	1,228
Sir Martin Froisher	976	200	19	252	1,447	1,387
Springfield Primary Academy	1,585	220	61	650	2,516	2,348
Springhill Primary Academy	613	73	21	197	904	904
Suttons Primary Academy	1,101	198	45	340	1,684	1,882
St Margaret's Primary Academy	1,430	223	68	379	2,109	1,956
St Mark's Church of England Primary Academy	717	118	18	235	1,088	1,028
Summerside Primary Academy	1,744	244	12	638	2,638	2,643
The Globe Primary Academy	1,665	348	9	341	2,363	2,075
The Lynas Primary Academy	483	111	32	124	750	531
The Palmer Primary Academy	1,489	233	37	372	2,131	1,983
The Woodside Primary Academy	5,129	647	149	1,320	7,245	7,165
Tidwell Academy	2,343	230	65	491	3,129	3,456
Tymberwood Academy	1,452	248	24	373	2,097	2,053
Uxley Primary Academy	1,217	199	15	405	1,836	1,891
Veritas Primary Academy	1,287	112	50	417	1,866	1,726
Water Lane Primary Academy	644	118	26	189	977	879
White Meadows Primary Academy	2,599	304	44	430	3,377	3,264
Whitby-Dore Junior Academy	816	99	25	228	1,168	1,092
	69,349	15,313	2,108	22,746	109,516	105,128

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**19 Analysis of net assets between funds**

Fund balances at 31 August 2021 are represented by:

	Unrestricted General Fund	Restricted General Fund	Restricted Fixed Asset Fund	Total
	£'000	£'000	£'000	2021 £'000
Tangible fixed assets	-	-	279,627	279,627
Current assets	2,960	15,898	-	18,858
Current liabilities	-	(10,032)	(717)	(10,749)
Non-Current liabilities	-	-	(3,600)	(3,600)
Pension scheme liability	-	(82,119)	-	(82,119)
<b>Total net assets</b>	<b>2,960</b>	<b>(76,253)</b>	<b>275,310</b>	<b>202,017</b>

**Notes to the Financial Statements  
For the year ended 31 August 2021**

## **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 2019.

Contributions amounting to £890k (2020: £817k) were payable to the Teachers Pension Scheme at 31 August 2021 and are included within creditors.

Contributions amounting to £73k (2020: £108k) were payable to the Local Government Pension Scheme at 31 August 2021 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 2021 amounted to £11,506,000 (2020: £10,004,000)

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 2021**

**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.

The Trust has updated its approach to setting RPI and CPI inflation assumptions in light of the RPI reform proposals published on the 4th September 2019 by the UK Chancellor and UK Statistics Authority.

The Trust has proposed that RPI inflation is to be set in line with market break even expectations less an inflation risk premium (IRP). They have proposed a change to how the IRP is set, resulting in a reduction in RPI compared with the prior year methodology of a range between 10 and 30 basis points across the Trust, reflecting an allowance for additional market distortions caused by the RPI reform proposals.

The Fund Actuary has proposed reducing the long term gap between RPI and CPI, resulting in a reduction of a range between 45-55 basis points compared with the prior year methodology to reflect increased clarity on the future of the RPI index.

The impact of the above change in assumptions has increased the Defined Benefit Obligation by approximately £9-10m.

Principal actuarial assumptions (average)	2021	2020
	%	%
Rate of increase in salaries	3.6	3.1
Rate of increase for pensions in payment / inflation	2.8	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	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:

	2021	2020
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.2	24.1

<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	25.8	25.6

Sensitivity analysis	£'000	£'000
Discount rate +0.1%	4,194	2,957
Discount rate -0.1%	(4,228)	(2,993)
Mortality assumption – 1 year increase	(6,124)	(4,055)
Mortality assumption – 1 year decrease	6,067	4,032
CPI rate +0.1%	(3,817)	(2,571)
CPI rate -0.1%	3,790	2,564

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

	2021	2020
	£'000	£'000
Equities	46,023	30,790
Gilts	1,749	1,384
Corporate bonds	11,591	8,807
Property	6,099	4,616
Cash and other liquid assets	2,315	1,934
Other	4,363	2,816
Total market value of assets	72,140	50,347

The return on scheme assets was £18,570,000 (2020: £5,310,000)

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

**20 Pension and Similar Obligations (continued)**

**Amount recognised in the Statement of Financial Activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employer contributions)	6,080	5,297
Past service cost	2	12
Net interest cost	1,047	852
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	42	40
Total amount recognised in the SOFA	<u>7,171</u>	<u>6,201</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 September 2020	112,258	93,663
Transferred in on existing academies joining the trust	-	-
Transferred out on existing academies leaving the academy trust	-	-
Current service cost	12,317	11,271
Past service cost	2	12
Interest cost	1,952	1,796
Employee contributions	1,586	1,494
Actuarial (gain)/loss	21,702	5,030
Benefits paid	(653)	(1,008)
At 31 August 2021	<u>149,164</u>	<u>112,258</u>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 September 2020	50,347	47,618
Transferred in on existing academies joining the trust	-	-
Transferred out on existing academies leaving the academy trust	-	-
Interest on assets	905	944
Actuarial (loss)/gain	8,665	(4,634)
Employer contributions	6,237	5,974
Employee contributions	1,586	1,493
Benefits paid	(653)	(1,008)
Admin expenses	(42)	(40)
At 31 August 2021	<u>67,045</u>	<u>50,347</u>
Net defined benefit liability / (asset)	<u>82,119</u>	<u>61,911</u>

The estimated value of employer contributions for the year ended 31 August 2021 £6,359,000

**Notes to the Financial Statements**  
**For the year ended 31 August 2021**

<b>21 Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(3,073)	195
Adjusted for:		
Depreciation and impairment charges (note 12)	11,792	11,262
Assets gifted on conversion	(9,232)	(12,874)
Capital grants from DfE and other capital income	(4,326)	(3,670)
Interest receivable (note 5)	-	(40)
Defined benefit pension scheme net finance cost/ (income)	7,172	6,201
Defined benefit pension scheme cost less contributions payable	-	-
(Increase) / decrease in stock	2	(3)
Decrease / (increase) in debtors	32	1,191
Increase / (decrease) in creditors	538	161
Loss on disposal of tangible fixed assets	-	-
<b>Net cash provided by / (used in) operating activities</b>	<b>2,905</b>	<b>2,423</b>

<b>22 Cashflow from financing activities</b>	<b>2021</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Repayment of borrowing	(600)	(600)
Cash inflow from new borrowings	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(600)</b>	<b>(600)</b>

**23 Analysis of changes in net debt**

	As at 1 September 2020 £'000	Cashflow £'000	Acquisition / disposal of subsidiary £'000	New finance leases £'000	Other non- cash changes £'000	As at 31 August 2021 £'000
Cash	11,664	3,874	-	-	-	15,538
Loans falling due within one year	(600)	-	-	-	-	(600)
Loans falling due after more than one year	(3,600)	-	-	-	600	(3,000)
	(4,200)	-	-	-	600	(3,600)
<b>TOTAL</b>	<b>7,464</b>	<b>3,874</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>11,938</b>

<b>24 Capital Commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Contracted for, but not provided in the financial statements	167	76

**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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	329	322
Amounts due within two and five years	936	973
Amounts due after five years	148	343
	<b>1,413</b>	<b>1,638</b>

**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 £201k in the year, with a debtor balance of £138k and costs of £448k during the year with a creditor balance of £121k at the year end.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2020.



## 27 Post balance sheet events

There are no post balance sheet events

## 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 the below joined the Trust with all of their operations, assets and liabilities being transferred to REAch2 Academy Trust from the relevant Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the Balance Sheet under the appropriate headings, with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donations - transfer on conversion.

Academy	Location	Date of conversion
Green Park Village Primary Academy	Reading	1st September 2020
<b>Net assets transferred:</b>		<b>£'000</b>
		<b>£'000</b>
Leasehold land and buildings		8,665
<b>Recognised income within the SOFA</b>		<b>8,665</b>

As a new free school Green Park Village do not have any opening LGPS liability or working capital, and therefore only its Land & Buildings are recognised within the Statement of Financial Position.

**Notes to the Financial Statements For  
the year ended 31 August 2021**

**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 2021.

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**

	2021 Total £'000	2021 Total £'000	2021 Total £'000	2020 Total £'000	2020 Total £'000	2020 Total £'000
<b>Income</b>						
<b>Direct Income</b>						
Other income		189			153	
<b>Other Income</b>						
Fundraising and other trading activities		142			114	
<b>Total Income</b>			331			267
<b>Expenditure</b>						
<b>Direct Costs</b>						
Direct staff costs	106			121		
Staff development	165			89		
Other direct costs	0			0		
<b>Total direct costs</b>		271			210	
<b>Other costs</b>						
Support staff costs	48			17		
Depreciation	0			0		
Technology costs	0			0		
Recruitment	0			0		
Security	0			0		
Other support costs	12			61		
Governance costs	0			0		
<b>Total other costs</b>		60			78	
<b>Total Expenditure</b>			331			288
<b>Transfer between funds excluding depreciation</b>						0
<b>Surplus/(Deficit) from all sources</b>			0			(21)
<b>Teaching School Balance as at 1 September 2020</b>			0			(21)
<b>Teaching School Balance as at 31 August 2021</b>			0			0