

REACH ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

REACH ACADEMY
(A Company Limited by Guarantee)

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REACH ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	D Dowding J McIntosh The REACH Foundation
Governors	J Baxter, Chair J McIntosh, Vice Chair and Co-founder E Vainker, Principal and Co-founder R Cramer, Secondary Headteacher and Co-founder T Sawbridge, Chair of Pupil Standards Committee S Robb J Tacon, Chair of Finance and Resources Committee D Dowding E Luxton M Tanweer (resigned 25 August 2017) D Kiefer (appointed 7 September 2016) A Byrne (appointed 21 November 2016)
Company registered number	07634106
Company name	Reach Academy
Principal and registered office	Reach Academy 53-55 High Street Feltham TW13 4AB
Company secretary	D Dowding
Senior management team	E Vainker R Cramer B Owen SJ Martin G Wilcox N McLachlan C Sparks L McLellan H Whittenham T Gunter F Dyke
Independent auditor	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

REACH ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Bankers	Lloyds TSB Tolworth Surbiton KT6 7HF
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REACH ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditors report of the Academy Trust for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law and is in accordance with the Financial Reporting Standard (FRS 102), Charity SORP 2015 and Academies Accounts Direction 2016/17.

The financial statements have been prepared 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 2016 to 2017 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Trust operates as an Academy for pupils aged 4 to 18 serving a catchment area in Feltham. It has a pupil capacity of 900 and had a roll of 628 in the school census in January 2017.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Governors act as the Trustees for the charitable activities of the Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Reach Academy.

Details of the Governors who served throughout the year are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Academy Trust deed.

REACH ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Governing Body may appoint Governors, whose term of office shall be four years, save that this time limit shall not apply to the Principal who shall be treated for all purposes as being an ex-officio Governor. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governors who were in office at 31 August 2017 and who served during the year are listed on page 1.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The training and induction procedures for new Governors will depend on their existing experience.

Where necessary induction will include training on educational, legal and financial and safeguarding matters. All new Governors will be given the opportunity of a tour of the facilities, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to fulfil their role as Governors. As there is expected to be only a small number of new Governors each year, induction will be carried out informally and will be tailored specifically to the individual.

All Governors are required to have a DBS enhanced disclosure.

ORGANISATIONAL STRUCTURE

The Academy Trust's organisational structure consists of three levels: the Members, the Governors, and the Senior Leadership Team (SLT).

The Members meet on an annual basis to receive the annual accounts, note any Governor appointments or re-appointments, and review the overall operation of the Academy Trust.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy Trust, approving major items of expenditure and making senior staff appointments. There is a committee structure reporting into the main Governing Body. All have approved terms of reference set out in the Governing Body Standing Orders. A Governor is appointed to the role of Responsible Officer.

During the year in question the full Governing Body met on 4 occasions.

The SLT controls the Academy Trust at an executive level, implements the policies laid down by the Governors and reports back to them. Members of the SLT are responsible for developing and implementing Academy Trust plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by the Governing Body. They are responsible for managing the day to day operation of the Academy Trust, specifically staff, facilities and students.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel comprises the Principal and Secondary Headteacher. Governors are not remunerated in their capacity as a Governor. The remuneration of the Principal and Secondary Headteacher is determined by the Governors annually in a Performance Management meeting which also considers sector parameters and benchmarks.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust does not have any formal relationships with other schools in the geographical or any other area but will seek to build such relationships as it evolves. There are no other connected organisations at the present time. There have been no related party transactions this year.

REACH ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and Activities

OBJECTS AND AIMS

The Academy Trust's objective is set out in its Articles of Association. This is to establish, maintain, manage and develop an Academy Trust offering a broad curriculum.

In accordance with the Articles of Association the Academy Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy Trust, the catchment area from which students are drawn and that the curriculum should comply with the substance of the National Curriculum.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Pupil Learning – Progress and Attainment – For all of our pupils to make exceptional progress towards getting the academic qualifications and developing the skills and character traits to live happy and fulfilled lives.

Curriculum and Teaching – For our curriculum and our lessons to provide every child with the opportunity to excel in all subjects and for every pupil to be doing challenging, engaging work every day of the school year.

Staffing – Recruitment and Retention – To recruit, retain, induct and train a team of highly effective teachers, leaders and support staff.

Family Engagement – To engage and support all parents in the work of the school in a way that promotes the achievement of our pupils.

Pupil Well-Being – For pupils to enjoy school, feel safe and able to share difficulties with teachers and peers.

Institutional Sustainability – For the school to have the resources and governance structures to run effectively, along with an excellent reputation, wider influence and systems to promote growth.

Leadership and Culture – For the school to have strong leadership and an inclusive culture aligned with the Reach Academy Trust values that supports everyone, staff and pupils, to do their best work every day.

PUBLIC BENEFIT

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

Reach Academy Trust aims to be an outstanding and inclusive Academy Trust for the local community, specifically those who attend the Academy Trust but also the wider community. The priority is a high quality education for its students in a safe and caring environment.

HEADLINE ACHIEVEMENTS (including Key Performance Indicators)

The vision of Reach Academy Trust is to support our pupils to live lives of choice and opportunity by giving them the skills, attitudes and academic qualifications to flourish in any career and live happy and healthy lives.

This year saw the Academy's first set of GCSE results and the outcomes were exceptional. The Academy's Progress 8 of 1.13 saw it placed 15th out of 6,000 schools in England, with vulnerable pupils achieving 1.25.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Highlights included:

	Current
% achieving Eng 4+ (in at least 1 GCSE)	98%
% achieving Eng 5+ (in at least 1 GCSE)	91%
% achieving Ma 4+	98%
% achieving Ma 5+	84%
% achieving Eng/Ma 4+	96%
% Achieving Eng/Ma 5+	82%
% Entered for Ebacc	95%
% Achieving Ebacc (5+)	55%
Grades at A-A*	30%

In the Primary phases, 75% of pupils achieved a Good Level of Development at the end of Reception, while 95% of pupils passed the Phonics Screen in Year 1, with 98% passing at the end of Year 2; all figures are above the national and local averages.

We have always been committed to serving the whole community and have taken a series of actions to ensure that our cohort of pupils is truly representative of the community. We are proud that we continue to serve a diverse community, with 42% of pupils eligible for the Pupil Premium and 33% speaking a language other than English at home. The school had 960 applications last year for 120 places.

Last year we had 4.6% mobility, with 27 pupils leaving the school, 17 due to relocation. This compares to 6.1% mobility across the borough of Hounslow.

The feedback from parents is extremely positive, with 97% of parents saying that they would recommend the school to a friend.

Staff retention last year was 71%, lower than in previous years as a number of teachers left the school having taken the first cohort to their GCSEs. The school continues to train a high number of teachers through Ark ITT.

GOING CONCERN

After making appropriate enquiries, the Governing Body 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 Accounting Policies.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy Trust practices, through its Governing Body and the constituted sub committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be actively reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the SLT.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Academy Trust are:

- **Reputational risk** - mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour, and providing a broad-based and relevant curriculum.
- **Performance risk** - mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.
- **Financial risk** - the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.
- **Risks associated with personnel** - mitigated by ensuring that the Academy Trust has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

RESERVES POLICY

At 31 August 2017 the total funds comprised restricted funds of £17,726,399 analysed into restricted fixed assets funds £18,461,552, GAG of £185,847 and the pension deficit of £921,000. Unrestricted reserves total £72,575.

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves', for use on the general purposes of the Academy Trust at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The deficit on the pension reserve relates to the non-teaching staff, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in Note 21. This deficit can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits.

INVESTMENT POLICY AND PERFORMANCE

During the year the Academy Trust held all its liquid funds in an interest bearing account at a major UK clearing bank with an A1, P1 short-term credit rating. There are no plans to generate a higher return on any future cash balances unless this can be achieved without increasing counterparty credit risk.

Plans for future periods

FUTURE DEVELOPMENTS

The Academy Trust will continue to focus on supporting all of our pupils to flourish and grow academically and personally. We will see our Primary pupils move closer to the transition to Secondary and will offer them a richer and broader curriculum that takes advantage of us being a single all-through school.

Reach Academy achieved a progress 8 score of 1.11 in 2017. Our priority is to ensure that our sixth form grows and flourishes. We are focusing on recruitment of pupils from local secondary schools and ensuring our year 11 pupils gain the grades we require to study their chosen subjects.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

In July, the Prime Minister visited Reach on his last official visit and announced that a second Reach Academy had been approved to open in Feltham. The team will be working on getting this second school open, though will be constantly focused on the experience of our pupils at the Academy. The team will be expanded as considered necessary to manage the planning and pre-opening activity.

The Academy Trust will continue to seek to play a role locally and beyond. In the first instance we will actively participate in all local partnerships and support school improvement. The partnership with Ark Teacher Training will continue, with five teachers training at the Academy with the prospect of the Institute for Teaching opening in 2017.

FUNDS HELD AS CUSTODIAN

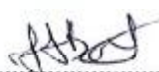
There are no assets subject to custodian arrangements.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors' Report was approved by order of the Governing Body, as the company directors, on 7 December 2017 and signed on its behalf by:


.....
J Baxter
Chair of Governors

REACH ACADEMY

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Principal, 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 Reach Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
J Baxter, Chair	4	4
J McIntosh, Vice Chair and Co-founder	4	4
E Vainker, Principal and Co-founder	4	4
R Cramer, Secondary Headteacher and Co-founder	4	4
T Sawbridge, Chair of Pupil Standards Committee	2	4
S Robb	2	4
J Tacon, Chair of Finance and Resources Committee	3	4
D Dowding	1	4
E Luxton	4	4
M Tanweer	3	4
D Kiefer	4	4
A Byrne	3	3

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to ensure that the Academy Trust's finances and resources are managed responsibly, paying particular attention to planning, monitoring and financial probity. This Committee contributes to the formulation of the Academy Trust development plan through consideration of the agreed aims and objectives of the Academy Trust. The main agenda items during the year included monitoring and evaluation of the revenue income and expenditure, review of contracts and endorsement of policy and process.

REACH ACADEMY**(A Company Limited by Guarantee)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
E Vainker, Principal	3	3
J Tacon	3	3
D Kiefer	1	3
E Luxton	2	3
J McIntosh, Vice Chair and Co-founder	2	3
R Cramer, Secondary Headteacher and Co-founder	2	3
D Dowding	1	3
M Tanweer	2	3
J Baxter, Chair	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Financial Governance & Oversight

- Management accounts are prepared on a monthly basis for the Senior Leadership Team – these are also periodically taken to, and discussed at, the Finance & Resources Committee, which occur at least termly.
- The school has been awarded two 'unqualified' opinions from our auditors, which demonstrates that the school has robust processes and controls in place.
- The budget-building process starts early in the year and is refined as more information on likely income and expenditure becomes clearer. This is worked on by the Senior Leadership Team and shared with Governors via the Finance and Resources Committee for challenge, before being approved by the Governing Body.
- Contracts are monitored for cost-effectiveness and suitability; with renegotiations and terminations if required. An example of this would be with our mobile phone contract for our new school building. As a result of the freeing-up of additional resources we were able to re-invest in additional handsets for new staff, at a reduced overall cost than was being charged previously.
- Arrangements are in place to share our new building for community use and we are already generating revenue. We will have reduced rates for local community groups in order to fulfil our vision of being an integrated community-presence in the Feltham area.
- Cashflow forecasts are used to predict likely cash requirements and to allow us to invest any surplus cash, in order to maximise interest receivable from High Street institutions, whilst assessing any risks in doing this.

REACH ACADEMY

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GOVERNANCE STATEMENT (continued)

- It is our intention to take part in benchmarking clubs with our peers to try and identify any areas of divergence in expenditure to enable any actions to be taken to safeguard VFM, if required.
- The school's policy in relation to tendering requires that a variety of quotes are sought for any significant expenditure, depending on value, and that a robust tendering process is in place.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Reach Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Academy did not conduct a full governance review in this year. The regular external auditor of governance, Michael Chisnall, retired and the Governing Body has been identifying a new partner. A review has been set for February 2018.

The Governing Body continues to conduct robust self-reviews and the Academy has regular external monitoring and audits.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

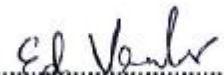
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 7 December 2017 and signed on their behalf, by:


.....
J Baxter
Chair of Governors


.....
E Vainker
Accounting Officer

REACH ACADEMY

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Reach Academy I have considered my responsibility to notify the Academy Trust and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the Academy Trust are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



.....
E Vainker
Accounting Officer

Date: 7 December 2017

REACH ACADEMY

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Governors (who act as Trustees of the Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

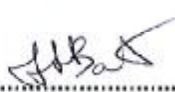
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Governors 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 Governors 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 ESFADfE have been applied for the purposes intended.

The Governors 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 Governing Body on 7 December 2017 and signed on its behalf by:


.....
J Baxter
Chair of Governors

REACH ACADEMY
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REACH ACADEMY

OPINION

We have audited the financial statements of Reach Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its Incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

REACH ACADEMY
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REACH ACADEMY

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REACH ACADEMY
(A Company Limited by Guarantee)

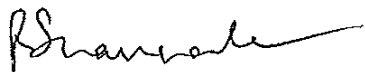
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF REACH ACADEMY

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Rakesh Shaunak FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ
Date: 15/12/2017

REACH ACADEMY
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach Academy during the year 1 September 2016 to 31 August 2017 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 Reach Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reach Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF REACH ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Reach Academy's funding agreement with the Secretary of State for Education dated 26 February 2015, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the 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.

- Reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- Review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy.
- Testing of a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing of a sample of grants received and other income streams; and
- Evaluating the internal control procedures and reporting lines and testing as appropriate and making appropriate enquiries of the Internal Reviewer.

REACH ACADEMY
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH
ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 15/12/2017

REACH ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	7,823	-	348,447	356,270	89,909
Charitable activities	4	287,276	4,020,749	-	4,308,025	3,712,745
Investments	3	949	-	-	949	1,326
TOTAL INCOME		296,048	4,020,749	348,447	4,665,244	3,803,980
EXPENDITURE ON:						
Raising funds		2,596	-	-	2,596	5,172
Charitable activities		346,257	4,111,819	360,714	4,818,790	4,112,876
TOTAL EXPENDITURE	5	348,853	4,111,819	360,714	4,821,386	4,118,048
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	17	(52,805)	(91,070)	(12,267)	(156,142)	(314,068)
		52,805	(128,037)	75,232	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		-	(219,107)	62,965	(156,142)	(314,068)
Actuarial losses on defined benefit pension schemes	21	-	(368,000)	-	(368,000)	(203,000)
NET MOVEMENT IN FUNDS		-	(587,107)	62,965	(524,142)	(517,068)
RECONCILIATION OF FUNDS:						
Total funds brought forward		72,575	(148,046)	18,398,587	18,323,116	18,840,184
TOTAL FUNDS CARRIED FORWARD		72,575	(735,153)	18,461,552	17,798,974	18,323,116

The notes on pages 23 to 44 form part of these financial statements.

REACH ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07634106

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		18,461,552		18,398,587
CURRENT ASSETS					
Stocks	14	-		499	
Debtors	15	197,059		149,007	
Cash at bank and in hand		370,148		508,479	
			567,207	657,985	
CREDITORS: amounts falling due within one year	16	(308,785)		(302,456)	
NET CURRENT ASSETS			258,422		355,529
TOTAL ASSETS LESS CURRENT LIABILITIES			18,719,974		18,754,116
Defined benefit pension scheme liability	21		(921,000)		(431,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			17,798,974		18,323,116
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	185,847		282,954	
Restricted fixed asset funds	17	18,461,552		18,398,587	
Restricted income funds excluding pension liability		18,647,399		18,681,541	
Pension reserve		(921,000)		(431,000)	
Total restricted income funds			17,726,399		18,250,541
Unrestricted income funds	17		72,575		72,575
TOTAL FUNDS			17,798,974		18,323,116

The financial statements on pages 20 to 44 were approved by the Governors, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



J Baxter
 Chair of Governors



E Vainker
 Principal

The notes on pages 23 to 44 form part of these financial statements.

REACH ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	(64,048)	(263,101)
Cash flows from investing activities:			
Investment income		949	1,326
Purchase of tangible fixed assets		(423,679)	(196,094)
Capital grants from DfE/ESFA		348,447	224,751
Net cash (used in)/provided by investing activities		(74,283)	29,983
Change in cash and cash equivalents in the year		(138,331)	(233,118)
Cash and cash equivalents brought forward		508,479	741,597
Cash and cash equivalents carried forward		370,148	508,479

The notes on pages 23 to 44 form part of these financial statements.

REACH ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

REACH Academy constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

REACH Academy is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1.

1.2 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

1.3 Going concern

The Governors assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 60 years straight line
Furniture and Equipment	- 20% - 25% straight line

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

1.7 Stocks

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

1.8 Taxation

The Academy 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 Debtors receivable and creditors payable within one year

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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

1.12 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments 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 instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	7,823	-	-	7,823	13,158
Capital grants	-	-	348,447	348,447	76,751
	<u>7,823</u>	<u>-</u>	<u>348,447</u>	<u>356,270</u>	<u>89,909</u>
<i>Total 2016</i>	<u>13,158</u>	<u>-</u>	<u>76,751</u>	<u>89,909</u>	

REACH ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	949	-	949	1,326
<i>Total 2016</i>	1,326	-	1,326	

4. FUNDING FOR CHARITABLE ACTIVITIES - EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,023,153	3,023,153	2,512,780
Start up grant	-	163,811	163,811	231,717
Pupil premium	-	247,234	247,234	226,145
Other DfE/ESFA	-	141,895	141,895	148,052
	-	3,576,093	3,576,093	3,118,694
Other government grants				
Local authority grants	-	318,864	318,864	351,117
Other grants	-	74,556	74,556	-
	-	393,420	393,420	351,117
Other funding				
Catering income	108,725	-	108,725	79,369
Trip income	-	51,236	51,236	31,304
Hire of facilities	88,110	-	88,110	48,860
Other	90,441	-	90,441	83,401
	287,276	51,236	338,512	242,934
	287,276	4,020,749	4,308,025	3,712,745
<i>Total 2016</i>	211,630	3,501,115	3,712,745	

REACH ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. TOTAL EXPENDITURE

	Staff costs 2017 £	Premises costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	2,596	2,596	5,172
Educational operations:					
Direct costs	2,890,503	-	34,005	2,924,508	2,516,866
Support costs	455,197	221,987	1,217,098	1,894,282	1,596,010
	<u>3,345,700</u>	<u>221,987</u>	<u>1,253,699</u>	<u>4,821,386</u>	<u>4,118,048</u>
<i>Total 2016</i>	<u>2,639,721</u>	<u>232,695</u>	<u>1,245,632</u>	<u>4,118,048</u>	

Of total expenditure of £4,821,386 (2016 - £4,118,048), £348,853 (2016 - £219,196) related to unrestricted funds, £4,111,819 (2016 - £3,590,637) related to restricted general funds and £360,714 (2016 - £308,215) related to restricted fixed asset funds.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	2,924,508	1,894,282	4,818,790	4,112,876
<i>Total 2016</i>	<u>2,516,866</u>	<u>1,596,010</u>	<u>4,112,876</u>	

REACH ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. SUPPORT COSTS

	Raising funds £	Educational operations £	Total 2017 £	Total 2016 £
Pension finance cost	-	9,000	9,000	5,000
Technology costs	-	58,758	58,758	115,130
Premises costs	-	221,987	221,987	232,695
Other support costs	2,596	546,050	548,646	477,024
Governance costs	-	11,734	11,734	12,921
Wages and salaries	-	686,039	686,039	450,197
Depreciation	-	360,714	360,714	308,215
	<u>2,596</u>	<u>1,894,282</u>	<u>1,896,878</u>	<u>1,601,182</u>
<i>At 31 August 2016</i>	<u>5,172</u>	<u>1,596,010</u>	<u>1,601,182</u>	

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs:

Total fees paid to the Auditor in respect of all services of £9,250 (2016 - £8,900) and £2,484 (2016 - £4,021) in relation to other legal and professional fees.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	360,714	308,215
Auditor's remuneration - audit	8,200	8,300
Auditor's remuneration - other services	<u>1,050</u>	<u>600</u>

REACH ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,460,120	2,088,092
Social security costs	256,458	178,122
Operating costs of defined benefit pension schemes	420,594	343,036
	<u>3,137,172</u>	<u>2,609,250</u>
Support staff via agency	174,528	25,471
Staff restructuring costs	25,000	-
Pension finance cost	9,000	5,000
	<u><u>3,345,700</u></u>	<u><u>2,639,721</u></u>

Staff restructuring costs comprise:

Severance payments	<u><u>25,000</u></u>	<u><u>-</u></u>
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During the year, a non-statutory severance payment of £25,000 was made to one staff member.

The average number of persons employed by the Academy Trust during the year was as follows:

	2017 No.	2016 No.
Teachers	44	39
Administration and support	44	29
Management	11	11
	<u><u>99</u></u>	<u><u>79</u></u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for these staff amounted to £23,896 (2016 - £19,192)

The Key Management Personnel of the Academy Trust comprise the Principal and Secondary Headteacher as listed on page 1. The total amount of employee benefits (including employer pension contributions) attributable to the Key Management Personnel for their services to the Academy Trust was £188,906 (2016 - £208,505).

REACH ACADEMY**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2017	2016
		£	£
E Vanker, Principal	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
R Cramer, Secondary Headteacher	Remuneration	65,000-70,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Governors received any reimbursement of expenses (2016 - £Nil).

Remuneration disclosures for Trustees who resigned prior to 1 September 2016 are not reflected in the table above.

11. GOVERNORS' 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 business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

12. OTHER FINANCE INCOME

	2017	2016
	£	£
Interest income on pension scheme assets	6,000	7,000
Interest on pension scheme liabilities	(15,000)	(12,000)
	<u>(9,000)</u>	<u>(5,000)</u>

REACH ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture & Equipment £	Total £
Cost			
At 1 September 2016	18,478,207	615,871	19,094,078
Additions	332,429	91,250	423,679
At 31 August 2017	18,810,636	707,121	19,517,757
Depreciation			
At 1 September 2016	321,721	373,770	695,491
Charge for the year	192,548	168,166	360,714
At 31 August 2017	514,269	541,936	1,056,205
Net book value			
At 31 August 2017	18,296,367	165,185	18,461,552
At 31 August 2016	18,156,486	242,101	18,398,587

14. STOCKS

	2017 £	2016 £
Consumables	-	499

15. DEBTORS

	2017 £	2016 £
Trade debtors	1,098	-
VAT repayable	36,907	64,144
Other debtors	-	4,925
Prepayments and accrued income	159,054	79,938
	197,059	149,007

REACH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	63,596	73,777
Other taxation and social security	69,249	51,924
Other creditors	12,000	4,299
Accruals and deferred income	163,940	172,456
	<u>308,785</u>	<u>302,456</u>

	2017 £	2016 £
Deferred Income		
Deferred income at 1 September 2016	36,068	52,629
Resources deferred during the year	50,655	36,068
Amounts released from previous years	(36,068)	(52,629)
Deferred income at 31 August 2017	<u>50,655</u>	<u>36,068</u>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2017/18 academic year in respect of:

- Amounts received in advance for school trips;
- Funds received in advance for the universal free school meals; and
- Other grants received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	72,575	296,048	(348,853)	52,805	-	72,575
Restricted general funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Restricted funds	282,954	4,020,749	(3,989,819)	(128,037)	-	185,847
Pension reserve	(431,000)	-	(122,000)	-	(368,000)	(921,000)
	(148,046)	4,020,749	(4,111,819)	(128,037)	(368,000)	(735,153)
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Net book value of fixed assets	18,398,587	-	(360,714)	423,679	-	18,461,552
Capital grants	-	348,447	-	(348,447)	-	-
	18,398,587	348,447	(360,714)	75,232	-	18,461,552
Total restricted funds	18,250,541	4,369,196	(4,472,533)	(52,805)	(368,000)	17,726,399
Total of funds	18,323,116	4,665,244	(4,821,386)	-	(368,000)	17,798,974

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	45,657	266,114	(219,196)	(20,000)	-	72,575
	45,657	266,114	(219,196)	(20,000)	-	72,575

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. STATEMENT OF FUNDS (continued)

Restricted general funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Restricted funds	431,820	3,461,115	(3,510,637)	(99,344)	-	282,954
Pension reserve	(148,000)	-	(80,000)	-	(203,000)	(431,000)
	<u>283,820</u>	<u>3,461,115</u>	<u>(3,590,637)</u>	<u>(99,344)</u>	<u>(203,000)</u>	<u>(148,046)</u>

Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Restricted fixed asset funds	18,510,707	76,751	(308,215)	119,344	-	18,398,587
	<u>18,510,707</u>	<u>76,751</u>	<u>(308,215)</u>	<u>119,344</u>	<u>-</u>	<u>18,398,587</u>
Total restricted funds	<u>18,794,527</u>	<u>3,537,866</u>	<u>(3,898,852)</u>	<u>20,000</u>	<u>(203,000)</u>	<u>18,250,541</u>
Total of funds	<u>18,840,184</u>	<u>3,803,980</u>	<u>(4,118,048)</u>	<u>-</u>	<u>(203,000)</u>	<u>18,323,116</u>

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

Restricted fixed asset funds represent the trust's investment in fixed assets, net of any depreciation. Any unspent capital grants are held in this fund to be applied for the purpose intended by the grantor.

Restricted funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

The Pension reserve shows the movement on the Local Government Pension Scheme liability.

Unrestricted general funds relate to donations and other income given without restriction to its purpose and can be used for the general purposes of the Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

REACH ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	18,461,552	18,461,552
Current assets	72,575	494,632	-	567,207
Creditors due within one year	-	(308,785)	-	(308,785)
Defined benefit pension scheme liability	-	(921,000)	-	(921,000)
	<u>72,575</u>	<u>(735,153)</u>	<u>18,461,552</u>	<u>17,798,974</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	18,398,587	18,398,587
Current assets	72,575	585,410	-	657,985
Creditors due within one year	-	(302,456)	-	(302,456)
Defined benefit pension scheme liability	-	(431,000)	-	(431,000)
	<u>72,575</u>	<u>(148,046)</u>	<u>18,398,587</u>	<u>18,323,116</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(156,142)	(314,068)
Adjustment for:		
Depreciation charges	360,714	308,215
Investment income	(949)	(1,326)
Decrease in stocks	499	4,672
Increase in debtors	(48,052)	(55,545)
Increase/(decrease) in creditors	6,329	(60,298)
Capital grants from DfE and other capital income	(348,447)	(224,751)
Defined benefit pension scheme cost less contributions payable	113,000	75,000
Defined benefit pension scheme finance cost	9,000	5,000
Net cash used in operating activities	<u>(64,048)</u>	<u>(263,101)</u>

REACH ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	370,148	508,479
Total	370,148	508,479

21. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £259,000 (2016 - £169,000).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £76,000 (2016 - £91,000), of which employer's contributions totalled £54,000 (2016 - £62,000) and employees' contributions totalled £22,000 (2016 - £29,000). The agreed contribution rates for future years are 13.5% for employers and 5.5% - 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	21.4	22.1
Females	25.1	26.7
Retiring in 20 years		
Males	23.6	24.4
Females	27.4	29.1

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

21. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	(37)	-
Discount rate -0.1%	38	-
Mortality assumption - 1 year increase	42	-
Mortality assumption - 1 year decrease	(41)	-
CPI rate +0.1%	8	-
CPI rate -0.1%	(8)	-

The above table reflects the movement in the present value of total obligation. Comparative figures have not been provided by the Actuary.

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	264,000	165,000
Gilts	14,000	12,000
Other bonds	46,000	45,000
Property	20,000	12,000
Cash and other liquid assets	6,000	7,000
Absolute return portfolio	59,000	10,000
Total market value of assets	409,000	251,000

The actual return on scheme assets was £32,000 (2016 - £20,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(167,000)	(137,000)
Interest income	6,000	7,000
Interest cost	(15,000)	(12,000)
Total	(176,000)	(142,000)

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

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

	2017 £	2016 £
Opening defined benefit obligation	682,000	280,000
Current service cost	167,000	137,000
Interest cost	15,000	12,000
Employee contributions	22,000	29,000
Actuarial losses	444,000	224,000
	<hr/>	<hr/>
Closing defined benefit obligation	1,330,000	682,000
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	251,000	132,000
Interest income	6,000	7,000
Actuarial losses	76,000	21,000
Employer contributions	54,000	62,000
Employee contributions	22,000	29,000
	<hr/>	<hr/>
Closing fair value of scheme assets	409,000	251,000
	<hr/>	<hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	1,600	1,600
Between 1 and 5 years	3,200	4,800
	<hr/>	<hr/>
Total	4,800	6,400
	<hr/>	<hr/>

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 10.

REACH ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

24. MEMBERS' LIABILITY

Each of the members of the Academy Trust 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.