

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

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REACH ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	J McIntosh E Vainker J Tacon
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 (resigned 29 June 2018) J Tacon, Chair of Finance and Resources Committee D Dowding E Luxton D Kiefer, Parent Governor A Byrne
Company registered number	07634106
Company name	Reach Academy Trust
Principal and registered office	E Vainker Reach Academy Trust 53-55 High Street Feltham TW13 4AB
Company secretary	D Dowding
Senior management team	E Vainker R Cramer B Owen S-J Martin A G Wilcox, (resigned February 2018) N McLachlan C Sparks, (resigned January 2018) 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 TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Bankers	Lloyds TSB Tolworth Surbiton KT6 7HF
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REACH ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditors report of the Academy Trust for the period 1 September 2017 to 31 August 2018. 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 2017/18.

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 2017 to 2018 issued by the ESFA, 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 761 in the school census in January 2018.

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 Trust.

Details of the Governors who served during 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. The cost of this insurance in the year is not possible to split from the total insurance cost.

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. 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 served during the year are listed on page 1.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 are 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 comprise the Governors and Senior Managers. Governors are not remunerated in their capacity as a Governor. The remuneration of Senior Managers is determined by the Principal annually in a Performance Management meeting which also considers sector parameters and benchmarks. The Principal's pay is determined by the governing body.

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 TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

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.

Achievements and Performance

The vision of Reach Academy Feltham 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. The school's Progress 8 score was of 0.85 and attainment 8 score was 53.88.

REACH ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Outcomes for Pupils

% achieving Good Level of Development	80%
% at Expected Standard in Reading in KS1	90%
% at Expected Standard in Maths in KS1	90%
% at Greater Depth in Writing in KS1	30%
% at 4+ in English and Maths at GCSE	84%
% eBacc (at 5+)	52%
% pass Phonics Screen	96%
% in Expected Standard in Writing in KS1	80%
% at Greater Depth in Reading in KS1	33%
% at Greater Depth in Maths in KS1	33%
% at 5+ in English and Maths at GCSE	72%

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. Included in our student roll are 43% of students that qualify for Pupil Premium and 30% that qualify for Free School Meals.

Key Performance Indicators

Pupils' mobility is a challenge that the school faces and there is some churn in terms of pupils leaving the school. However, we work hard to keep all of our pupils in the school and very few of them leave for any reason other than parental relocation.

Anecdotally, we hear many of our parents tell us that the school has kept them living in the area and that future plans have changed so that their children can stay at Reach.

Last year 68 pupils left the school, 21 in Primary and 47 in Secondary (including Year 11) and a further 59 pupils from Nursery.

At the heart of a sustainable school model to a supply of excellent teachers and leaders. Our retention for 2017-18 was excellent. In primary we had 1 mainscale teacher (relocation) and 1 Deputy Headteacher (seeking new opportunities at a primary in special measures) leave. In secondary we had 1 Assistant Headteacher leave who was moving to a role outside of teaching. 2 support assistants in primary left. However, all vacancies have been filled aside from 1 support assistant in primary and secondary and the school has still not had a supply teacher in the school since it opened in September 2012.

We continue to train a large number of teachers in the school. We have worked with Ark ITT since it launched in 2013 and graduates are now in Assistant Head and middle leadership roles. In 2018-19 we will work with ARK ITT and Researchers in Schools to train eight new teachers across Primary and Secondary.

GOING CONCERN

After making appropriate enquiries, the Governing Body 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 Accounting Policies.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA), which is part of the Department for Education (DfE), in the form of recurrent grants. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives capital grants for fixed assets from the ESFA. In accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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 relevant assets.

During the year ended 31 August 2018, restricted income (excluding restricted fixed asset funds) was £4,660,433 and related restricted expenditure was £4,971,725. Unrestricted income was £536,980 and unrestricted expenditure was £370,835.

At 31 August 2018 the net book value of fixed assets was £18,038,362 and the movements in fixed assets are shown in Note 13. Net assets at 31 August 2018 were £17,423,949.

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.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

RESERVES POLICY

At 31 August 2018 the total funds comprised restricted funds of £17,423,949 analysed into restricted fixed assets funds £18,038,362, GAG of £14,000 and the pension deficit of £857,000. Unrestricted reserves total £228,587.

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

We established as a Multi-Academy Trust in July 2018 in preparation for the opening of our second school which is also due to open in Feltham under the Free School programme. Following consultation with the RSC and National School's Commission, we are building our capacity through a successful MDIF bid and a newly formed partnership with the Ted Wragg Trust in the South West of England. The focus of this partnership is on school improvement work. In the coming year we intend to explore further opportunities to widen our impact in terms of school improvement work and the sharing of our curriculum.

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 close 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.

Our priority is to ensure that our sixth form grows and we are focusing on recruitment of pupils from local secondary schools and ensuring Year 11 pupils gain the grades we require to study their chosen subjects.

We were delighted to welcome the Duchess of Cambridge in February. As patron of our partner charity, Place2Be, the Duchess made a video marking children's mental health week with parents and pupils from the school. As a result of the visit, Ed Vainker was invited to join the Duchess's Steering Group of Early Intervention.

We have continued to play an active role in the wider school community. Rebecca Cramer serves as the Chair of the Heads Forward group of Teach First Headteachers, while Ed is a member of their National Forum. Ed and Rebecca continue to serve on a range of DfE groups and panels. Jon Brunskill has also made a contribution at the DfE, serving on the Early Career and T-Levels expert panels.

We held another successful conference in October, welcoming more than 150 delegates and 30 speakers from across the UK and beyond. We have continued to play an important role locally in the Hounslow partnership of schools, leading the History subject network and providing the lead for the Geography strand of the A-level school improvement project. Ed is now a Director of the Hounslow Education Partnership, the local school-led collaboration.

FUNDS HELD AS CUSTODIAN

There are no assets subject to custodian arrangements.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 and signed on its behalf by:


.....
J Baxter
Chair of Governors

REACH ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Trust 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	4	4
E Vainker, Principal	4	4
R Cramer, Secondary Headteacher	4	4
T Sawbridge, Chair of Pupil Standards Committee	3	4
S Robb	3	4
J Tacon, Chair of Finance and Resources Committee	4	4
D Dowding	2	4
E Luxton	2	4
D Kiefer, Parent Governor	3	3
A Byrne	3	4
M Treblico	1	1

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.

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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	3	3
J McIntosh, Vice Chair	3	3
D Dowding	3	3
J Baxter, Chair	3	3
M Treblico	1	1

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.

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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 Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- test checks on purchase systems
- tests checks on income systems
- test checks in wages systems.

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GOVERNANCE STATEMENT (continued)

On an annual basis, the external auditor reports to the Governing Body through the audit committee on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

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

and signed on their behalf, by:


.....
J Baxter
Chair of Governors


.....
E Vainker
Accounting Officer

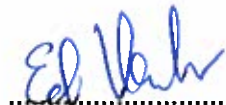
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Reach Academy Trust I have considered my responsibility to notify the academy trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all 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 2017.

I confirm that I and the academy trust Board of Governors 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 2017.

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

REACH ACADEMY TRUST
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 & 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 2017 to 2018;
- 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 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 ESFA/DfE 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

and signed on its behalf by:


.....
J Baxter
Chair of Governors

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

OPINION

We have audited the financial statements of Reach Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 2018 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 2017 to 2018 issued by the Education & 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 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 TRUST
(A Company Limited by Guarantee)

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

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 other 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 the financial year 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' remuneration 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.

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

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

concern basis of accounting unless the Governors either intend to liquidate the Academy Trust 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. This description forms part of our Auditor's Report.

USE OF OUR REPORT

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.

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:

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach Academy Trust during the year 1 September 2017 to 31 August 2018 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 Trust 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 Trust 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 Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Reach Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Accounting Officer.

REACH ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH
ACADEMY TRUST AND THE EDUCATION & 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 2017 to 31 August 2018 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
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date:

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	4,656	-	12,459	17,115	356,270
Charitable activities	4	531,973	4,660,433	-	5,192,406	4,308,025
Investments	3	351	-	-	351	949
TOTAL INCOME		536,980	4,660,433	12,459	5,209,872	4,665,244
EXPENDITURE ON:						
Raising funds		31,092	-	-	31,092	2,596
Charitable activities		339,743	4,971,725	460,337	5,771,805	4,818,790
TOTAL EXPENDITURE	5	370,835	4,971,725	460,337	5,802,897	4,821,386
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	166,145 (10,133)	(311,292) (14,555)	(447,878) 24,688	(593,025) -	(156,142) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		156,012	(325,847)	(423,190)	(593,025)	(156,142)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	218,000	-	218,000	(368,000)
NET MOVEMENT IN FUNDS		156,012	(107,847)	(423,190)	(375,025)	(524,142)
RECONCILIATION OF FUNDS:						
Total funds brought forward		72,575	(735,153)	18,461,552	17,798,974	18,323,116
TOTAL FUNDS CARRIED FORWARD		228,587	(843,000)	18,038,362	17,423,949	17,798,974

The notes on pages 24 to 46 form part of these financial statements.


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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		18,038,362		18,461,552
CURRENT ASSETS					
Debtors	14	149,190		197,059	
Cash at bank and in hand		393,499		370,148	
		<u>542,689</u>		<u>567,207</u>	
CREDITORS: amounts falling due within one year	15	(300,102)		(308,785)	
NET CURRENT ASSETS			<u>242,587</u>		<u>258,422</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,280,949</u>		<u>18,719,974</u>
Defined benefit pension scheme liability	20		(857,000)		(921,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>17,423,949</u></u>		<u><u>17,798,974</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	14,000		185,847	
Restricted fixed asset funds	16	18,038,362		18,461,552	
Restricted income funds excluding pension liability		18,052,362		18,647,399	
Pension reserve		<u>(857,000)</u>		<u>(921,000)</u>	
Total restricted income funds			<u>17,195,362</u>		<u>17,726,399</u>
Unrestricted income funds	16		<u>228,587</u>		<u>72,575</u>
TOTAL FUNDS			<u><u>17,423,949</u></u>		<u><u>17,798,974</u></u>

The financial statements on pages 21 to 46 were approved by the Governors, and authorised for issue, on and are signed on their behalf, by:


.....
J Baxter
Chair of Governors


.....
E Vainker
Principal

The notes on pages 24 to 46 form part of these financial statements.

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	47,688	(64,048)
Cash flows from investing activities:			
Investment income		351	949
Purchase of tangible fixed assets		(37,147)	(423,679)
Capital grants from ESFA		12,459	348,447
Net cash used in investing activities		(24,337)	(74,283)
Change in cash and cash equivalents in the year		23,351	(138,331)
Cash and cash equivalents brought forward		370,148	508,479
Cash and cash equivalents carried forward		393,499	370,148

The notes on pages 24 to 46 form part of these financial statements.

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Reach Academy Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in pound sterling, which is the functional currency of the Academy Trust, and have been rounded to the nearest pound.

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 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 Department for Education Group.

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.

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

The 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 2018

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
Plant 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 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 2018

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

1.12 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 14. Prepayments are not financial instruments. 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 cost as detailed in note 15. 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.

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	4,656	-	-	4,656	7,823
Capital grants	-	-	12,459	12,459	348,447
	<u>4,656</u>	<u>-</u>	<u>12,459</u>	<u>17,115</u>	<u>356,270</u>
Total 2017	<u>7,823</u>	<u>-</u>	<u>348,447</u>	<u>356,270</u>	

REACH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	351	-	351	949
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	949	-	949	
	<hr/>	<hr/>	<hr/>	

REACH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. FUNDING FOR CHARITABLE ACTIVITIES - EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,504,584	3,504,584	3,023,153
Start up grant	-	158,187	158,187	163,811
Pupil premium	-	310,318	310,318	247,234
Other DfE/ESFA	-	33,342	33,342	141,895
	-	4,006,431	4,006,431	3,576,093
Other government grants				
Local authority grants	-	476,078	476,078	318,864
Other government grants	-	104,141	104,141	74,556
	-	580,219	580,219	393,420
Other funding				
Catering income	142,789	-	142,789	108,725
Trip income	-	73,783	73,783	51,236
Hire of facilities	111,465	-	111,465	88,110
Staff consultancy	38,709	-	38,709	3,497
Income from clubs	139,773	-	139,773	71,105
Curriculum income and study materials	56,398	-	56,398	14,234
Other self generated income	42,839	-	42,839	1,605
	531,973	73,783	605,756	338,512
	531,973	4,660,433	5,192,406	4,308,025
Total 2017	287,276	4,020,749	4,308,025	

REACH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	-	-	31,092	31,092	2,596
Educational operations:					
Direct costs	3,302,867	-	315,196	3,618,063	2,924,508
Support costs	772,993	248,580	1,132,169	2,153,742	1,894,282
	<u>4,075,860</u>	<u>248,580</u>	<u>1,478,457</u>	<u>5,802,897</u>	<u>4,821,386</u>
Total 2017	<u>3,345,700</u>	<u>221,987</u>	<u>1,253,699</u>	<u>4,821,386</u>	

Of total expenditure of £5,802,897 (2017 - £4,821,386), £370,835 (2017 - £348,853) related to unrestricted funds, £4,971,725 (2017 - £4,111,819) related to restricted general funds and £460,337 (2017 - £360,714) related to restricted fixed asset funds.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	<u>3,618,063</u>	<u>2,153,742</u>	<u>5,771,805</u>	<u>4,818,790</u>
Total 2017	<u>2,924,508</u>	<u>1,894,282</u>	<u>4,818,790</u>	

REACH ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. SUPPORT COSTS

	Raising funds £	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	-	23,000	23,000	9,000
Technology costs	-	57,447	57,447	58,758
Premises costs	-	248,580	248,580	221,987
Other support costs	31,092	574,785	605,877	548,646
Governance costs	-	16,600	16,600	11,734
Wages and salaries	-	772,993	772,993	686,039
Depreciation	-	460,337	460,337	360,714
	31,092	2,153,742	2,184,834	1,896,878
Total 2017	2,596	1,894,282	1,896,878	

During the year ended 31 August 2018, the Academy Trust incurred the following Governance costs:

Total fees paid to the Auditor in respect of all services of £9,450 (2017 - £9,250) and £7,150 (2017 - £2,484) in relation to other legal and professional fees.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	460,337	360,714
Auditor's remuneration - audit	8,300	8,200
Auditor's remuneration - other services	1,150	1,050

REACH ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,141,798	2,460,120
Social security costs	309,473	256,458
Operating costs of defined benefit pension schemes	548,993	420,594
	<u>4,000,264</u>	<u>3,137,172</u>
Agency staff costs	52,596	174,528
Staff restructuring costs	-	25,000
Pension finance cost	23,000	9,000
	<u><u>4,075,860</u></u>	<u><u>3,345,700</u></u>

Staff restructuring costs comprise:

Severance payments	-	25,000
	<u><u>-</u></u>	<u><u>25,000</u></u>

b. Non-statutory/non-contractual staff severance payments

During the year, no non-statutory severance payments were made (2017 - £25,000 was made to one staff member).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	49	44
Administration and support	48	44
Management	8	11
	<u>105</u>	<u>99</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	2	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £24,765 (2017 - £23,896).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

e. Key management personnel

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 national insurance and employer pension contributions) attributable to the Key Management Personnel for their services to the Academy Trust was £195,778 (2017 - £188,906).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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:

		2018	2017
		£	£
E Vainker, 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	70,000-75,000	65,000-70,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Governors received any reimbursement of expenses (2017 - £Nil).

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

	2018	2017
	£	£
Interest income on pension scheme assets	12,000	6,000
Interest on pension scheme liabilities	(35,000)	(15,000)
	(23,000)	(9,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and equipment £	Total £
Cost			
At 1 September 2017	18,810,636	707,121	19,517,757
Additions	-	37,147	37,147
At 31 August 2018	18,810,636	744,268	19,554,904
Depreciation			
At 1 September 2017	514,269	541,936	1,056,205
Charge for the year	313,510	146,827	460,337
At 31 August 2018	827,779	688,763	1,516,542
Net book value			
At 31 August 2018	17,982,857	55,505	18,038,362
At 31 August 2017	18,296,367	165,185	18,461,552

14. DEBTORS

	2018 £	2017 £
Trade debtors	12,400	1,098
Other debtors	36,846	36,907
Prepayments and accrued income	99,944	159,054
	149,190	197,059

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,724	63,596
Other taxation and social security	76,131	69,249
Other creditors	10,963	12,000
Accruals and deferred income	209,284	163,940
	300,102	308,785

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	50,565	36,068
Resources deferred during the year	123,056	50,655
Amounts released from previous years	(50,565)	(36,068)
	<hr/>	<hr/>
Deferred income at 31 August 2018	123,056	50,655
	<hr/>	<hr/>

At the balance sheet date the Academy Trust was holding funds received in advance of the 2018/19 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 2018

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	72,575	536,980	(370,835)	(10,133)	-	228,587
Restricted general funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted funds	185,847	4,660,433	(4,817,725)	(14,555)	-	14,000
Pension reserve	(921,000)	-	(154,000)	-	218,000	(857,000)
	<u>(735,153)</u>	<u>4,660,433</u>	<u>(4,971,725)</u>	<u>(14,555)</u>	<u>218,000</u>	<u>(843,000)</u>
Restricted fixed asset funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Net book value of fixed assets	18,461,552	12,459	(460,337)	24,688	-	18,038,362
Total restricted funds	<u>17,726,399</u>	<u>4,672,892</u>	<u>(5,432,062)</u>	<u>10,133</u>	<u>218,000</u>	<u>17,195,362</u>
Total of funds	<u>17,798,974</u>	<u>5,209,872</u>	<u>(5,802,897)</u>	<u>-</u>	<u>218,000</u>	<u>17,423,949</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.

REACH ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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)
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)	-	-
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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,038,362	18,038,362
Current assets	221,277	321,412	-	542,689
Creditors due within one year	-	(300,102)	-	(300,102)
Defined benefit pension scheme liability	-	(857,000)	-	(857,000)
	<u>228,587</u>	<u>(843,000)</u>	<u>18,038,362</u>	<u>17,423,949</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(593,025)	(156,142)
Adjustment for:		
Depreciation charges	460,337	360,714
Investment income	(351)	(949)
Decrease in stocks	-	499
Decrease/(increase) in debtors	47,869	(48,052)
(Decrease)/increase in creditors	(8,683)	6,329
Capital grants from DfE and other capital income	(12,459)	(348,447)
Defined benefit pension scheme cost less contributions payable	131,000	113,000
Defined benefit pension scheme finance cost	23,000	9,000
Net cash provided by/(used in) operating activities	<u>47,688</u>	<u>(64,048)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	393,499	370,148
Total	<u>393,499</u>	<u>370,148</u>

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £446,000 (2017 - £373,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £143,000 (2017 - £76,000), of which employer's contributions totalled £103,000 (2017 - £54,000) and employees' contributions totalled £40,000 (2017 - £22,000). The agreed contribution rates for future years are 15.7% 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:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	21.5	21.4
Females	25.2	25.1
Retiring in 20 years		
Males	23.7	23.6
Females	27.5	27.4

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

Sensitivity analysis	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	(39)	(37)
Discount rate -0.1%	41	38
Mortality assumption - 1 year increase	46	42
Mortality assumption - 1 year decrease	(44)	(41)
CPI rate +0.1%	6	8
CPI rate -0.1%	(6)	(8)

The above table reflects the movement in the present value of total obligation.
The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	350,000	264,000
Gilts	28,000	14,000
Other bonds	46,000	46,000
Property	28,000	20,000
Cash and other liquid assets	14,000	6,000
Absolute return portfolio	105,000	59,000
Total market value of assets	571,000	409,000

The actual return on scheme assets was £19,000 (2017 - £32,000).

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

	2018 £	2017 £
Current service cost	(234,000)	(167,000)
Interest income	12,000	6,000
Interest cost	(35,000)	(15,000)
Total	(257,000)	(176,000)

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

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

	2018 £	2017 £
Opening defined benefit obligation	1,330,000	682,000
Current service cost	234,000	167,000
Interest cost	35,000	15,000
Employee contributions	40,000	22,000
Actuarial (gains)/losses	(211,000)	444,000
	<u>1,428,000</u>	<u>1,330,000</u>
Closing defined benefit obligation	<u>1,428,000</u>	<u>1,330,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	409,000	251,000
Interest income	12,000	6,000
Actuarial losses	7,000	76,000
Employer contributions	103,000	54,000
Employee contributions	40,000	22,000
	<u>571,000</u>	<u>409,000</u>
Closing fair value of scheme assets	<u>571,000</u>	<u>409,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	6,700	1,600
Between 1 and 5 years	11,800	3,200
	<u>18,500</u>	<u>4,800</u>
Total	<u>18,500</u>	<u>4,800</u>

22. RELATED PARTY TRANSACTIONS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. 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.