

COMPANY REGISTRATION NO. 08452281 (ENGLAND AND WALES)

**REACH2 ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

# REACH2 ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAIL For the Year Ended 31 August 2017

---

|  | <b>Page</b> |
|--|-------------|
| Reference and administrative details   | 2           |
| Trustees' report   | 6           |
| Governance statement   | 25          |
| Statement on regularity, propriety and compliance  | 29          |
| Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements | 30          |
| Independent auditor's report to the members of Reach2 Academy Trust  | 31          |
| Independent reporting accountant's report on regularity  | 33          |
| Statement of financial activities including income and expenditure account                                     | 35          |
| Balance sheet  | 36          |
| Statement of cash flows  | 37          |
| Notes to the accounts including accounting policies  | 38          |

## REACH2 ACADEMY TRUST

### REFERENCE AND ADMINISTRATIVE DETAIL For the Year Ended 31 August 2017

---

|                           |  |
|---------------------------|--|
| Company Members           | Jeremy King<br>Roger Pryce<br>RT Reverend David Rossdale<br>Peter Little   |
| Company Trustees          | Dr Louise Askew<br>Antony Gilbey<br>Rowena Hackwood (Resigned 11 July 2017)<br>Christopher Kane<br>Jeremy King (Newly appointed Chair)<br>Sir Steve Lancashire (Accounting Officer)<br>Peter Little (Chair - Resigned 16 November 2017)<br>Michael Peters<br>Victoria Pigott<br>Colin Powell<br>Gavin Robert<br>Clive Rockingham<br>Rt Reverend David Rossdale (Resigned 13 December 2016)<br>Mark Taylor (Resigned 11 July 2017)<br>Clare Walsh (Resigned 23 November 2017) |
| Executive Leadership team | Sir Stephen Lancashire<br>Catherine Paine<br>Katherine Alexander   |

## REACH2 ACADEMY TRUST

### REFERENCE AND ADMINISTRATIVE DETAIL For the Year Ended 31 August 2017

The REAch2 Academy Trust includes the following academies, all of which have Local Governing Bodies (LGB's) or Transition Boards (TB's):

- ❖ **Aerodrome Primary Academy** - Goodwin Road, Croydon, CR0 4EJ **Headteacher:** Zoe Foulsham
- ❖ **Beccles Primary Academy** - Ellough Road, Beccles, Suffolk, NR34 7AB **Headteacher:** Heather Thorn
- ❖ **Brampton Primary Academy** - Brampton Road, Bexleyheath, Kent, DA7 4SL **Headteacher:** Gemma Clarke
- ❖ **Broadmead Primary Academy** - 366 Sydenham Road, Croydon, Surrey, CR0 2EA, **Headteacher:** Sarah Findlay-Cobb - left the Trust 1<sup>st</sup> April 2017
- ❖ **Burrsville Infant Academy** - Craigfield Avenue, Clacton-On-Sea, Essex, C015 **Headteacher:** Katie Siggery
- ❖ **Bushbury Lane Academy** – Ripon Road, Wolverhampton, WV10 9TR **Headteacher:** Kate Benton- joined the Trust 1<sup>st</sup> March 2017
- ❖ **Camulos Academy** - Whitmore Drive, Via Urbis Romanea, Colchester, CO4 6AL **Headteacher:** Daryl Power
- ❖ **Castle Hill Academy**, Dunley Drive, New Addington, Croydon CR0 0RJ **Headteacher:** Victoria Buckland - left the Trust 1<sup>st</sup> September 2017
- ❖ **Chapel End Junior Academy** - Roberts Road, Walthamstow, London, E17 4LS **Headteacher:** James Kenyon
- ❖ **Chigwell Primary Academy** - 50 High Road, Chigwell, Essex IG7 6DW **Headteacher:** Elaine Brook
- ❖ **Civitas Academy** - 9 North Street Reading Berkshire RG1 7DA **Headteacher:** Salima Ducker
- ❖ **Concordia Academy** - Westland Avenue, Hornchurch, Essex, RM11 3SD **Headteacher:** Raheel Akhtar
- ❖ **Copperfield Academy** - Dover Road East, Gravesend, Kent DA 11 0RB **Headteacher:** Kevin Holmes
- ❖ **Dorothy Barley** - Ivinghoe Road, Dagenham, Essex, RM8 2NB **Headteacher:** Cathy Leicester
- ❖ **Eastbrook Primary Academy** - Manor Hall Road, Southwick, West Sussex BN42 4NF **Headteacher:** Julia Sherlock
- ❖ **Five Spires Academy** - Cherry Orchard, Lichfield, Staffordshire WS14 9AN **Headteacher:** Helen Bye
- ❖ **Garden City Academy** - Radburn Way, Letchworth Garden City, Hertfordshire, SG6 2JZ **Headteacher:** Jenny Redgrove
- ❖ **Gunton Primary Academy** - Gainsborough Drive, Lowestoft, Suffolk, NR32 4LX **Headteacher:** Matthew Jordan
- ❖ **Heath Hayes Primary Academy** - Wimblebury Road, Heath Hayes, Staffordshire, WS12 2EP **Headteacher:** Becky Graham
- ❖ **Kemsley Primary Academy** - Coldharbour Lane, Kemsley, Kent ME10 2RP, United Kingdom **Headteacher:** Cathryn Andrews
- ❖ **Kirby Primary Academy** - Halstead Road, Kirby Cross, Essex, CO13 1LW **Headteacher:** Charlotte Booth-Rylett
- ❖ **Langtons Junior Academy** - Westland Avenue, Hornchurch, Essex, RM11 3SD **Headteacher:** Elaine Brook
- ❖ **Lawley Village Academy** - Bryce Way, Lawley Village, Telford, TF4 2SG **Headteacher:** Laura Hopley
- ❖ **Manor Park Primary Academy** - Church Lane, Aston, Birmingham, B6 5UQ **Headteacher:** Mark Wilson
- ❖ **Martlesham Primary Academy** - Black Tiles Lane, Martlesham, Woodbridge, Suffolk, IP12 4SS, **Headteacher:** Emma Churchman
- ❖ **Milton Court Primary Academy** - Milton Regis, Sittingbourne, Kent, ME10 2EE **Headteacher:** Anthony Cosans
- ❖ **Minerva Academy** - 157 Edgware Road, London, W2 2HR **Headteacher:** Sharon Daniel -relocated to 33-35 Praed Street, London W2 1NR 1<sup>st</sup> September 2017
- ❖ **Moor Green Primary Academy** - Moor Green Lane, Mosely, Birmingham, B13 8QB **Headteacher:** Nicola Fisher
- ❖ **Northfield St Nicholas Primary** - St Margaret's Road, Lowestoft, Suffolk, NR32 4HN **Headteacher:** Simon Wood
- ❖ **Norton Canes Primary Academy** - School Road, Norton Canes, Staffordshire, WS11 9SQ **Headteacher:** Karen Amos
- ❖ **Oakfield Primary School** - Oakfield Road, Rugby, Warwickshire, CV22 6AU **Headteacher:** Gerry Croft
- ❖ **Pemberley Academy** - Hester Mews, Hodings Rd, Harlow CM20 1NW **Headteacher:** Sarah Rees
- ❖ **Phoenix St. Peter Academy** - Enstone Road, Lowestoft, Suffolk, NR33 0NE **Headteacher:** Nadia Paczuska

## REACH2 ACADEMY TRUST

### REFERENCE AND ADMINISTRATIVE DETAIL For the Year Ended 31 August 2017

- ❖ **Purfleet Primary Academy** - Tank Hill Rd, Purfleet on Thames, Essex, RM19 1TA **Headteacher:** Lesley Mabey
- ❖ **Racemeadow Primary Academy** - Ratcliffe Road, Atherstone, Warwickshire, CV9 1LT **Headteacher:** Joanna Collinson
- ❖ **Ranikhet Primary School** - Spey Road, Tilehurst, Reading, Berkshire, RG30 4ED **Headteacher:** Fiona Chapman
- ❖ **Riverside Academy** - Newbold Road, Newbold-on-Avon, Warwickshire, CV21 1EH **Headteacher:** Sue Dutton
- ❖ **Robert Fitzroy Academy** - 80 Brampton Rd, Croydon, Greater London CR0 6JN **Headteacher:** Michelle Rosemond
- ❖ **Scientia Academy** - Mona Road, Burton-upon-Trent, Staffordshire, DE13 0UF **Headteacher:** Yateen Bhoola
- ❖ **Silkmore Primary Academy** - Exeter St, Stafford ST17 4EG **Headteacher:** Sarah Mills
- ❖ **Springhill Primary Academy** - Mossbank Avenue, Burntwood, Staffordshire, WS7 4UN **Headteacher:** Sarah Mills
- ❖ **Sir Martin Frobisher Academy** - Frobisher Drive, Jaywick, Clacton-on-Sea, Essex CO15 2QH **Headteacher:** David Girdlestone
- ❖ **Sprites Primary Academy** - Stonechat Road, Ipswich, Suffolk, IP2 0SA **Headteacher:** Shaun Valentine
- ❖ **St Margaret's Primary Academy** - Church Road, Lowestoft, Suffolk, NR32 4JF **Headteacher:** Rebecca Clarke
- ❖ **St Marks CofE Primary Academy** - Albert Road, South Norwood, London, SE25 4JD **Headteacher:** Kate Wilson
- ❖ **The Globe Primary Academy** - Irene Avenue, Lancing, West Sussex BN15 9NZ **Headteacher:** Ricky Leigh
- ❖ **The Palmer Academy** - 70 Northumberland Ave, Whitley, Reading, RG2 7PP **Headteacher:** Dominic Prendergast
- ❖ **The Woodside Academy** - Barrett Rd, London E17 3ND **Headteacher:** Shane Tewes
- ❖ **Tidemill Academy** - 11 Giffin Street, Deptford, London, SE8 4RJ **Headteacher:** Lorraine Stewart
- ❖ **Tymerwood Academy** - Cerne Road, Gravesend, Kent DA12 4BN **Headteacher:** Matthew Clark
- ❖ **Unity Primary Academy** - Hickory Avenue, Colchester, Essex CO4 3QJ **Headteacher:** Sinead Harper
- ❖ **Veritas Academy** - Weston Road, Stafford, Staffordshire ST18 0AD **Headteacher:** Angela Kerr
- ❖ **Water Lane Primary Academy** - Broadley Road, Harlow, Essex CM19 5RD **Headteacher:** Charmaine Ward
- ❖ **White Meadows Primary Academy** - Whitelea Road, Littlehampton, Wick, West Sussex BN17 7JL **Headteacher:** Yvonne Kidd
- ❖ **Wilshere Dacre Junior Academy** - Fishponds Road, Hitchin, Hertfordshire SG5 1NS **Headteacher:** Sarah Smith

#### Schools joining the Trust from 01 September 2017

- ❖ **Green Ridge Primary Academy** – President Road, Aylesbury, Buckinghamshire HP18 0YA **Headteacher:** Aaron Wanford
- ❖ **Summerside Primary Academy** – Crossway, Finchley, London N12 0QU **Headteacher:** Nadine Lewis

## REACH2 ACADEMY TRUST

### REFERENCE AND ADMINISTRATIVE DETAIL For the Year Ended 31 August 2017

#### Other Administrative Information

##### **Registered Office and Head Office:**

Reach2 Academy Trust  
C/O Scientia Academy  
Mona Road  
Burton Upon Trent  
Staffordshire  
DE13 0UF

**Company Registration Number:** 08452281 (England and Wales)

**Auditors:** KPMG UK  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2016 - 31 August 2017. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Academy Trust operated 55 primary academies across the UK. Its academies have a combined pupil capacity of 19,565 and a roll of 16,665 on the school census on 31 October 2016.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of REA ch2 Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as REA ch2 Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

#### **Members' Liability**

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

#### **Trust Indemnities**

All academies within the Academy Trust have opted into the academies risk protection arrangement (RPA) <https://www.gov.uk/government/publications/risk-protection-arrangement-rpa-for-academies/academies-riskprotection-arrangement-rpa>

RPA cover applies to the central infrastructure of the MAT as well as the individual academies. The RPA provides indemnity for Trustees to a maximum aggregated value of £10 million during any one membership year.

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

### Method of Recruitment and Appointment of Trustees

The management of the Trust is the responsibility of the Trustees who are appointed and co-opted under the terms of the articles of association and funding agreement. The recruitment and succession planning of Trustees must match REAch2 Academy Trust's vision for the next five years. The skills profile of the Board must reflect the governance needs of the Trust.

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

1. Leadership and Policy
2. Education Performance and Curriculum
3. Finance
4. Risk and Audit
5. Constitutional Governance
6. Strategic Partnerships, External Relationships and Public Relationships
7. Engagements with internal stakeholders
8. Human Resources
9. Estates and Property
10. Health, safety and safeguarding
11. Change management

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

#### **1. Create and distribute Trustee person specification**

A person specification is developed, setting out the 'Roles and Responsibilities' and desired skills / experience required of a new REAch2 Trustee – whether appointed by Members or co-opted by Trustees. The person specification is advertised through 'Academy Ambassadors' to create an open and transparent competition for trustee appointments. Additional information, such as the five-year strategy, may be provided to interested candidates.

#### **2. Shortlisting and Interview**

At least one Member will review applications and shortlist to a preferred set of candidates.

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

In cases of co-opted Trustees, a Member is not required to participate in this process, and the shortlisting and interviews may be carried out by Trustees.

#### **3. Final selection**

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

Feedback from Trustees, together with interview outcomes from the interview panel will then be used to inform final selection.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

#### 4. Decision and appointment to REAch2 Board

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

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

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

During the period under review, the Trustees were in attendance at six trust board meetings. The training and induction provided for new governors will depend on their experience. An induction meeting is undertaken to provide training on charity and educational, legal and financial matters. This series of meetings also sets out the strategy and objectives of the Trust along with the values and vision. All new trustees are given a tour of at least one of the academies in the group, and a chance to meet with staff and students. All trustees are provided with copies of the Trust policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the Trust. On-going governance reviews and training programs are encouraged for all trustees to ensure they continue to make an effective contribution and are keeping up to date with changes in legislation.

#### **Arrangements for setting pay and remuneration of key management personnel**

When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation it was proposed that job roles should be banded relative to the average newly qualified teachers starting salary. The highest paid role will not exceed ten times that of a newly qualified teacher. In the academic year 2016 / 17 the average annual salary of a newly qualified teacher across the trust was £23,547.

An annual benchmarking exercise takes place across other Multi-Academy Trusts in particular covering the more senior roles.

#### **Related Parties and other Connected Charities and Organisations**

REAch2 Academy Trust has strong collaborative links with Reach South Academy Trust. This relationship is defined through a Memorandum of Understanding that both Trusts approved. A member of Reach South Academy Trust, Peter Little, is also a member of REAch2 Academy Trust. A Trustee of Reach South Academy is the CEO of REAch2.

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

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

During the academic year Astrea Academy Trust (formerly Reach4 Academy Trust), had a relationship with REAch2 Academy Trust through a defined Memorandum of Understanding that both Trusts had approved. On 31<sup>st</sup> March 2017 the formal arrangements between the two Trusts expired and both Trusts began operating independently.

On February 2014, a trading company was established, REAch2 Inspiration Ltd. REAch2 Inspiration Ltd is wholly owned by REAch2 academy Trust. REAch2 Inspiration Ltd fully complies with the provision of services "at cost" principle, as any surpluses generated by the company would belong to the Multi Academy Trust. The purpose for establishing REAch2 Inspiration Ltd is to allow a supply of the highest quality 'in house' services, at a low cost to our academies, ensuring budgets are optimised to benefit the education of children within REAch2 Academies and hence providing best value.

## **REACH2 ACADEMY TRUST**

### **TRUSTEES REPORT**

**For the Year Ended 31 August 2017**

#### **Objectives and Activities**

##### **Objects and Aims**

The principle object and activity of the charitable company is to advance educational benefit by providing a broad and balanced education for primary pupils of all abilities in the UK.

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

In accordance with the articles of association the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy. The scheme of government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the Academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of the individual pupils including pupils with special educational needs (SEN).

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

The key objectives during the academic year are listed below

- Improve the outcomes and provision for all children in all of our schools: Reach First
- Improve the efficiency and effectiveness of the Trust operating model: Reach In
- Improve the effectiveness of teams and individuals to meet the changing needs of the Trust: Reach Out
- Strengthen the long-term sustainability of the trust: Reach Further

The Academy's vision is to build an ethos of:

- Every child is capable of extraordinary achievement.
- For any child to realise their inner potential, they need an environment and adult role models that support their love and enjoyment of learning.
- Every child has an absolute right to an equal opportunity to flourish in a REACh2 academy.
- Our pupils will develop the skills, knowledge and attitude to realise their own dreams through a positive contribution to their community and wider society.
- Self-realisation and positive contribution stem from a confidence and strength in one's own identity that allows us to embrace and respect the identity of other individuals and groups in our community and wider society.
- The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. We need to teach our children to be able to contribute to achieving that sustainability as adults.
- It is the responsibility of all of the adult staff in REACh2 Academy to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.
- It is the responsibility of each REACh2 Academy to reach out and raise and support the aspiration of their community to believe in their children's potential.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

The main activities for achieving objectives the academy will undertake will be:

- The accountability of the academy will be strengthened by the review and on-going development of new and existing policies and procedures
- The Academy Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, internal audit, external audit. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: school leadership development and training, business and administration, policy development, school and staff performance management, risk management, governance support and training, estates strategic management and capital improvement, media and publicity management, crisis management and health and safety. The academy trust retains a percentage of each academy's monthly ESFA income in order to provide these services. The percentage retention for the period to 31<sup>st</sup> August 2017 was 5.5%.
- Continuing to invest in its staff through investments and training programs to provide exceptional opportunities for learning for our children.
- Ensuring that pupils are offered a variety of experiences through out their primary years. This is best exemplified through our innovative commitment of 11 before 11, which includes a range of experiences that are designed to inspire and stretch children.

#### Public Benefit

In setting the objectives, the Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties.

This has been considered when reviewing the Academy Trusts aims and objectives and in planning any future activities.

The main public benefit delivered by the trust is the provision of high quality education to its pupils, which will be evidenced from feedback from external assessments. The Academy Trust has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission.

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

### Achievements and Performance

#### Early Years and Key Stage 1 Performance and Achievements

| Academy Name                           | Date Joined Trust | Academy type  | GLD 2017 | Y1 Phonics | Y2 Phonics (Cumulative) 2017 | Y2 Reading 2017 | Y2 Writing 2017 | Y2 Maths 2017 |
|--|-------------------|---------------|----------|------------|------------------------------|-----------------|-----------------|---------------|
| Aerodrome Primary Academy              | 01/12/12          | Converter     | 71%      | 71%        | 78%                          | 67%             | 62%             | 68%           |
| Beccles Primary Academy                | 01/07/15          | Sponsored     | 70%      | 82%        | 90%                          | 57%             | 57%             | 57%           |
| Brampton Primary Academy               | 01/07/14          | Converter     | 71%      | 72%        | 85%                          | 72%             | 52%             | 68%           |
| Broadmead Primary Academy              | 01/06/14          | Sponsored     | N/A      | N/A        | N/A                          | N/A             | N/A             | N/A           |
| Bursville Infant Academy               | 01/12/13          | Sponsored     | 80%      | 87%        | 98%                          | 69%             | 58%             | 73%           |
| Bushbury Primary Academy               | 01/03/17          | Sponsored     | N/A      | N/A        | N/A                          | N/A             | N/A             | N/A           |
| Camulos Academy                        | 01/09/16          | New Provision | 75%      | 73%        | 100%                         | 83%             | 71%             | 83%           |
| Castle Hill Academy                    | 01/11/13          | Sponsored     | 37%      | 64%        | 48%                          | 43%             | 31%             | 48%           |
| Chapel End Junior Academy              | 01/04/13          | Sponsored     | NA       | NA         | NA                           | NA              | NA              | NA            |
| Chigwell Primary Academy               | 01/09/15          | Sponsored     | 91%      | 83%        | 96%                          | 78%             | 78%             | 85%           |
| Civitas Academy                        | 01/09/15          | New Provision | 66%      | 83%        | NA                           | NA              | NA              | NA            |
| Concordia Academy                      | 01/09/16          | Free School   | 80%      | NA         | NA                           | NA              | NA              | NA            |
| Copperfield Academy                    | 01/11/13          | Sponsored     | 17%      | 71%        | 90%                          | 32%             | 32%             | 40%           |
| Dorothy Barley Junior Academy          | 01/06/14          | Sponsored     | NA       | NA         | NA                           | NA              | NA              | NA            |
| Eastbrook Primary Academy              | 01/09/13          | Sponsored     | 67%      | 78%        | 92%                          | 75%             | 64%             | 66%           |
| Five Spires Academy                    | 01/09/15          | New Provision | 79%      | NA         | NA                           | NA              | NA              | NA            |
| Garden City Academy                    | 01/09/12          | Sponsored     | 71%      | 78%        | 100%                         | 71%             | 71%             | 77%           |
| Guntton Primary Academy                | 01/10/15          | Sponsored     | 76%      | 87%        | 95%                          | 73%             | 71%             | 78%           |
| Heath Hayes Academy                    | 01/01/14          | Sponsored     | 82%      | 74%        | 73%                          | 54%             | 50%             | 63%           |
| Kemsley Primary Academy                | 01/04/13          | Sponsored     | 70%      | 87%        | 80%                          | 63%             | 60%             | 74%           |
| Kirby Primary Academy                  | 01/10/13          | Sponsored     | 78%      | 65%        | 84%                          | 48%             | 48%             | 26%           |
| Langtons Junior Academy                | 01/04/13          | Sponsored     | NA       | NA         | NA                           | NA              | NA              | NA            |
| Lawley Village Academy                 | 01/09/15          | New Provision | 84%      | 87%        | NA                           | NA              | NA              | NA            |
| Manor Park Primary School              | 01/02/16          | Sponsored     | 71%      | 77%        | 79%                          | 65%             | 61%             | 78%           |
| Martlesham Primary Academy             | 01/04/16          | Sponsored     | 70%      | 83%        | 100%                         | 43%             | 29%             | 29%           |
| Milton Court Primary Academy           | 01/04/13          | Sponsored     | 59%      | 33%        | 83%                          | 64%             | 64%             | 70%           |
| Minerva Academy                        | 01/09/14          | Free School   | 60%      | 79%        | 89%                          | 83%             | 61%             | 69%           |
| Moor Green Primary                     | 01/09/15          | Sponsored     | 76%      | 75%        | 75%                          | 62%             | 58%             | 67%           |
| Northfield St Nicholas Primary Academy | 01/07/15          | Sponsored     | 67%      | 76%        | 98%                          | 77%             | 70%             | 80%           |
| Norton Canes Primary Academy           | 01/01/14          | Sponsored     | 53%      | 84%        | 97%                          | 81%             | 81%             | 78%           |
| Oakfield Primary School                | 01/11/12          | Sponsored     | 71%      | 71%        | 86%                          | 79%             | 75%             | 71%           |
| Pemberley Academy                      | 01/09/15          | Sponsored     | 73%      | 77%        | 100%                         | 75%             | 71%             | 85%           |
| Phoenix St Peter Academy               | 01/08/15          | Sponsored     | 58%      | 70%        | 92%                          | 85%             | 65%             | 61%           |
| Purfleet Primary Academy               | 01/04/13          | Sponsored     | 87%      | 97%        | 97%                          | 85%             | 82%             | 86%           |
| Racemeadow Primary Academy             | 01/11/13          | Sponsored     | 70%      | 84%        | 96%                          | 78%             | 70%             | 70%           |
| Ranikhet Academy                       | 01/11/15          | Sponsored     | 62%      | 93%        | 90%                          | 73%             | 78%             | 80%           |
| Riverside Academy                      | 01/11/12          | Sponsored     | 76%      | 83%        | 90%                          | 72%             | 72%             | 72%           |
| Scientia Academy                       | 01/09/13          | New Provision | 76%      | 93%        | 93%                          | 82%             | 80%             | 90%           |
| Silkmere Primary Academy               | 01/07/15          | Sponsored     | 80%      | 90%        | 91%                          | 82%             | 82%             | 82%           |
| Sir Martin Frobisher Academy           | 01/09/16          | Sponsored     | 63%      | 82%        | 78%                          | 69%             | 59%             | 65%           |
| Springhill Academy                     | 01/01/14          | Sponsored     | 69%      | 83%        | 100%                         | 91%             | 66%             | 91%           |
| Sprites Primary Academy                | 01/07/15          | Sponsored     | 78%      | 73%        | 96%                          | 72%             | 56%             | 82%           |
| St Margaret's Primary Academy          | 01/07/15          | Sponsored     | 72%      | 75%        | 97%                          | 75%             | 68%             | 78%           |
| St. Mark's CoFE Primary School         | 01/09/14          | Sponsored     | 67%      | 64%        | 88%                          | 88%             | 71%             | 71%           |
| The Globe Primary Academy              | 01/11/14          | Sponsored     | 76%      | 86%        | 96%                          | 73%             | 65%             | 73%           |
| The Palmer Academy                     | 01/09/13          | Sponsored     | 66%      | 80%        | 92%                          | 80%             | 75%             | 80%           |
| The Robert Fitzroy Academy             | 01/09/12          | Sponsored     | 66%      | 83%        | 92%                          | 71%             | 68%             | 70%           |
| The Woodside Primary Academy           | 01/12/12          | Sponsored     | 68%      | 81%        | 91%                          | 69%             | 77%             | 78%           |
| Tidemill Academy                       | 01/09/13          | Converter     | 63%      | 73%        | 98%                          | 76%             | 67%             | 73%           |
| Tymberwood Academy                     | 01/02/14          | Sponsored     | 65%      | 78%        | 84%                          | 74%             | 64%             | 74%           |
| Unity Primary Academy                  | 01/09/14          | Sponsored     | 76%      | 70%        | 87%                          | 60%             | 32%             | 60%           |
| Veritas Primary Academy                | 01/09/15          | New Provision | 74%      | 79%        | 97%                          | 86%             | 86%             | 86%           |
| Water Lane Primary Academy             | 01/09/14          | Sponsored     | 76%      | 83%        | 92%                          | 79%             | 71%             | 79%           |
| White Meadows Primary Academy          | 01/04/14          | Converter     | 62%      | 81%        | 91%                          | 67%             | 58%             | 61%           |
| Wilshere-Dacre Junior Academy          | 01/03/14          | Sponsored     | NA       | NA         | NA                           | NA              | NA              | NA            |

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

### Key Stage 2 Performance and Achievements

| Academy Name                           | Date Joined Trust | Academy type  | Expected Standard % |                  |                  |                | Progress              |                       |                     |
|--|-------------------|---------------|---------------------|------------------|------------------|----------------|-----------------------|-----------------------|---------------------|
|  |                   |               | KS2 Combined 2017   | KS2 Reading 2017 | KS2 Writing 2017 | KS2 Maths 2017 | Reading Progress 2017 | Writing Progress 2017 | Maths Progress 2017 |
| Aerodrome Primary Academy              | 01/12/12          | Converter     | 53%                 | 53%              | 73%              | 72%            | -0.2                  | 1.4                   | 1.4                 |
| Beccles Primary Academy                | 01/07/15          | Sponsored     | 36%                 | 42%              | 72%              | 57%            | -3.2                  | 2.8                   | -1.5                |
| Brampton Primary Academy               | 01/07/14          | Converter     | 49%                 | 59%              | 74%              | 59%            | -2.8                  | -0.3                  | -3.1                |
| Broadmead Primary Academy              | 01/06/14          | Sponsored     | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Burrsville Infant Academy              | 01/12/13          | Sponsored     | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Bushbury Lane Primary Academy          | 01/03/17          | Sponsored     | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Camulos Academy                        | 01/09/16          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Castle Hill Academy                    | 01/11/13          | Sponsored     | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Chapel End Junior Academy              | 01/04/13          | Sponsored     | 61%                 | 69%              | 92%              | 76%            | -1.1                  | 1.9                   | -0.6                |
| Chigwell Primary Academy               | 01/09/15          | Sponsored     | 82%                 | 91%              | 91%              | 91%            | -0.7                  | 0.5                   | 0.7                 |
| Civitas Academy                        | 01/09/15          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Concordia Academy                      | 01/09/16          | Free School   | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Copperfield Academy                    | 01/11/13          | Sponsored     | 41%                 | 55%              | 56%              | 58%            | -0.8                  | -0.6                  | -0.6                |
| Dorothy Barley Junior Academy          | 01/06/14          | Sponsored     | 48%                 | 58%              | 60%              | 60%            | -3.1                  | -3.8                  | -2.9                |
| Eastbrook Primary Academy              | 01/09/13          | Sponsored     | 71%                 | 80%              | 81%              | 88%            | 0.7                   | 0.2                   | 0.8                 |
| Five Spires Academy                    | 01/09/15          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Garden City Academy                    | 01/09/12          | Sponsored     | 37%                 | 57%              | 67%              | 67%            | 0.0                   | 1.1                   | 0.8                 |
| Gunton Primary Academy                 | 01/10/15          | Sponsored     | 51%                 | 65%              | 76%              | 68%            | -2.3                  | 0.7                   | -2.0                |
| Heath Hayes Academy                    | 01/01/14          | Sponsored     | 59%                 | 64%              | 82%              | 70%            | 0.2                   | 1.0                   | -0.2                |
| Kemsley Primary Academy                | 01/04/13          | Sponsored     | 68%                 | 77%              | 74%              | 74%            | 1.0                   | 0.1                   | 0.6                 |
| Kirby Primary Academy                  | 01/10/13          | Sponsored     | 58%                 | 71%              | 71%              | 71%            | 0.6                   | 0.5                   | -0.9                |
| Langtons Junior Academy                | 01/04/13          | Sponsored     | 57%                 | 72%              | 87%              | 65%            | -1.6                  | 1.1                   | -2.3                |
| Lawley Village Academy                 | 01/09/15          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Manor Park Primary School              | 01/02/16          | Sponsored     | 43%                 | 45%              | 64%              | 57%            | -0.9                  | 0.4                   | 0.1                 |
| Martlesham Primary Academy             | 01/04/16          | Sponsored     | 58%                 | 80%              | 90%              | 80%            | -2.2                  | -1.1                  | -4.3                |
| Milton Court Primary Academy           | 01/04/13          | Sponsored     | 30%                 | 47%              | 73%              | 50%            | -3.2                  | -1.8                  | -2.8                |
| Minerva Academy                        | 01/09/14          | Free School   | 33%                 | SUPP             | SUPP             | SUPP           | SUPP                  | SUPP                  | SUPP                |
| Moor Green Primary                     | 01/09/15          | Sponsored     | 88%                 | 88%              | 92%              | 88%            | 3.3                   | 1.6                   | 4.0                 |
| Northfield St Nicholas Primary Academy | 01/07/15          | Sponsored     | 19%                 | 35%              | 64%              | 42%            | -4.3                  | 1.1                   | -4.3                |
| Norton Canes Primary Academy           | 01/01/14          | Sponsored     | 41%                 | 59%              | 62%              | 53%            | -4.4                  | -2.3                  | -4.1                |
| Oakfield Primary School                | 01/11/12          | Sponsored     | 52%                 | 66%              | 59%              | 69%            | 1.7                   | -1.4                  | 2.2                 |
| Pemberley Academy                      | 01/09/15          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Phoenix St Peter Academy               | 01/08/15          | Sponsored     | 36%                 | 52%              | 52%              | 52%            | -2.3                  | -6.2                  | -2.4                |
| Purfleet Primary Academy               | 01/04/13          | Sponsored     | 56%                 | 63%              | 67%              | 75%            | -0.9                  | -0.3                  | 0.9                 |
| Racemeadow Primary Academy             | 01/11/13          | Sponsored     | 62%                 | 73%              | 65%              | 69%            | -0.3                  | -1.0                  | -0.6                |
| Ranikhet Academy                       | 01/11/15          | Sponsored     | 58%                 | 58%              | 74%              | 79%            | 0.8                   | 5.2                   | 7.2                 |
| Riverside Academy                      | 01/11/12          | Sponsored     | 70%                 | 73%              | 77%              | 70%            | -3.8                  | -2.2                  | -3.1                |
| Scientia Academy                       | 01/09/13          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| Silkmere Primary Academy               | 01/07/15          | Sponsored     | 72%                 | 76%              | 76%              | 84%            | 3.7                   | 3.0                   | 3.7                 |
| Sir Martin Frobisher Academy           | 01/09/16          | Sponsored     | 30%                 | 45%              | 67%              | 43%            | -3.8                  | -6.6                  | -2.5                |
| Springhill Academy                     | 01/01/14          | Sponsored     | 48%                 | 59%              | 59%              | 59%            | -1.0                  | -1.5                  | -1.8                |
| Sprites Primary Academy                | 01/07/15          | Sponsored     | 44%                 | 65%              | 78%              | 64%            | -2.2                  | 0.8                   | -3.2                |
| St Margaret's Primary Academy          | 01/07/15          | Sponsored     | 34%                 | 50%              | 70%              | 48%            | -2.9                  | -0.8                  | -4.1                |
| St. Mark's CofE Primary School         | 01/09/14          | Sponsored     | 40%                 | 60%              | 75%              | 55%            | -1.9                  | 0.4                   | -2.8                |
| The Globe Primary Academy              | 01/11/14          | Sponsored     | 55%                 | 64%              | 71%              | 74%            | -1.9                  | -1.9                  | -2.3                |
| The Palmer Academy                     | 01/09/13          | Sponsored     | 36%                 | 40%              | 72%              | 62%            | -2.3                  | 2.1                   | -0.6                |
| The Robert Fitzroy Academy             | 01/09/12          | New Provision | N/A                 | N/A              | N/A              | N/A            | N/A                   | N/A                   | N/A                 |
| The Woodside Primary Academy           | 01/12/12          | Sponsored     | 76%                 | 82%              | 88%              | 94%            | 2.9                   | 4.2                   | 5.0                 |
| Tidemill Academy                       | 01/09/13          | Converter     | 71%                 | 75%              | 83%              | 86%            | 2.0                   | 3.4                   | 2.9                 |
| Tymberwood Academy                     | 01/02/14          | Sponsored     | 66%                 | 66%              | 78%              | 81%            | 0.6                   | 1.9                   | 2.2                 |
| Unity Primary Academy                  | 01/09/14          | Sponsored     | 40%                 | 50%              | 80%              | 68%            | -1.1                  | 3.1                   | 1.3                 |
| Veritas Primary Academy                | 01/09/15          | New Provision | 73%                 | 77%              | 90%              | 90%            | 1.2                   | 2.1                   | 0.6                 |
| Water Lane Primary Academy             | 01/09/14          | Sponsored     | 59%                 | 73%              | 68%              | 64%            | 3.7                   | 3.1                   | 2.5                 |
| White Meadows Primary Academy          | 01/04/14          | Converter     | 49%                 | 69%              | 64%              | 74%            | -1.8                  | -2.8                  | -0.5                |
| Wilshere-Dacre Junior Academy          | 01/03/14          | Sponsored     | 57%                 | 70%              | 83%              | 75%            | -3.2                  | -0.4                  | -2.6                |

\*The floor standard is the minimum standard for pupil attainment and / or progress that the government expects schools to meet. No school will be confirmed as being below the floor until December 2017 when schools' performance tables are published. In 2017, a school will be above the floor if

- at least 65% of pupils meet the expected standard in English reading, English writing and mathematics; or
- the school achieves sufficient progress scores in all three subjects. At least -5 in English reading, -5 in mathematics and -7 in English writing.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

#### REAch2 Summary

The percentage of pupils achieving the expected standard at the end of Key Stage 2 continues to improve and rose by 10% from 43% in 2016 to 53% in 2017

All schools, within REAch2 met the minimum floor standard for Key Stage 2.

At Key Stage 1, 79% of Year 1 pupils achieved the 32-point score standard in phonics across the Trust compared to 78% in 2016.

Cumulatively, 87% of Year 2 pupils achieved the 32-point score standard in phonics across the Trust compared to 82% in 2016.

At the end of Key Stage 1, results in Reading, Writing and Maths all improved from 2016 to 2017 (Reading from 70% in 2016 to 71% in 2017; Writing from 62% in 2016 to 65% in 2017 and Maths from 70% in 2016 to 72% in 2017)

In the Early Years there was also an improving picture with 69% of EYFS REAch2 achieving a good level of development in 2017 compared to 68% in 2016.

73% of academies inspected by Ofsted since joining the Trust are judged to be 'Good or Outstanding' from 17% before conversion.

#### Achievements and Performance

##### Key Performance Indicators

##### Strategic Report

**Aerodrome Primary Academy** opened as a converter academy in December 2012.

Its last inspection, in June 2016, judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS pupils to be improving and in line with the national average. Attainment in KS1 and KS2 in 2017 were below the national average, though have improved from the previous year.

KS2 progress is broadly average in all three subjects.

The quality of teaching is good overall.

Attendance is below the national average though has improved slightly since the previous year.

**Beccles Primary Academy** opened as a sponsored academy in July 2015.

Its last inspection, prior to joining the trust, judged overall effectiveness to be Requires Improvement.

Outcomes in July 2017 showed EYFS pupils to be attaining just below national and KS1 pupils to be well below national. Outcomes for KS2 showed attainment and progress to be below national.

The quality of teaching judged good or better is currently 82%.

Attendance is in-line with national and currently stands at 96%.

**Brampton Primary Academy** opened as a sponsored academy in July 2014.

At the last inspection in Spring 2017, the school was placed into "Special Measures"; outcomes in 2017 showed pupils' attainment and progress to be well below the national average.

In response the Trust has appointed an Executive Headteacher and a Statement of Action has been submitted to OFSTED and found to be fit for purpose.

An HMI Monitoring visit (Autumn term 2017) was very positive and showed that the quality of teaching is improving under the new leadership of both the school and the new Regional Director

Attendance is above national average and currently stands at 97.4%

**Broadmead Primary Academy** joined the Trust in June 2014.

Its previous inspection prior to joining the trust judged overall effectiveness to be "Requires Improvement". In consultation with the Department for Education, on 1<sup>st</sup> April 2017 the school transferred to a local Multi Academy Trust, Pioneer Academy.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

**Burrsville Infant Academy** opened as a sponsored academy in December 2013.

Its most recent inspection in November 2016, judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average and KS1 pupils to be attaining below the national average. The quality of teaching is good and improving, with 100% of teaching judged Good or better. Attendance at the end of 2017 is in line with national at 96%.

**Bushbury Lane Academy** opened as a sponsored academy in March 2017.

Its previous inspection, prior to joining the trust, judged overall effectiveness to be Requires Improvement

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining below the national average; as are KS2 pupils.

A number of staff changes, following conversion has resulted in 63% of teaching is judged good or better outcomes. Attendance is just below national at 95%.

**Camulos Academy** opened as a new provision in September 2016.

It has is yet to be inspected as part of the Trust.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining above the national level.

The quality of teaching is judged as 100% good or better.

Attendance is in line with the national average.

**Castle Hill Academy** joined the Trust in November 2013.

Its most recent inspection judged overall effectiveness to be "Inadequate."

In consultation with the Department for Education, on 1<sup>st</sup> September 2017 the school transferred to a local Multi Academy Trust, Platanos Academy Trust.

**Chapel End Junior Academy** opened as a sponsored academy in April 2013.

Its last inspection, in March 2015, judged overall effectiveness to be Good.

KS2 outcomes were in line with national for combined and above national in Writing and Maths.

The quality of teaching is judged to be Good overall.

Attendance is above the national average.

**Chigwell Primary Academy** opened as a sponsored academy in September 2015.

In its last inspection, before joining the trust, overall effectiveness was judged as Inadequate.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining above the national average.

KS2 outcomes showed pupils to be attaining significantly above national in all subjects.

The quality of teaching is judged as 75% Good or better.

Attendance is in line with the national average.

**Civitas Academy** opened as a new provision in September 2015.

Its EYFS results in July 2017 were below the national average.

The quality of teaching at good or better is 50%. Attendance is above the national average.

**Concordia Academy** opened as a free school in September 2016.

It has is yet to be inspected as part of the Trust.

Its EYFS results in July 2017 were well above the national average.

The quality of teaching is 100% Outstanding overall.

Attendance is in line with the national average.

**Copperfield Academy** opened as a sponsored academy in November 2013.

Its most recent inspection in September 2016, judged overall effectiveness to be Requires Improvement. Internal evaluations by the Trust have raised significant concerns and there has been instability in leadership arrangements over the past year. A new substantive Headteacher took up post in May 2017 and a stable leadership team will be in place for September. The school is being closely supported and monitored.

Outcomes in July 2017 were below national averages in all key stages.

The quality of teaching is consistently Inadequate or Requires Improvement across the school. The new Headteacher has taken swift action and more than a third of teaching staff in September 2017 will be new to the school. KS2 progress broadly in line with the national average. Attendance is below the national average.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

**Dorothy Barley Junior Academy** opened as a Sponsored academy in June 2014.  
Its last inspection in May 2017, judged overall effectiveness to be Good  
Outcomes for KS2 progress in July 2017 were below the national average in all subjects.  
The quality of teaching is 100% Good or better.  
Attendance is just below the national average.

**Eastbrook Primary Academy** opened as a sponsored academy in September 2013.  
Its most recent inspection in July 2015 judged overall effectiveness to be Outstanding.  
Outcomes in July 2017 showed attainment to be broadly in line with national average in EYFS, Phonics and KS1 (though below in Maths).  
In KS2 attainment was above the national average in all subjects.  
KS2 progress is broadly in line with the national average.  
The quality of teaching is consistently Good or Outstanding.  
Attendance is below the national average.

**Fives Spires Academy** opened as a new provision in September 2015.  
Its EYFS results in July 2016 were above the national average at 73% and these results have continued to improve in 2017, with 79% achieving GLD at the end of EYFS; and 90% achieving the Phonics Standard at the end of Year One.  
The quality of teaching is judged to be 100% Good or better.  
Attendance is broadly in line with national at 95.21%.

**Garden City Academy** opened as a sponsored academy in September 2012.  
Its last inspection, in June 2016, judged overall effectiveness to be Requires Improvement.  
Outcomes in July 2017 showed EYFS pupils to be at the national average and KS1 pupils to be attaining below national.  
Outcomes for KS2 progress were significantly below national and progress is in line with national.  
The quality of teaching is Good or better overall.  
Attendance is just below the national average.

**Gunton Primary Academy** opened as a sponsored academy in October 2015.  
Its last inspection prior to becoming an academy, judged overall effectiveness to be Requires Improvement.  
Outcomes in July 2017 showed EYFS pupils to be above the national average. In KS1 pupils were above the national average in Writing and Maths, but just below in Reading.  
Outcomes for KS2 were below national for Reading and Maths, but in-line with national for Writing.  
The quality of teaching continues to improve with 93% being Good or better.  
Attendance is in-line with the national average.

**Heath Hayes Primary Academy** opened as a sponsored academy on 1 January 2014.  
Its recent inspection, in September 2016, judged overall effectiveness to be Good.  
Outcomes in July 2017 showed EYFS pupils to be significantly above national at 82%.  
KS1 pupils achieved above the national average for KS1 Reading and Maths, Writing was in line with national average. Outcomes for KS2 were below the national average, with 58% achieving the expected combined standard in Reading, Writing and Math's.  
The quality of teaching continues to improve with 86% of teachers being judge as Good or better.  
Attendance is in line with the national average at 95.91%.

**Kemsley Primary Academy** opened as a sponsored academy in April 2013.  
Its most recent inspection in February 2015 judged overall effectiveness to be Good.  
Outcomes in July 2017 for EYFS were in line with the national average. For KS1 attainment was in line with national in most areas though below national for Reading. Attainment at KS2 is broadly in line with or above the national average and KS2 progress is broadly in line with the national average also.  
The quality of teaching is judged by the school to be Good.  
Attendance remains above the national average.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

#### For the Year Ended 31 August 2017

**Kirby Primary Academy** opened as a sponsored academy in October 2013.

Its most recent inspection in September 2016 judged overall effectiveness to be Requires Improvement. Outcomes in July 2017 showed EYFS pupil attainment to be above the national average and KS1 pupils to be attaining below.

Outcomes for KS2 progress were in-line with national for Reading but below in Writing and Maths.

The quality of teaching judged as Good or better is 38% and is a high priority focus for the school, with 86% new staff. Attendance is just below the national average at 95%.

**Langtons Junior Academy** opened as a sponsored academy in April 2013.

In January 2015 the academy was inspected and judged overall effectiveness to be Good.

Attainment outcomes in July 2017 for KS2 were above the national average in Reading and Writing but below in Maths and combined.

The quality of teaching is improving and is currently 90% Good or better.

Attendance is in line with the national average.

**Lawley Village Academy** opened as a new provision in September 2015.

Its EYFS results in July 2017 were above the national average and these have continued to improve.

The overall quality of teaching is judged to be 100% Good or better, leading to outcomes above average nationally.

Attendance is at well above national at 97.15%.

**Manor Park Primary** opened as a sponsored academy in February 2016.

Its most recent inspection, prior to joining the trust, judged the overall effectiveness to be Inadequate.

In July 2017, EYFS pupil attainment was above the national average; but fell just short of national standards for Age Related Expectations at the end of KS1. KS2 attainment outcomes improved on 2016 but are still below national standards at the end of KS2.

Outcomes for KS2 were above national for progress.

The quality of teaching is improving, with 80% of teaching is consistently Good or better.

Attendance has significantly improved and is now broadly in line with national at 95%, however, persistent absence remains high at 21%.

**Martlesham Primary Academy** opened as a sponsored academy in April 2016.

Its most recent inspection prior to joining the trust judged overall effectiveness to be Requires Improvement.

Outcomes in July 2017 showed EYFS and KS1 pupil attainment to be below the national average.

Outcomes for KS2 attainment were below national.

The quality of teaching was judged as Requires Improvement and is a focus for the school.

Attendance is just below the national average.

**Milton Court Academy** opened as a sponsored academy in April 2013.

At its last inspection in March 2017, its overall effectiveness was judged as Requires Improvement. A new Headteacher will take up post in the Autumn Term 2017.

In 2017, outcomes in Phonics and KS2 attainment were exceptionally low and well below the national average.

Outcomes in EYFS and KS1 showed improvement from the previous year, though were still below the national average.

KS2 progress is well below national average.

The quality of teaching is judged as Requires Improvement.

Attendance remains a focus for the school and is significantly below the national average.

**Minerva Academy** joined the trust as a free school in September 2014.

Its last inspection, In January 2016 judged overall effectiveness as Good.

Outcomes in July 2017 showed EYFS and KS1 pupil attainment to be below the national average.

KS2 attainment was below national in combined, Writing and Maths however Reading was above national.

The quality of teaching is judged to be Good overall.

Attendance is below the national average.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

#### For the Year Ended 31 August 2017

**Moor Green Primary Academy** opened as a sponsored academy in September 2015.

Its last inspection in October 2016 judged overall effectiveness to be Requires Improvement.

In July 2017 attainment in EYFS showed significant improvement and was above the national average; but fell short of national standards for those achieving age related expectations at the end of KS1.

In KS2, outcomes were well above the national average for combined, Reading, Writing and Maths.

The quality of teaching is improving with 94% of teachers being judged as Good or better.

Attendance and persistent absence is improving across the school however is still below the national average at 94%, this remains a focus for the school.

**Northfield St. Nicholas Primary Academy** opened as a sponsored academy on 1 July 2015.

Its previous inspection in 2013 judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining slightly below the national average but KS1 pupils to be attaining above. Outcomes for KS2 pupil attainment were significantly below the national average.

The quality of teaching was judged at 54% Good or better.

Attendance is currently slightly below the national average at 95%.

**Norton Canes Primary Academy** opened as a sponsored academy on 1 January 2014.

Its most recent inspection in November 2016 judged overall effectiveness to be Requires Improvement.

Outcomes in July 2017 showed EYFS pupils to be attaining below the national average.

By the end of Year One, pupils were achieving above the expected standard for Phonics and at the end of Year Two above the national average for attainment.

Outcomes for KS2 pupil attainment, although below the national average, showed a significant improvement on 2016.

The quality of teaching judged at Good or better is 85%.

Attendance has improved and is now at 95.3%.

**Oakfield Primary Academy** opened as a sponsored academy in November 2012.

Its most recent inspection in June 2016 judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average and KS1 pupils to be attaining in line with the national average.

Outcomes for KS2 pupil attainment were below national at 55% but this is cohort specific.

The quality of teaching judged at Good or better is 100%.

Attendance is currently at 94.7%.

**The Palmer Academy** opened as a sponsored academy in September 2013.

Its most recent inspection in June 2017 judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining below the national average and KS1 pupils to be attaining well above the national average.

Outcomes for KS2 pupil attainment were below national across all subjects.

The quality of teaching continues to improve with 94% of teaching judged Good or better

Attendance has continued to increase to 95.4% for the academic year.

**Pemberley Academy** opened as a new school in September 2015.

Its EYFS results in July 2017 were above the national average.

Outcomes in July 2017 for KS1 were above national in Writing and Maths. Reading was slightly below national.

The quality of teaching is judged to be Good overall.

Attendance is at the national average.

**Phoenix St. Peter Academy** opened as a sponsored academy in August 2015.

Its previous inspection, prior to joining the Trust, in February 2015 judged overall effectiveness as Requires Improvement. Outcomes in July 2017 showed EYFS pupils to be attaining below the national average. In KS1 pupils' attainment was above national in Reading, but below in Writing and Maths.

Outcomes for KS2 pupil attainment were significantly below national in all subjects

The quality of teaching has improved with 100% of teaching judged Good or better

Attendance is just below the national average.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

**Purfleet Primary Academy** opened as a sponsored academy in April 2013.

In October 2016 the academy was inspected and judged overall effectiveness to be Good

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining significantly above the national average.

Outcomes for KS2 pupil attainment were below national in Reading and Writing. KS2 attainment in Maths is in line with the national average.

The quality of teaching was judged at 72% being Good or better.

Attendance has improved for this academic year.

**Racemeadow Primary Academy** opened as a sponsored academy in November 2013.

In June 2016 the academy was inspected and its overall effectiveness was judged to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average, KS1 pupils to be attaining at the national average; and KS2 pupils attaining above national with 62% achieving the expected standard in Reading, Writing and Mathematics.

The quality of teaching has improved with 91% of teaching judged to be Good or better.

Attendance is broadly in line with national and has increased to 95.31% for this year.

**Ranikhet Primary School** opened as a sponsored academy in November 2015.

In its last inspection, prior to joining the trust overall effectiveness was judged to be Inadequate.

Outcomes in July 2017 showed EYFS pupils to be attaining below the national average and KS1 pupils to be attaining significantly above the national average in Writing and Maths. KS1 attainment in Reading was just below the national average.

Outcomes for KS2 pupil attainment improved on the previous year but were below national in combined, Reading and Writing. KS2 Maths attainment was above the national average at 79%.

The quality of teaching has improved since last year with 60% of teaching now judged as Good or better.

Attendance has improved significantly since the previous year and is now 95.3%

**Riverside Academy** opened as a sponsored academy in November 2012.

In its last inspection, in May 2014 the overall effectiveness was judged as Good.

Outcomes in July 2017 showed pupils in EYFS, KS1 and KS2 to be attaining significantly above the national average.

The quality of teaching judged 78% of teachers to be outstanding.

Attendance is in line with the national average at 96.17%.

**Robert Fitzroy Academy** opened as a new academy in September 2012.

In its last inspection, in July 2014, overall effectiveness was judged to be Good.

Outcomes in July 2017 were below the national average, though showed substantial improvement on previous years, particularly for pupils working at greater depth.

The quality of teaching is judged by the school to be 80% good or better, but this was not fully ratified by a recent review of the school which found that there was not enough consistently good teaching. However, this will continue to be monitored over the next academic year.

Attendance is below the national average, but has improved over the academic year.

**Scientia Primary Academy** opened as a new academy in September 2013.

Its previous inspection in June 2015 judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining significantly above the national average.

The quality of teaching is judged to be 100% Good or better with 36% of teaching judged as Outstanding. Attendance is above national at 96.63%.

**Silkmore Primary Academy** opened as a sponsored academy in July 2015.

Its previous inspection, prior to joining the trust, judged overall effectiveness to be Inadequate.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining significantly above the national average.

Outcomes for KS2 pupil attainment were significantly above national across all subjects

The quality of teaching is judged to be Good or better with 75% of teaching graded as Outstanding.

Attendance is above the national average at 95.6%.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

**Sir Martin Frobisher** opened as a sponsored academy in September 2016.

In its previous inspection, prior to joining the trust, overall effectiveness was judged as Requires Improvement.

Outcomes in July 2017 showed EYFS, KS1 and KS2 pupils to be attaining below the national level.

The quality of teaching judged to be Good or better is 85%.

Attendance is below the national average at 93%

**Springhill Primary Academy** opened as a sponsored academy in January 2014.

Its last inspection in November 2016 judged overall effectiveness to be Requires Improvement.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining in line with the national average.

Outcomes for KS2 pupil attainment were significantly below the national average.

The quality of teaching was judged overall to be Requires Improvement.

Attendance is in line with the national average at 95.6%

**Sprites Primary Academy** opened as a sponsored academy in July 2015.

In its previous inspection, prior to joining the trust, overall effectiveness was judged as Requires Improvement.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average. In KS1 pupils were above the national average in attainment for Maths but below in both Reading and Writing.

Outcomes for KS2 pupil attainment were below the national average in Reading and Maths but above in Writing.

The quality of teaching judges 89% of teachers to be Good or better

Attendance is just below the national average.

**St Margaret's Primary Academy** opened as a sponsored academy in July 2015.

In its previous inspection, prior to joining the trust, overall effectiveness was judged as Requires Improvement.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average.

In KS1 pupils were above the national average for attainment in Maths, in-line with national for Writing and below national for Reading.

Outcomes for KS2 pupil attainment were significantly below the national average.

The quality of teaching was judged to be at 74% Good or better.

Attendance is below the national average at 94.0%.

**St Mark's Academy** opened as a sponsored academy in September 2014.

Its previous inspection, in May 2017, judged overall effectiveness to be Good.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining broadly in line with the national average.

KS2 pupil attainment in 2017 was below the national average in Reading and Maths.

KS2 progress overall was below the national average.

The quality of teaching has improved considerably with all teaching now being judged as Good.

Attendance is above the national average.

**The Globe Academy** opened as a sponsored academy in November 2014.

Its previous inspection, prior to joining the trust, judged overall effectiveness to be Inadequate. In its recent inspection in September 2017, the schools' overall effectiveness was judged as Good.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average and KS1 pupils to be broadly in line with the national average.

Outcomes for KS2 pupil attainment were below the national average, but still significantly improved on the previous year.

KS2 progress remains below the national average.

The quality of teaching is judged by the school to be 100% good or better

Attendance is below national but has improved when compared to the previous year.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

#### For the Year Ended 31 August 2017

**Tidemill Academy** opened as a converter academy in September 2013.

Its previous inspection in 2008, prior to joining the trust, judged overall effectiveness to be Outstanding.

In 2017, outcomes in EYFS were below the national average and in KS1 they were broadly in line with the national average. Outcomes in July 2017 are above the national average.

KS2 progress in 2017 is above the national average and likely to be in the top 25% nationally.

The school judges the quality of all teaching to be Good, with a high proportion of outstanding teaching across the school. Attendance is above the national average.

**Tymerwood Academy** opened as a sponsored academy in February 2014.

In its recent inspection, in February 2017, the schools' overall effectiveness was judged as Good.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining broadly in line with national.

Attainment for KS2 pupils' attainment was above national averages, particularly in Writing and Maths.

KS2 progress is in line with the national average in Reading and above the national average in Writing and Maths.

The quality of teaching is judged to be consistently Good or better

Attendance is persistently below the national average – although procedures for improving attendance were praised during the inspection.

**Unity Primary Academy** opened as a sponsored academy in September 2014 as an amalgamation of the Infant and Junior schools.

In its most recent inspection, in July 2017, its overall effectiveness was judged to be Good.

Outcomes in July 2017 showed EYFS pupils to be attaining above national and KS1 pupils to be attaining below the national level.

Outcomes for KS2 pupil attainment were below the national average in Reading and Maths and above in Writing.

The quality of teaching has improved with 83% of teaching judged to be good or better.

Attendance is below national at 95%.

**Veritas Academy** opened as a new provision in September 2015.

Outcomes in July 2017 showed EYFS pupils to be attaining above the national average but KS1 pupils attained below national levels.

Outcomes for KS2 pupil attainment were well above the national average in all subjects.

The quality of teaching judged 82% of teaching as Good or better.

Attendance is in line with the national average at 96.15%.

**Water Lane Primary Academy** opened as a sponsored academy in September 2014.

In its most recent inspection, in June 2017, overall effectiveness was judged as Good.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining above the national level.

Outcomes for KS2 pupil attainment were below the national average in Writing and Maths but above national in Reading.

The quality of teaching has improved with 100% being judged as Good.

Attendance is at the national average.

**White Meadows Academy** opened as a converter academy in April 2014.

Its previous inspection in January 2017 overall effectiveness was judged as Good.

Outcomes in July 2017 showed EYFS and KS1 pupils to be attaining below the national average but have improved from the previous year.

Outcomes for KS2 pupil attainment were below national overall, though individual subjects were closer to national than the combined score.

KS2 progress is below the national average.

The school judges the quality of teaching to be good overall.

Attendance is below the national average.

**Wilshere Dacre Junior Academy** opened as a sponsored academy in March 2014.

In its most recent inspection, in September 2016, overall effectiveness was judged as Requires Improvement.

Outcomes in July 2017 for KS2 pupil attainment were just below the national average in Reading, above the national in Writing and in line with national in Maths. The quality of teaching judged 77% of teachers to be Good or better.

Attendance has improved and is now in line with the national average at 96%.

## REACH2 ACADEMY TRUST

### TRUSTEES REPORT

For the Year Ended 31 August 2017

**The Woodside Academy** opened as a sponsored academy in December 2012.

In its most recent inspection, in July 2016, judged overall effectiveness to be Outstanding.

Outcomes in July 2017 showed EYFS pupils to be just below the national average and KS1 pupils to be attaining above the national average in Writing and Maths. KS1 Reading attainment was below the national average.

Outcomes for KS2 pupil attainment were significantly above national in all subjects.

The quality of teaching judged 85% of teachers to be Good or better.

Attendance has improved and is in line with the national average at 96%.

#### **Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Financial Review –**

During the period, ESFA\LA grants totalled to £93,897k (2016: £90,667k). Other income included within the restricted funds totalled to £1,807k (2016: £1,479k). The restricted fund expenditure totalled to £99,041k (2016: £88,116k).

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular a purpose. The grants received from the ESFA during the 12-month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 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 assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions continue to increase for the foreseeable. Overall the academy has a healthy balance sheet and cash flow and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the school development plan and school aims.

The Trust has appointed a Chief Finance Officer (CFO), who is known as the Finance Director.

The Chief Finance Officer has been reviewing the financial policies, processes and controls with an ongoing review of systems used in supporting financial management. All schools are required to produce monthly financial reports that are reviewed at all levels of Governance. These are compared against the budget submitted to the ESFA and reforecasts undertaken when required. Any school that is presenting financial challenges are escalated to the Chief Finance Officer who, along with Trustees and the Regional Team will work on a five-year strategic plan to ensure the schools financial viability.

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

The assets were used exclusively for providing education and the associated services to the pupils of the academies.

The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS102.

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

### Reserves Policy

Reserves brought over by schools joining the Trust are accounted for in the school's financial statements. A school/s can apply to access these funds for exceptional expenditure in year once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which becomes available to the Trust and is to be spent at the Trustees' discretion in furtherance of any of the academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is free).

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the academy.

Post year-end a revised reserves policy will be implemented across all schools that will look to pool centrally the cash balances of all academies into a central deposit account with the accounting of reserves remaining at school level. A number of consultations in order to implement the policy have taken place across all levels of the organisation.

Total reserves at the end of the period amounted to £225,403k. This balance includes unrestrictive funds (free reserves) of £2,960k which is considered appropriate for the academy trust, and restricted funds excluding pension and fixed assets of £4,690k.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totalling £31,242k. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds this would not create an immediately realisable asset that can be released straight away and expended for the specific purpose of that fund.

Users should note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect of the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years. The academy trust thus takes this fact into account when reviewing current business plans and budgets, and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the academy trusts budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the academy trust due to the recognition of the deficit.

### Investment Policy

A Trust investment policy is yet to be implemented however at academy level all academies have a deposit and current account which receives a notional amount of interest on the funds the schools hold

Should any potential Investment opportunity arise this would be escalated to the Finance and Risk and Audit Sub Committees for consideration. As of 31 August 2017 no investments were held.

### Principal Risks and Uncertainties

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

The academies Risk Registers and the Trust risk dashboard have been implemented and will be reviewed during the Autumn Term. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Academy trust is exposed, in particular those relating

## **REACH2 ACADEMY TRUST**

### **TRUSTEES REPORT**

**For the Year Ended 31 August 2017**

to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. Trustees have implemented a number of systems to assess risks that each school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

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

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

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

#### **Employee consultation and disabled employees**

The trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue employment with the trust.

During employment the Trust seeks to work with the employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

#### **Plans for Future Periods**

The number of academies within the Trust is expected to increase to 65 by the 1<sup>st</sup> September 2018. This in line with the current pipeline and the free school strategy that has been agreed by the ESFA and supports the Trusts 5-year Strategy.

Educational intervention and support capacity has increased during the academic year, through the recruitment of additional associate school leaders who will strengthen the Regional Director-led, multi-disciplinary, regional teams. Additional support has also been addressed at the operational level, to further assist the trust strategy to strengthen the long term sustainability.

In collaboration with its sister Trust, a centralised procurement strategy to realise cost savings and effectiveness across the trusts will also be implemented.

A strategy needs to be implemented to narrow the gap between the highest and lowest performing academies across the trust. To achieve our ambition that all schools meet “the above and beyond” performance standards, underperformance is a focus for the forthcoming year. The Trust has developed the “Schools Causing Concern” Strategy which identifies and allows intervention in schools which are at risk of underperforming.

#### **Funds held as custodian trustee on behalf of others.**

The Academy Trust and its Trustees did not act as a custodian trustee during the current or previous period.

# REACH2 ACADEMY TRUST

## TRUSTEES REPORT

For the Year Ended 31 August 2017

### Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 29 December 2017 and signed on the boards behalf by:



**Jeremy King**

**Chair of Trustees**

## REACH2 ACADEMY TRUST

### GOVERNANCE STATEMENT

For the Year Ended 31 August 2017

#### Scope of Responsibility

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

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

#### Governance

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

| Trustee                           | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Peter Little - Chair              | 6                 | 6                 |
| Jeremy King - Vice Chair          | 6                 | 6                 |
| Rt. Revd. David Rossdale*         | 0                 | 2                 |
| Colin Powell                      | 3                 | 6                 |
| Michael Peters                    | 5                 | 6                 |
| Victoria Pigott                   | 5                 | 6                 |
| Dr Louise Askew                   | 6                 | 6                 |
| Clare Walsh                       | 1                 | 6                 |
| Tony Gilbey                       | 5                 | 6                 |
| Mark Taylor                       | 6                 | 6                 |
| Clive Rockingham*                 | 4                 | 4                 |
| Gavin Robert*                     | 4                 | 4                 |
| Rowena Hackwood*                  | 2                 | 4                 |
| Chris Kane*                       | 2                 | 3                 |
| Sir Steve Lancashire (ex-officio) | 5                 | 6                 |

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

Over the reporting period, Trustees undertook a self-evaluation review of governance. The findings of this review have led to the appointment of a Company Secretary, establishment of a new Governance Steering Group within the Trust and creating "Link Trustees" to ensure effective communication between our regional and trust level tiers of governance. Over the coming year, further work to improve communications between tiers of governance will be a priority.

## REACH2 ACADEMY TRUST

### GOVERNANCE STATEMENT

For the Year Ended 31 August 2017

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

- Finance sub-committee
- Risk and Audit sub-committee
- Human resources sub-committee
- Educational Standards & Performance sub-committee
- Remuneration sub-committee

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

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

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

No significant issues to note were dealt with during the year.

Attendance at the meetings in the year was as follows:

| Trustee                           | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Tony Gilbey (Chair)               | 3                 | 3                 |
| Peter Little*                     | 1                 | 1                 |
| Rowena Hackwood*                  | 1                 | 2                 |
| Jeremy King                       | 3                 | 3                 |
| Sir Steve Lancashire (ex-officio) | 3                 | 3                 |

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

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

- Monitor the integrity of the financial statements
- Review internal financial control and reviewing the academy's internal control and risk management systems
- to review the action and implementation of risk management policy across the Academy Trust
- Making recommendations to the governing body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor
- Reviewing the auditor's independence and objectivity

No significant issues to note were dealt with during the year.

## REACH2 ACADEMY TRUST

### GOVERNANCE STATEMENT

For the Year Ended 31 August 2017

Attendance at meetings in the year was as follows:

| Trustee                           | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Jeremy King (chair)               | 3                 | 3                 |
| Victoria Pigott                   | 2                 | 3                 |
| Cavin Robert*                     | 2                 | 2                 |
| Rt. Revd David Rossdale*          | 0                 | 1                 |
| Clive Rockingham*                 | 2                 | 2                 |
| Sir Steve Lancashire (ex-officio) | 3                 | 3                 |

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

#### Review of Value for Money

As accounting officer the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that the value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

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

- Supporting close working relationship within clusters of schools to enable proactive support and challenge across our academies
- Commencing and reviewing the procurement of services across our academies to achieve better quality, economies of scale and consistent outcomes across the academies.
- Educational outcomes have improved by ongoing support from the region including receiving regular data reviews and moderation of the academies self-evaluation and school development plans. These are reviewed and challenged at all levels of Governance across the Trust.
- Ongoing review both external and internal of our academies in the form of Moderated Trust Review (MTR) and Review of School Effectiveness (ROSE) ensures the expected outcome of the academies during Ofsted are in line with Trust expectations. Intervention is delivered where required.

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in REAch2 Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risks

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 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 board of trustees.

#### The Risk and Control Framework

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

## REACH2 ACADEMY TRUST

### GOVERNANCE STATEMENT

For the Year Ended 31 August 2017

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

The board of trustees have considered the need for a specific internal audit function and has decided:

- to appoint Michelle Row as internal auditor.

The internal auditor'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:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank accounts
- testing of compliance with the scheme of delegation and internal controls

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

The board can confirm that the internal auditor has delivered their schedule of work as planned. During the current and previous period, there were no material control issues and thus no remedial action was required to be taken.

#### Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the results of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 29 December 2017 and signed on its behalf by:

Signed



Jeremy King  
Chair of Trustees

Signed



Steve Lancashire  
Accounting Officer

## REACH2 ACADEMY TRUST

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE For the Year Ended 31 August 2017

As Accounting Officer of Reach2 Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of the funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**Sir Steve Lancashire**  
**Accounting Officer**

29 December 2017

## REACH2 ACADEMY TRUST

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

---

The trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and 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;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 29 December 2017 and signed on its behalf



Jeremy King

Chair of Trustees



Sir Steve Lancashire

CEO and Accounting Officer

## REACH2 ACADEMY TRUST

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

---

#### Opinion

We have audited the financial statements of Reach2 Academy Trust (“the charitable company”) for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2017, and of the charitable company’s incoming resources and application of resources, including the charitable company’s income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2016 to 2017* issued by the Education and Skills Funding Agency.

#### Basis for opinion

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

#### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### Other information

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

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

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

## REACH2 ACADEMY TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REACH2 ACADEMY TRUST (CONTINUED)

---

#### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

#### **Trustees' responsibilities**

As explained more fully in their statement set out on page 25, the Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



**Clare Partridge (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

29 December 2017

## **REACH2 ACADEMY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH2 ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 22 June 2017 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 during the period 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 Reach2 Academy Trust (the 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 the 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 the Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 24 August 2014 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 period 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.

## REACH2 ACADEMY TRUST

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH2 ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

---

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principal on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2016;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2016 to 2017.

#### Conclusion

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

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



29 December 2017

## REACH2 ACADEMY TRUST

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

|   | Notes      | Unrestricted<br>Funds<br>£ 000 | Restricted<br>General<br>£ 000 | Restricted<br>funds:<br>Fixed asset<br>£ 000 | Total<br>2017<br>£ 000 | Total<br>2016<br>£ 000 |
|---|------------|--------------------------------|--------------------------------|--|------------------------|------------------------|
| <b>Income and endowments from:</b>                          |            |                                |                                |  |                        |                        |
| Donations and capital grants                                | 2          | -                              | -                              | 4,303  | 4,303                  | 5,081                  |
| Donations - transfer on conversion                          | 2          | -                              | 334                            | 12,562                                       | 12,896                 | 166,442                |
| Donations – merger from existing trust                      |            | -                              | -                              | -  | -                      | 52,920                 |
| Charitable activities:                                      |            |                                |                                |  |                        |                        |
| - Funding for educational operations                        | 3          | 1,316                          | 91,401                         | -  | 92,717                 | 88,967                 |
| Other trading activities                                    | 4          | 1,212                          | -                              | -  | 1,212                  | 1,308                  |
| Investments   | 5          | 47                             | -                              | -  | 47                     | 38                     |
| <b>Total income and endowments</b>                          |            | <b>2,575</b>                   | <b>91,735</b>                  | <b>16,865</b>                                | <b>111,175</b>         | <b>314,756</b>         |
| <b>Expenditure on:</b>                                      |            |                                |                                |  |                        |                        |
| Charitable activities:                                      |            |                                |                                |  |                        |                        |
| - Educational operations                                    | 6,7        | 2,575                          | 99,041                         | 8,264  | 109,880                | 101,098                |
| Inherited defined benefit pension liability                 | 6,7        | -                              | 926                            | -  | 926                    | 15,533                 |
| Assets transferred out of Trust                             | 6,7        | -                              | (2,001)                        | 11,292                                       | 9,291                  | -                      |
| <b>Total expenditure</b>                                    | <b>6,7</b> | <b>2,575</b>                   | <b>97,966</b>                  | <b>19,556</b>                                | <b>120,097</b>         | <b>116,631</b>         |
| <b>Net income/(expenditure)</b>                             |            | <b>-</b>                       | <b>(6,231)</b>                 | <b>(2,691)</b>                               | <b>(8,922)</b>         | <b>198,125</b>         |
| Transfers between funds                                     |            | -                              | -                              | -  | -                      | -                      |
| <b>Other recognised gains and losses</b>                    |            |                                |                                |  |                        |                        |
| Actuarial gains/(losses) on defined benefit pension schemes | 20         | -                              | 8,429                          | -  | 8,429                  | (14,379)               |
| <b>Net movement in funds</b>                                |            | <b>-</b>                       | <b>2,198</b>                   | <b>(2,691)</b>                               | <b>(493)</b>           | <b>183,746</b>         |
| <b>Reconciliation of funds</b>                              |            |                                |                                |  |                        |                        |
| Total funds brought forward                                 | 18         | 2,960                          | (28,750)                       | 251,686                                      | 225,896                | 42,150                 |
| Total funds carried forward                                 | 18         | <b>2,960</b>                   | <b>(26,552)</b>                | <b>248,995</b>                               | <b>225,403</b>         | <b>225,896</b>         |

The deficit restricted general reserve includes surplus restricted general funds of £4,690,000 offset by deficit pension reserves of £31,240,000.

**REACH2 ACADEMY TRUST  
BALANCE SHEET**

**AS AT 31 AUGUST 2017**

|  |        | 2017          |                | 2016          |                |
|--|--------|---------------|----------------|---------------|----------------|
|  |        | £ 000         | £ 000          | £ 000         | £ 000          |
| <b>Fixed assets</b>  |        |               |                |               |                |
| Fixed asset investments  | 27     |               | -              |               | -              |
| Tangible assets  | 12     |               | 247,871        |               | 251,686        |
|  |        |               | <u>247,871</u> |               | <u>251,686</u> |
| <b>Current assets</b>  |        |               |                |               |                |
| Stocks   | 13     | 7             |                | 35            |                |
| Debtors  | 14     | 4,038         |                | 3,849         |                |
| Cash at bank and in hand                                       |        | 13,709        |                | 14,122        |                |
|  |        | <u>17,754</u> |                | <u>18,006</u> |                |
| <b>Current liabilities</b>                                     |        |               |                |               |                |
| Creditors: amounts falling due within one year                 | 15     | (8,512)       |                | (7,000)       |                |
|  |        |               |                |               |                |
| <b>Net current assets</b>                                      |        |               | <u>9,242</u>   |               | <u>11,006</u>  |
| <b>Total assets less current liabilities</b>                   |        |               | <u>257,113</u> |               | <u>262,692</u> |
| <b>Creditors: Amounts falling due after more than one year</b> | 17     |               | (468)          |               | (565)          |
| <b>Net assets excluding pension liability</b>                  |        |               | <u>256,645</u> |               | <u>262,127</u> |
| Defined benefit pension liability                              | 20     |               | (31,242)       |               | (36,231)       |
| <b>Net assets</b>  |        |               | <u>225,403</u> |               | <u>225,896</u> |
| <b>Funds of the Academy Trust:</b>                             |        |               |                |               |                |
| <b>Restricted funds</b>  |        |               |                |               |                |
| - Fixed asset funds  | 18     |               | 248,995        |               | 251,686        |
| - Restricted income funds                                      | 18     |               | 4,690          |               | 7,481          |
| - Pension reserve  | 18, 20 |               | (31,242)       |               | (36,231)       |
| <b>Total restricted funds</b>                                  |        |               | <u>222,443</u> |               | <u>222,936</u> |
| <b>Unrestricted income funds</b>                               | 18     |               | 2,960          |               | 2,960          |
| <b>Total funds</b>   |        |               | <u>225,403</u> |               | <u>225,896</u> |

The accounts set out on pages 35 to 107 were approved by the Board of Trustees and authorised for issue on 29 December 2017 and are signed on its behalf by:



**Chair of Trustees**

**REACH2 ACADEMY TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

|  | Notes | 2017<br>£ 000  | 2016<br>£ 000 |
|--|-------|----------------|---------------|
| <b>Cash flows from operating activities</b>                        |       |                |               |
| Net cash provided by (used in) operating activities                | 21    | (1,348)        | 11,352        |
| Cash funds transferred on conversion                               |       | (1,511)        | 1,277         |
|  |       | <b>(2,859)</b> | <b>12,629</b> |
| <b>Cash flows from investing activities</b>                        |       |                |               |
| Dividends, interest and rents from investments                     |       | 47             | 38            |
| Capital funding from sponsors and others                           |       | 4,303          | 4,780         |
| Payments to acquire tangible fixed assets                          |       | (1,904)        | (5,348)       |
|  |       | <b>2,446</b>   | <b>(530)</b>  |
| <b>Change in cash and cash equivalents in the reporting period</b> |       |                |               |
| Cash and cash equivalents brought forward                          |       | 14,122         | 2,023         |
| <b>Cash and cash equivalents carried forward</b>                   |       | <b>13,709</b>  | <b>14,122</b> |

# REACH2 ACADEMY TRUST

## 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), judgements and key sources of estimation uncertainty, is set out below.

##### 1.1 Basis of preparation

The accounts 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Reach2 Academy Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Conversion to an Academy Trust

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

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

##### 1.4 Income

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

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies (Continued)

#### Grants receivable

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

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

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

#### Sponsorship income

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

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

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

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies (Continued)

##### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

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

##### 1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or more, or £500 or more for electrical assets, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies (Continued)

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

|                              |          |
|------------------------------|----------|
| Leasehold land and buildings | 50 years |
| Furniture and equipment      | 4 years  |
| Computer equipment           | 3 years  |
| Motor vehicles               | 4 years  |

No depreciation is provided in respect of freehold land.

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

#### 1.7 Liabilities

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

#### 1.8 Leasing and hire purchase commitments

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

#### 1.9 Stock

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

#### 1.10 Taxation

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

#### 1.11 Pensions benefits

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

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies (Continued)

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

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

#### 1.12 Fund accounting

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

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

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

#### 1.13 Financial instruments

##### *Basic financial instruments*

##### *Trade and other debtors / creditors*

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

##### *Interest-bearing borrowings classified as basic financial instruments*

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

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies (Continued)

#### *Cash and cash equivalents*

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

### 1.14 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

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

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

**REACH2 ACADEMY TRUST**

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

| <b>2 Donations and capital grants</b> | <b>Unrestricted<br/>funds<br/>£ 000</b> | <b>Restricted<br/>funds<br/>£ 000</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|---------------------------------------|---|---------------------------------------|---------------------------------|---------------------------------|
| Donated assets                        | -                                       | 12,562                                | 12,562                          | 212,386                         |
| Other donations                       | -                                       | -                                     | -                               | 301                             |
| Capital grants                        | -                                       | 4,303                                 | 4,303                           | 4,780                           |
| Funds inherited on transfer           | -                                       | 334                                   | 334                             | 718                             |
| Funds inherited on merger             | -                                       | -                                     | -                               | 6,258                           |
|                                       | <hr/>                                   | <hr/>                                 | <hr/>                           | <hr/>                           |
|                                       | -                                       | <b>17,199</b>                         | <b>17,199</b>                   | <b>224,443</b>                  |
|                                       | <hr/>                                   | <hr/>                                 | <hr/>                           | <hr/>                           |

Capital grants relate to ESFA Devolved Capital and School Conditioning funding.

During the year four new academies joined the Trust (Camulos, Concordia, Sir Martin Frobisher and Bushbury Lane). Their tangible fixed assets at this date totalled £12,562,000 and have been recognised as donated asset the year. As well as transferring their tangible fixed assets, net restricted and unrestricted fund totalling £334,000 were transferred to the Trust. These have been recognised as restricted funds inherited upon conversion.

**REACH2 ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

| <b>3 Funding for the Academy Trust's educational operations</b> | <b>Unrestricted funds<br/>£ 000</b> | <b>Restricted funds<br/>£ 000</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|---|-------------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| <b>DfE / ESFA grants</b>  |                                     |                                   |                                 |                                 |
| General Annual Grant (GAG)                                      | -                                   | 70,202                            | 70,202                          | 66,182                          |
| Start up grants   | -                                   | 563                               | 563                             | 127                             |
| Dfe/ESFA Pupil Premium  | -                                   | 7,955                             | 7,955                           | 7,769                           |
| Other DfE / ESFA grants   | -                                   | 2,734                             | 2,734                           | 4,813                           |
| Other government revenue grants                                 | -                                   | 8,140                             | 8,140                           | 6,996                           |
|   | <b>-</b>                            | <b>89,594</b>                     | <b>89,594</b>                   | <b>85,887</b>                   |
| <b>Other income</b>   |                                     |                                   |                                 |                                 |
| School trips  | -                                   | 628                               | 628                             | 575                             |
| Catering  | 945                                 | -                                 | 945                             | 891                             |
| Clubs   | -                                   | 1,081                             | 1,081                           | 848                             |
| Music lesson  | -                                   | 98                                | 98                              | 74                              |
| Uniforms  | 63                                  | -                                 | 63                              | 74                              |
| Other   | 308                                 | -                                 | 308                             | 618                             |
|   | <b>1,316</b>                        | <b>1,807</b>                      | <b>3,123</b>                    | <b>3,080</b>                    |
| <b>Total funding</b>  | <b>1,316</b>                        | <b>91,401</b>                     | <b>92,717</b>                   | <b>88,967</b>                   |

The Master Funding Agreement of the Trust is not subject to the limits on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ ESFA grants includes £2,132,000 of Free School Meal Funding and rates relief of £321,000.

Local Authority grants includes £2,464,000 of Local Authority Top up Funding and £2,437,000 of Early Years Funding.

**REACH2 ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

| <b>4 Other trading activities</b>           |                                  | <b>Unrestricted<br/>funds<br/>£ 000</b>         | <b>Restricted<br/>funds<br/>£ 000</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|---|----------------------------------|---|---------------------------------------|---------------------------------|---------------------------------|
| Hire of facilities                          |                                  | 407   | -                                     | 407                             | 370                             |
| Other income                                |                                  | 805   | -                                     | 805                             | 938                             |
|   |                                  | <u>1,212</u>                                    | <u>-</u>                              | <u>1,212</u>                    | <u>1,308</u>                    |
|   |                                  | <u>1,212</u>                                    | <u>-</u>                              | <u>1,212</u>                    | <u>1,308</u>                    |
| <br>  |                                  |   |                                       |                                 |                                 |
| <b>5 Investment income</b>                  |                                  | <b>Unrestricted<br/>funds<br/>£ 000</b>         | <b>Restricted<br/>funds<br/>£ 000</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
| Short term deposits                         |                                  | 47  | -                                     | 47                              | 38                              |
|   |                                  | <u>47</u>                                       | <u>-</u>                              | <u>47</u>                       | <u>38</u>                       |
|   |                                  | <u>47</u>                                       | <u>-</u>                              | <u>47</u>                       | <u>38</u>                       |
| <br>  |                                  |   |                                       |                                 |                                 |
| <b>6 Other trading expenses</b>             | <b>Staff<br/>costs<br/>£ 000</b> | <b>Premises<br/>and<br/>equipment<br/>£ 000</b> | <b>Other costs<br/>£ 000</b>          | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
| <b>Academies educational operations</b>     |                                  |   |                                       |                                 |                                 |
| Direct costs                                | 64,653                           | 5,858   | 9,975                                 | 80,486                          | 73,786                          |
| Allocated support costs                     | 14,888                           | 6,145   | 8,361                                 | 29,394                          | 27,312                          |
|   | <u>79,541</u>                    | <u>12,003</u>                                   | <u>18,336</u>                         | <u>109,880</u>                  | <u>101,098</u>                  |
|   | <u>79,541</u>                    | <u>12,003</u>                                   | <u>18,336</u>                         | <u>109,880</u>                  | <u>101,098</u>                  |
| <b>Transfers with local authorities</b>     |                                  |   |                                       |                                 |                                 |
| Inherited defined benefit pension liability | 926                              | -   | -                                     | 926                             | 15,533                          |
| Assets transferred out of Trust             | -                                | 11,292  | (2,001)                               | 9,291                           | -                               |
|   | <u>80,467</u>                    | <u>23,295</u>                                   | <u>16,335</u>                         | <u>120,097</u>                  | <u>116,631</u>                  |
|   | <u>80,467</u>                    | <u>23,295</u>                                   | <u>16,335</u>                         | <u>120,097</u>                  | <u>116,631</u>                  |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 6 Other trading expenses (continued)

|  | 2017<br>£ 000 | 2016<br>£ 000 |
|--|---------------|---------------|
| Fees paid to auditor for audit services                  | 81            | 71            |
| Other services   | 16            | 16            |
| Operating lease rentals – land and buildings             | 265           | 386           |
| Operating lease rentals – plant, machinery and equipment | 425           | 252           |
| Depreciation   | 8,256         | 7,468         |
| Impairment   | -             | 4,297         |
| Governors liability insurance                            | 6             | 6             |
|  | <hr/>         | <hr/>         |

During the year Broadmead Academy left the Trust to join another multi academy trust. On transfer out of the Trust £11,292,000 of restricted fixed asset funds left the Trust, with net liabilities (including pension liabilities) of £2,001,000 also transferring out of the Trust. As no consideration was received for this transfer a net charge of £9,291,000 has been recognised in the SOFA.

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Charitable activities – educational operations

|   | Total 2017<br>£ 000 | Total 2016<br>£ 000 |
|---|---------------------|---------------------|
| <i>Direct costs</i>   |                     |                     |
| Teaching staff costs  | 38,523              | 35,173              |
| Other direct staff  | 17,876              | 18,303              |
| Direct supply costs   | 3,396               | 3,589               |
| Pension costs – including deficit repayment and net service costs | 4,858               | 4,499               |
| Educational supplies  | 2,300               | 2,103               |
| Technology costs  | 1,282               | 1,657               |
| Staff development   | 979                 | 688                 |
| Recruitment   | 699                 | 557                 |
| School uniform  | 101                 | 94                  |
| Free school meals   | 796                 | 5,32                |
| Catering  | 3,144               | 2,987               |
| Staff transport and travel  | 667                 | 818                 |
| Telephones  | 403                 | 153                 |
| Printing, postage and stationary                                  | 296                 | 564                 |
| Legal and professional fees                                       | 492                 | 1,029               |
| Insurance   | 187                 | 149                 |
| Licences and subscriptions  | 248                 | 254                 |
| Marketing and advertising   | 39                  | 47                  |
| Governance services   | -                   | 91                  |
| Educational visits  | 946                 | 794                 |
| Educational consultancy   | 667                 | 885                 |
| Music services  | 315                 | 316                 |
| Hire of equipment   | 581                 | 263                 |
| Other educational services  | 940                 | 776                 |
| Bank interest   | 20                  | 17                  |
| Other direct costs  | 731                 | 448                 |
|   | <u>80,486</u>       | <u>73,786</u>       |

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Charitable activities – educational operations (continued)

|   | Total 2017<br>£ 000  | Total 2016<br>£ 000  |
|---|----------------------|----------------------|
| <i>Support costs</i>                          |                      |                      |
| Support staff costs                           | 14,888               | 10,029               |
| Supply staff                                  | 0                    | 20                   |
| Depreciation and impairment                   | 8,264                | 11,785               |
| Maintenance of premises and equipment         | 2,282                | 1,609                |
| Cleaning                                      | 1,094                | 1,007                |
| Insurance                                     | 357                  | 448                  |
| Utilities                                     | 1,276                | 1,294                |
| Security                                      | 76                   | 79                   |
| Rent and rates                                | 695                  | 794                  |
| Health and safety                             | 108                  | 93                   |
| Other occupancy costs                         | 215                  | -                    |
| Other support costs                           | 42                   | -                    |
|   | <u>29,297</u>        | <u>27,138</u>        |
| Audit   |                      |                      |
| - Audit of the financial statements           | 81                   | 71                   |
| - Other                                       | 16                   | 16                   |
|   | <u>97</u>            | <u>87</u>            |
| <b>Total support costs</b>                    | <b><u>29,394</u></b> | <b><u>27,312</u></b> |
| Inherited pension liabilities                 | 926                  | 15,533               |
| Impact of assets transferred out of the Trust | 9,291                | -                    |
|   | <u>120,097</u>       | <u>116,631</u>       |
| <b>Total costs</b>                            | <b>120,097</b>       | <b>116,631</b>       |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

| <b>8 Staff costs</b>                       | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|--|---------------------------------|---------------------------------|
| Wages and salaries                         | 57,325                          | 51,667                          |
| Social security costs                      | 4,942                           | 3,633                           |
| Pension costs                              | 13,702                          | 8,148                           |
| Apprenticeship levy                        | 108                             | -                               |
|  | <hr/>                           | <hr/>                           |
| Staff costs                                | <b>76,077</b>                   | <b>63,448</b>                   |
|  | <hr/>                           | <hr/>                           |
| Supply staff costs                         | 3,396                           | 3,609                           |
| Staff development and other staff costs    | 68                              | 57                              |
| Pension liability inherited on conversions | 926                             | 15,533                          |
|  | <hr/>                           | <hr/>                           |
|  | <b>80,467</b>                   | <b>82,647</b>                   |
|  | <hr/>                           | <hr/>                           |

#### **Staff numbers**

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

|                            | <b>2017<br/>Number</b> | <b>2016<br/>Number</b> |
|----------------------------|------------------------|------------------------|
| Teachers                   | 802                    | 766                    |
| Administration and support | 1,898                  | 1,881                  |
| Management                 | 169                    | 139                    |
|                            | <hr/>                  | <hr/>                  |
|                            | 2,869                  | 2,786                  |
|                            | <hr/>                  | <hr/>                  |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

#### 8 Staff costs (Continued)

##### Staff numbers

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

|                            | 2017<br>Number | 2016<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 790            | 760            |
| Administration and support | 1,163          | 1,000          |
| Management                 | 100            | 93             |
|                            | <u>2,053</u>   | <u>1,853</u>   |

##### Higher paid staff

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

|                   | 2017<br>Number | 2016<br>Number |
|-------------------|----------------|----------------|
| £60,001-£70,000   | 28             | 31             |
| £70,001-£80,000   | 13             | 11             |
| £80,001-£90,000   | 8              | 4              |
| £90,001-£100,000  | 3              | -              |
| £100,001-£110,000 | 3              | 4              |
| £110,001-£120,000 | 3              | 3              |
| £140,001-150,000  | -              | 2              |
| £170,001-£180,000 | 1              | -              |
| £240,000-£250,000 | 1              | -              |
|                   | <u>      </u>  | <u>      </u>  |

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £719,651 (2016: £647,828).

##### Staff severance payments

Included within the staff restructuring costs are severance payments totalling £68,349. Individually, the payments were: £1,026, £1,333, £3,918, £24,982, £31,213

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 9 Remuneration and expenses

Key Management personnel received remuneration in respect of services they provide undertaking their roles within the trust.

No Trustee received any payments in respect of their role as a Trustee.

Sir Steve Lancashire (Chief Executive Officer and Accounting Officer):

Remuneration £240,000 - £250,000 (2016: £170,000 - £180,000)

2015 / 16 remuneration was for four days per week. 2016 / 17 remuneration is a full time salary. This also includes a one off performance related pay element relating to the prior year, but received in 2016/17.

Cathie Paine:

Remuneration £170,000 - £180,000 (2016: £150,000 - £165,000)

Dean Ashton:

Remuneration £70,000 - £80,000 (2016: £140,000 - £150,000)

2015/16 remuneration for a full year's salary. 2016/17 remuneration, part year until until March 17.

Katherine Alexander:

Remuneration £110,000 - £120,000 (2016: £100,000 - £110,000)

No Trustee received any remuneration as a member of staff of the Trust.

During the year two of the above employees participated in the Teachers' Pension Scheme. Pension contributions paid on their behalf amounted to £69,000 (2016: £53,000).

During the year two of the above employees participated in the LGPS. Pension contributions paid on their behalf amounted to £52,000 (2016: £70,000).

Payments made to Trustees of the Board relating to travel and subsistence were £3,452 (2016: £nil).

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

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect directors, education advisory board members and officers from claims arising from negligent acts, errors or omissions whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the costs for the year ended 31 August 2017 were £4,988 (2016: £5,034).

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 11 Central services

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

- Accountancy and financial planning systems
- Accountancy support
- HR support
- Payroll
- Estates strategic management and capital improvement
- Governance support
- Policy development
- Executive Principals and Associate School Leaders
- School Performance Management
- Risk Management
- School leadership development and training
- School leadership performance management
- Trust leadership and networking
- Liaison with regulators and policy makers (e.g. OFSTED, Dfe and ESFA)
- Media and publicity management
- Crisis management

The trust charges for these services based on a percentage of GAG income excluding grants received towards rates and insurance. In 2017 this was 5.5% (2016: 5.5%). In addition where academies have received additional growth funding / place funding from local authorities a further 5.5% has been charged (2016: 5.5%)

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Central services (continued)

|  | Total 2017<br>£ 000 | Total 2016<br>£ 000 |
|--|---------------------|---------------------|
| <i>The amounts charged during the year were as follows</i> |                     |                     |
| Aerodrome Primary Academy                                  | 76                  | 76                  |
| Beccles Primary Academy                                    | 59                  | 62                  |
| Brampton Primary Academy                                   | 86                  | 86                  |
| Broadmead Primary Academy                                  | 60                  | 145                 |
| Burrsville Infant Academy                                  | 45                  | 41                  |
| Bushbury Lane Academy                                      | 26                  | -                   |
| Camulos Academy  | 18                  | -                   |
| Castle Hill Academy  | 122                 | 104                 |
| Chapel End Junior Academy                                  | 92                  | 91                  |
| Chigwell Primary Academy                                   | 51                  | 50                  |
| Civitas Academy  | 24                  | 15                  |
| Concordia Academy  | 18                  | -                   |
| Copperfield Academy  | 95                  | 95                  |
| Dorothy Barley Junior Academy                              | 120                 | 115                 |
| Eastbrook Primary Academy                                  | 86                  | 86                  |
| Five Spires Academy  | 12                  | 13                  |
| Garden City Academy  | 53                  | 57                  |
| Gunton Primary Academy                                     | 64                  | 56                  |
| Heath Hayes Primary Academy                                | 35                  | 35                  |
| Kemsley Primary Academy                                    | 46                  | 45                  |
| Kirby Primary Academy                                      | 42                  | 41                  |
| Langtons Junior Academy                                    | 70                  | 71                  |
| Lawley Village Academy                                     | 15                  | 11                  |
| Manor Park Primary Academy                                 | 108                 | 63                  |
| Martlesham Primary Academy                                 | 20                  | 16                  |
| Meadow Primary Academy                                     | 48                  | 51                  |
| Milton Court Primary Academy                               | 47                  | 48                  |
| Minerva Academy  | 53                  | 42                  |
| Moor Green Primary Academy                                 | 97                  | 91                  |
| Northfield St Nicholas Primary Academy                     | 102                 | 99                  |
| Norton Canes Primary Academy                               | 49                  | 53                  |
| Oakfield Primary Academy                                   | 72                  | 58                  |
| Pemberley Academy  | 29                  | 39                  |
| Purfleet Primary Academy                                   | 108                 | 101                 |
| Racemeadow Primary Academy                                 | 52                  | 48                  |
| Ranikhet Academy   | 59                  | 53                  |
| Riverside Academy  | 48                  | 47                  |
| Robert Fitzroy Academy                                     | 138                 | 123                 |
| Scientia Academy   | 62                  | 50                  |
| Silkmore Primary Academy                                   | 44                  | 45                  |
| Sir Martin Frobisher                                       | 72                  | 0                   |

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 11 Central services (continued)

|  | Total 2017<br>£ 000 | Total 2016<br>£ 000 |
|--|---------------------|---------------------|
| <i>The amounts charged during the year were as follows</i> |                     |                     |
| Springhill Primary Academy                                 | 37                  | 42                  |
| Sprites Primary Academy                                    | 88                  | 89                  |
| St Margaret's Primary Academy                              | 86                  | 80                  |
| St Mark's Church of England Primary Academy                | 47                  | 49                  |
| The Globe Primary Academy                                  | 116                 | 119                 |
| The Palmer Primary Academy                                 | 94                  | 90                  |
| The Woodside Primary Academy                               | 249                 | 236                 |
| Tidemill Academy   | 143                 | 91                  |
| Tymerwood Academy  | 90                  | 92                  |
| Unity Primary Academy                                      | 81                  | 85                  |
| Veritas Primary Academy                                    | 42                  | 43                  |
| Water Lane Primary Academy                                 | 42                  | 43                  |
| White Meadows Primary Academy                              | 122                 | 117                 |
| Wilshere Dacre Junior Academy                              | 52                  | 57                  |
|  | <hr/>               | <hr/>               |
|  | <b>3,812</b>        | <b>3,555</b>        |
|  | <hr/>               | <hr/>               |

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

|                        | Freehold<br>land and<br>buildings<br>£ 000 | Leasehold<br>land and<br>buildings<br>£ 000 | Furniture<br>and<br>equipment<br>£ 000 | Computer<br>equipment<br>£ 000 | Assets under<br>construction<br>£ 000 | Motor vehicles<br>£ 000 | Total<br>£ 000 |
|------------------------|--|---|--|--------------------------------|---------------------------------------|-------------------------|----------------|
| <b>Cost</b>            |  |   |  |                                |                                       |                         |                |
| At 1 September 2016    | 7,967                                      | 248,245                                     | 2,215                                  | 1,523                          | 4,093                                 | 16                      | 264,059        |
| Transfer on conversion | -  | 3,699                                       | -                                      | -                              | (3,699)                               | -                       | -              |
| Additions              | -  | 12,880                                      | 457                                    | 818                            | 598                                   | 31                      | 14,890         |
| Disposals              | -  | (12,129)                                    | (28)                                   | (72)                           | -                                     | -                       | (12,229)       |
| At 31 August 2017      | <u>7,967</u>                               | <u>252,695</u>                              | <u>2,644</u>                           | <u>2,269</u>                   | <u>992</u>                            | <u>47</u>               | <u>266,720</u> |
| <b>Depreciation</b>    |  |   |  |                                |                                       |                         |                |
| At 1 September 2016    | 254  | 10,037                                      | 1,261                                  | 805                            | -                                     | 16                      | 12,373         |
| Charge for the year    | -  | 6,802                                       | 574                                    | 840                            | -                                     | 8                       | 8,256          |
| Disposals              | -  | (1,696)                                     | (20)                                   | (63)                           | -                                     | -                       | (1,779)        |
| At 31 August 2017      | <u>254</u>                                 | <u>15,143</u>                               | <u>1,815</u>                           | <u>1,582</u>                   | <u>-</u>                              | <u>24</u>               | <u>18,849</u>  |
| <b>Net book value</b>  |  |   |  |                                |                                       |                         |                |
| At 31 August 2017      | <u>7,713</u>                               | <u>237,551</u>                              | <u>829</u>                             | <u>686</u>                     | <u>992</u>                            | <u>23</u>               | <u>247,871</u> |
| At 31 August 2016      | <u>7,713</u>                               | <u>238,208</u>                              | <u>954</u>                             | <u>718</u>                     | <u>4,093</u>                          | <u>-</u>                | <u>251,686</u> |

Included in buildings is an amount of £7,713,000 in respect of land which is not depreciated.

Where fixed assets have transferred upon merger from existing Academy Trusts or from Local Authorities, the cost recognised in fixed asset additions is equal to the net book value of the fixed assets on the date of transfer. Upon transfer, management have considered the useful economic life of each asset at both the date of its initial recognition, when it was originally purchased, and at the date of transfer to the Trust. Accordingly depreciation has been charged over the reassessed useful economic life of the asset,

### 13 Stocks

|                                    | Total<br>2017<br>£ 000 | Total<br>2016<br>£ 000 |
|------------------------------------|------------------------|------------------------|
| Educational resources and supplies | 7                      | 35                     |
|                                    | <u>7</u>               | <u>35</u>              |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

| <b>14 Debtors</b>                | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|----------------------------------|---------------------------------|---------------------------------|
| Trade debtors                    | 1,486                           | 365                             |
| Amounts due from related parties | -                               | 98                              |
| Other debtors                    | 170                             | 424                             |
| Prepayments and accrued income   | 2,382                           | 2,962                           |
|                                  | <hr/>                           | <hr/>                           |
|                                  | <b>4,038</b>                    | <b>3,849</b>                    |
|                                  | <hr/>                           | <hr/>                           |

  

| <b>15 Creditors: amounts falling due within one year</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|--|---------------------------------|---------------------------------|
| Trade creditors  | 2,420                           | 1,961                           |
| Other taxation and social security                       | 226                             | 497                             |
| Other creditors  | 850                             | 280                             |
| Accruals and deferred income                             | 4,905                           | 4,262                           |
| Amounts owed to related parties                          | 111                             | -                               |
|  | <hr/>                           | <hr/>                           |
|  | <b>8,512</b>                    | <b>7,000</b>                    |
|  | <hr/>                           | <hr/>                           |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

| <b>16 Deferred income</b>                                  | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|--|---------------------------------|---------------------------------|
| Deferred income included within creditors due in one year: |                                 |                                 |
| Deferred income brought forward                            | 2,156                           | 212                             |
| Released from previous years                               | (2,156)                         | (212)                           |
| Amounts deferred in the year                               | 2,953                           | 2,156                           |
|  | <hr/>                           | <hr/>                           |
| <b>Deferred income carried forward</b>                     | <b>2,953</b>                    | <b>2,156</b>                    |
|  | <hr/>                           | <hr/>                           |

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

| <b>17 Creditors: amounts falling due after more than one year</b> | <b>Total<br/>2017<br/>£ 000</b> | <b>Total<br/>2016<br/>£ 000</b> |
|---|---------------------------------|---------------------------------|
| <b>Other</b>  |                                 |                                 |
| Due 1-2 years   | 178                             | 110                             |
| Due 2-5 years   | 228                             | 332                             |
| Due over 5 years  | 62                              | 123                             |
|   | <hr/>                           | <hr/>                           |
|   | <b>468</b>                      | <b>565</b>                      |
|   | <hr/>                           | <hr/>                           |

**REACH2 ACADEMY TRUST**

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

| 18 Funds                                  | Balance at 31<br>August 2016 | Incoming<br>resources | Resources<br>expended | Gains, losses<br>& transfers | Balance at<br>31 August<br>2017 |
|---|------------------------------|-----------------------|-----------------------|------------------------------|---------------------------------|
|   | £ 000                        | £ 000                 | £ 000                 | £ 000                        | £ 000                           |
| <b>Restricted general funds</b>           |                              |                       |                       |                              |                                 |
| General Annual Grant                      | 505                          | 70,202                | (70,707)              | -                            | -                               |
| Start up grants                           | -                            | 563                   | (563)                 | -                            | -                               |
| Pupil Premium                             | -                            | 7,955                 | (7,955)               | -                            | -                               |
| Other DfE / ESFA grants                   | -                            | 2,734                 | (2,734)               | -                            | -                               |
| Other government grants                   | -                            | 8,140                 | (8,140)               | -                            | -                               |
| Other restricted funds                    | -                            | 1,807                 | (1,807)               | -                            | -                               |
| Funds inherited on transfers              | 6,976                        | 344                   | (2,620)               | -                            | 4,690                           |
|   | <u>7,481</u>                 | <u>91,735</u>         | <u>(94,526)</u>       | <u>-</u>                     | <u>4,690</u>                    |
| <b>Funds excluding pensions</b>           |                              |                       |                       |                              |                                 |
| Pension reserve                           | (36,231)                     | -                     | (3,440)               | 8,429                        | (31,242)                        |
|   | <u>(36,231)</u>              | <u>-</u>              | <u>(3,440)</u>        | <u>8,429</u>                 | <u>(31,242)</u>                 |
| <b>Total restricted general funds</b>     | <b>(28,750)</b>              | <b>91,735</b>         | <b>(97,966)</b>       | <b>8,429</b>                 | <b>(26,552)</b>                 |
|   | <u>(28,750)</u>              | <u>91,735</u>         | <u>(97,966)</u>       | <u>8,429</u>                 | <u>(26,552)</u>                 |
| <b>Restricted fixed asset funds</b>       |                              |                       |                       |                              |                                 |
| DfE / ESFA capital grants                 | 51,065                       | 4,303                 | (8,264)               | -                            | 47,104                          |
| Donated assets                            | 200,621                      | 12,562                | (11,292)              | -                            | 201,891                         |
|   | <u>251,686</u>               | <u>16,865</u>         | <u>(19,556)</u>       | <u>-</u>                     | <u>248,995</u>                  |
| <b>Total restricted fixed asset funds</b> | <b>251,686</b>               | <b>16,865</b>         | <b>(19,556)</b>       | <b>-</b>                     | <b>248,995</b>                  |
|   | <u>251,686</u>               | <u>16,865</u>         | <u>(19,556)</u>       | <u>-</u>                     | <u>248,995</u>                  |
| <b>Total restricted funds</b>             | <b>222,936</b>               | <b>108,600</b>        | <b>(117,522)</b>      | <b>8,429</b>                 | <b>224,443</b>                  |
|   | <u>222,936</u>               | <u>108,600</u>        | <u>(117,522)</u>      | <u>8,429</u>                 | <u>224,443</u>                  |
| <b>Unrestricted funds</b>                 |                              |                       |                       |                              |                                 |
| General funds                             | 2,960                        | 2,575                 | (2,575)               | -                            | 2,960                           |
|   | <u>2,960</u>                 | <u>2,575</u>          | <u>(2,575)</u>        | <u>-</u>                     | <u>2,960</u>                    |
| <b>Total funds</b>                        | <b>225,896</b>               | <b>111,175</b>        | <b>(120,097)</b>      | <b>9,007</b>                 | <b>225,403</b>                  |
|   | <u>225,896</u>               | <u>111,175</u>        | <u>(120,097)</u>      | <u>9,007</u>                 | <u>225,403</u>                  |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 18 Funds (continued)

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

Restricted general funds must be used for the normal running costs of the Trust. In line with the Master Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

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

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

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds (continued)

|   | Total 2017<br>£ 000 | Total 2016 |
|---|---------------------|------------|
| <i>Analysis or academies by fund balances</i> |                     |            |
| Aerodrome Primary Academy                     | 353                 | 425        |
| Beccles Primary Academy                       | 132                 | 133        |
| Brampton Primary Academy                      | (120)               | 122        |
| Broadmead Primary Academy                     | -                   | 195        |
| Burrsville Infant Academy                     | 78                  | 54         |
| Bushbury Lane Academy                         | 72                  | -          |
| Camulos Academy                               | 119                 | -          |
| Castle Hill Academy                           | 43                  | (16)       |
| Chapel End Junior Academy                     | 202                 | 218        |
| Chigwell Primary Academy                      | 138                 | 118        |
| Civitas Academy                               | 12                  | 14         |
| Concordia Academy                             | 81                  | -          |
| Copperfield Academy                           | (4)                 | 153        |
| Dorothy Barley Junior Academy                 | 514                 | 378        |
| Eastbrook Primary Academy                     | 349                 | 320        |
| Five Spires Academy                           | (6)                 | 11         |
| Garden City Academy                           | 147                 | 151        |
| Gunton Primary Academy                        | 54                  | 1          |
| Heath Hayes Primary Academy                   | 49                  | 43         |
| Kemsley Primary Academy                       | 113                 | 71         |
| Kirby Primary Academy                         | 100                 | 12         |
| Langtons Junior Academy                       | 282                 | 189        |
| Lawley Village Academy                        | 5                   | 3          |
| Manor Park Primary Academy                    | 237                 | 363        |
| Martlesham Primary Academy                    | (26)                | 26         |
| Meadow Primary Academy                        | 26                  | 22         |
| Milton Court Primary Academy                  | 40                  | 60         |
| Minerva Academy                               | 151                 | (83)       |
| Moor Green Primary Academy                    | 97                  | 189        |
| Northfield St Nicholas Primary Academy        | 159                 | 91         |
| Norton Canes Primary Academy                  | 46                  | (4)        |
| Oakfield Primary Academy                      | 244                 | 232        |
| Pemberley Academy                             | 67                  | 14         |
| Purfleet Primary Academy                      | 44                  | 93         |
| Racemeadow Primary Academy                    | 158                 | 86         |
| Ranikhet Academy                              | 93                  | 79         |
| Reach2 Head office                            | (563)               | 1,777      |
| Riverside Academy                             | 167                 | 135        |
| Robert Fitzroy Academy                        | 443                 | 487        |
| Scientia Academy                              | 165                 | 61         |
| Silkmore Primary Academy                      | 13                  | (9)        |

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18

### Funds (continued)

|   | Total 2017<br>£ 000 | Total 2016     |
|---|---------------------|----------------|
| <i>Analysis of academies by fund</i>        |                     |                |
| Sir Martin Frobisher Academy                | 129                 | -              |
| Springhill Primary Academy                  | 167                 | 17             |
| Sprites Primary Academy                     | 96                  | 160            |
| St Margaret's Primary Academy               | 130                 | 107            |
| St Mark's Church of England Primary Academy | 62                  | 78             |
| The Globe Primary Academy                   | 289                 | 329            |
| The Palmer Primary Academy                  | 407                 | 476            |
| The Woodside Primary Academy                | 656                 | 846            |
| Tidemill Academy                            | 753                 | 1,471          |
| Tymberwood Academy                          | 143                 | 113            |
| Unity Primary Academy                       | 115                 | 204            |
| Veritas Primary Academy                     | 37                  | 15             |
| Water Lane Primary Academy                  | 149                 | 123            |
| White Meadows Primary Academy               | 189                 | 193            |
| Wilshire Dacre Junior Academy               | 54                  | 95             |
|   | <b>7,650</b>        | <b>10,441</b>  |
| Fixed asset reserves                        | 248,995             | 251,686        |
| Pension reserve                             | (31,242)            | (36,231)       |
|   | <b>225,403</b>      | <b>225,896</b> |

# REACH2 ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 18 Funds (continued) Analysis of academies by cost

|   | Teaching Staff Costs<br>£'000 | Other Support Staff Costs<br>£'000 | Educational Supplies<br>£'000 | Other Costs (excluding fixed asset expenses)<br>£'000 | Fixed Asset Expenses<br>£'000 | Total 2017<br>£'000 |
|---|-------------------------------|------------------------------------|-------------------------------|---|-------------------------------|---------------------|
| Aerodrome Primary Academy                   | 2,309                         | 221                                | 631                           | 186   | 412                           | 3,759               |
| Beccles Primary Academy                     | 999                           | 126                                | 143                           | 109   | 142                           | 1,519               |
| Brampton Primary Academy                    | 1,432                         | 216                                | 125                           | 318   | 138                           | 2,229               |
| Broadmead Primary Academy                   | 1,328                         | 153                                | 80                            | 541   | 184                           | 2,286               |
| Bursville Infant Academy                    | 828                           | 121                                | 77                            | 194   | 221                           | 1,441               |
| Bushbury Lane Academy                       | 307                           | 47                                 | 43                            | 105   | 28                            | 530                 |
| Castle Hill Academy                         | 2,141                         | 380                                | 161                           | 315   | 160                           | 3,157               |
| Camulos Academy                             | 372                           | 71                                 | 25                            | 195   | 285                           | 948                 |
| Chapel End Junior Academy                   | 1,547                         | 180                                | 125                           | 320   | 172                           | 2,344               |
| Chigwell Primary Academy                    | 723                           | 154                                | 65                            | 122   | 33                            | 1,097               |
| Concordia Academy                           | 286                           | 28                                 | 27                            | 128   | 102                           | 571                 |
| Concordia Academy                           | 149                           | 34                                 | 9                             | 56  | 2                             | 250                 |
| Copperfield Academy                         | 1,674                         | 217                                | 114                           | 429   | 248                           | 2,682               |
| Copperfield Academy                         | 1,805                         | 162                                | 112                           | 285   | 137                           | 2,501               |
| Dorothy Barley Junior Academy               | 1,351                         | 163                                | 117                           | 279   | 112                           | 2,022               |
| Dorothy Barley Junior Academy               | 14                            | 5,126                              | 390                           | 2,882   | 116                           | 8,528               |
| Eastbrook Primary Academy                   | 256                           | 85                                 | 37                            | 80  | 55                            | 513                 |
| Eastbrook Primary Academy                   | 889                           | 124                                | 97                            | 187   | 242                           | 1,539               |
| REAch2 Head office                          | 1,071                         | 52                                 | 96                            | 176   | 67                            | 1,462               |
| Five Spires Academy                         | 517                           | 140                                | 71                            | 115   | 2                             | 845                 |
| Garden City Academy                         | 777                           | 79                                 | 39                            | 207   | 171                           | 1,273               |
| Gunton Primary Academy                      | 652                           | 75                                 | 47                            | 137   | 89                            | 1,000               |
| Heath Hayes Primary Academy                 | 1,020                         | 139                                | 71                            | 208   | 86                            | 1,524               |
| Kemsley Primary Academy                     | 215                           | 40                                 | 13                            | 137   | 53                            | 458                 |
| Kirby Primary Academy                       | 1,639                         | 234                                | 106                           | 436   | 100                           | 2,515               |
| Langtons Junior Academy                     | 318                           | 83                                 | 33                            | 148   | 32                            | 614                 |
| Lawley Village Academy                      | 801                           | 132                                | 74                            | 209   | 113                           | 1,329               |
| Manor Park Primary Academy                  | 708                           | 112                                | 123                           | 183   | 170                           | 1,296               |
| Martlesham Primary Academy                  | 500                           | 109                                | 84                            | 416   | 303                           | 1,412               |
| Meadow Primary Academy                      | 1,397                         | 143                                | 150                           | 341   | 62                            | 2,093               |
| Milton Court Primary Academy                | 1,764                         | 151                                | 151                           | 256   | 178                           | 2,500               |
| Minerva Academy                             | 837                           | 107                                | 142                           | 134   | -57                           | 1,163               |
| Moor Green Primary Academy                  | 1,061                         | 145                                | 39                            | 399   | 251                           | 1,895               |
| Northfield St Nicholas Primary Academy      | 370                           | 116                                | 19                            | 66  | 266                           | 837                 |
| Norton Canes Primary Academy                | 1,943                         | 214                                | 112                           | 343   | 302                           | 2,914               |
| Oakfield Primary Academy                    | 755                           | 79                                 | 86                            | 154   | 48                            | 1,122               |
| Pemberley Academy                           | 1,077                         | 111                                | 48                            | 303   | 16                            | 1,555               |
| Purfleet Primary Academy                    | 714                           | 111                                | 84                            | 172   | 192                           | 1,273               |
| Racemeadow Primary Academy                  | 2,230                         | 242                                | 321                           | 463   | -120                          | 3,136               |
| Ranikhet Academy                            | 1,002                         | 160                                | 98                            | 201   | 300                           | 1,761               |
| Riverside Academy                           | 797                           | 59                                 | 97                            | 210   | 100                           | 1,263               |
| Robert Fitzroy Academy                      | 1,179                         | 134                                | 79                            | 299   | 74                            | 1,765               |
| Scientia Academy                            | 743                           | 70                                 | 70                            | 116   | 213                           | 1,212               |
| Silkmore Primary Academy                    | 1,406                         | 167                                | 134                           | 316   | 220                           | 2,243               |
| Sir Martin Frobisher Academy                | 1,302                         | 168                                | 138                           | 373   | 454                           | 2,435               |
| Springhill Primary Academy                  | 408                           | 404                                | 9                             | 231   | 3                             | 1,055               |
| Sprites Primary Academy                     | 1,093                         | 718                                | 50                            | 640   | 122                           | 2,623               |
| St Margaret's Primary Academy               | 899                           | 674                                | 107                           | 393   | 183                           | 2,256               |
| St Mark's Church of England Primary Academy | 4,854                         | 643                                | 379                           | 871   | 608                           | 7,355               |
| The Globe Primary Academy                   | 2,302                         | 277                                | 176                           | 757   | 261                           | 3,773               |
| The Palmer Primary Academy                  | 1,621                         | 297                                | 37                            | 311   | 349                           | 2,615               |
| The Woodside Primary Academy                | 1,347                         | 205                                | 91                            | 446   | -64                           | 2,025               |
| Tidemill Academy                            | 741                           | 150                                | 100                           | 142   | 88                            | 1,221               |
| Tymberwood Academy                          | 662                           | 112                                | 42                            | 115   | 203                           | 1,134               |
| Unity Primary Academy                       | 2,274                         | 227                                | 50                            | 427   | 69                            | 3,047               |
| Veritas Primary Academy                     | 779                           | 105                                | 102                           | 159   | 39                            | 1,184               |
| Water Lane Primary Academy                  | 2,309                         | 221                                | 631                           | 186   | 412                           | 3,759               |
| White Meadows Primary Academy               | 999                           | 126                                | 143                           | 109   | 142                           | 1,519               |
| Wilshere-Dacre Junior Academy               | 1,432                         | 216                                | 125                           | 318   | 138                           | 2,229               |
|   | <b>35,170</b>                 | <b>28,346</b>                      | <b>2,107</b>                  | <b>22,493</b>   | <b>11,765</b>                 | <b>109,099</b>      |

**REACH2 ACADEMY TRUST**

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

---

| <b>19 Analysis of net assets between funds</b>                | <b>Unrestricted<br/>funds<br/>£ 000</b> | <b>General<br/>Restricted<br/>funds<br/>£ 000</b> | <b>Restricted<br/>fixed<br/>assets<br/>£ 000</b> | <b>Total<br/>2017<br/>£ 000</b> |
|---|---|---|--|---------------------------------|
| <b>Fund balances as at 31 August 2017 are represented by:</b> |   |   |  |                                 |
| Tangible fixed assets   | -                                       | -   | 247,871  | 247,871                         |
| Current assets  | 2,960                                   | 13,670  | 1,124  | 17,754                          |
| Creditors   | -                                       | (8,980)   | -  | (8,980)                         |
| Defined benefit pension liability                             | -                                       | (31,242)  | -  | (31,242)                        |
|   | <u>2,960</u>                            | <u>(26,552)</u>                                   | <u>248,995</u>                                   | <u>225,403</u>                  |

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

---

**20 Pension and Similar Obligations**

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

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

Contributions amounting to £107k (2016: £nil) were payable to the Teachers Pension Scheme at 31 August 2017 and are included within creditors.

Contributions amounting to £85k (2016: £nil) were payable to the Local Government Pension Scheme at 31 August 2017 and are included within creditors.

**Teachers' Pension Scheme**

The pension costs are assessed in accordance with the advice of independent qualified actuaries.

The employer's pension costs paid to TPS in the period ended 31 August 2017 amounted to £8,530,000 (2016: £8,148,000).

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 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 change of contact, 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**

Not less than every four years 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 out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuation 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 (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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%

**Teachers' Pension Scheme Changes**

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS will be as at March 2019, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Teachers' Pension Scheme Changes (continued)**

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

**Local Government Pension Schemes**

Reach2 is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

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

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

|   | £'000                         |   |                      |                                  |                               |
|---|-------------------------------|---|----------------------|----------------------------------|-------------------------------|
|   | Pension<br>liability<br>b/fwd | Inherited<br>(liability) /<br>asset in year | Net service<br>costs | Actuarial<br>gains /<br>(losses) | Pension<br>liability<br>c/fwd |
| <b>City of Westminster</b>                    |                               |   |                      |                                  |                               |
| Minerva Academy                               | (94)                          |   | (30)                 | 103                              | (21)                          |
|   | (94)                          | -   | (30)                 | 103                              | (21)                          |
| <b>Essex</b>                                  |                               |   |                      |                                  |                               |
| Burrsville Infant Academy                     | (784)                         |   | (86)                 | 121                              | (749)                         |
| Camulos Academy                               | -                             |   | (32)                 | 5                                | (27)                          |
| Chigwell Primary Academy                      | (441)                         |   | (42)                 | 157                              | (326)                         |
| Kirby Primary Academy                         | (803)                         |   | (58)                 | 248                              | (613)                         |
| Pemberley Academy                             | (17)                          |   | (25)                 | (5)                              | (47)                          |
| Purfleet Primary Academy                      | (1,262)                       |   | (116)                | 242                              | (1,136)                       |
| Sir Martin Frobisher                          | -                             | (718)                                       | (140)                | 79                               | (779)                         |
| Unity Primary Academy                         | (1,530)                       |   | (142)                | 324                              | (1,348)                       |
| Water Lane Primary Academy                    | (585)                         | -   | (63)                 | 85                               | (563)                         |
|   | (5,422)                       | (718)                                       | (704)                | 1,256                            | (5,588)                       |
| <b>Kent County Council</b>                    |                               |   |                      |                                  |                               |
| Combined Academies (4)                        | (4,733)                       |   | (565)                | 1,827                            | (3,471)                       |
|   | (4,733)                       | -   | (565)                | 1,827                            | (3,471)                       |
| <b>Royal County Council of Berkshire</b>      |                               |   |                      |                                  |                               |
| Combined Academies (3)                        | (1,322)                       |   | (245)                | (60)                             | (1,627)                       |
|   | (1,322)                       | -   | (245)                | (60)                             | (1,627)                       |
| <b>West Midlands</b>                          |                               |   |                      |                                  |                               |
| Bushbury Lane Academy                         | 0                             | (364)                                       | (18)                 | (21)                             | (403)                         |
| Manor Park Primary Academy                    | (1,662)                       |   | (170)                | 126                              | (1,706)                       |
| Moor Green Primary Academy                    | (392)                         |   | (82)                 | (500)                            | (974)                         |
|   | (2,054)                       | (364)                                       | (270)                | (395)                            | (3,083)                       |
| <b>Hertfordshire County Council</b>           |                               |   |                      |                                  |                               |
| Garden City Academy                           | (373)                         |   | (39)                 | 143                              | (269)                         |
| Wilshire Dacre Junior Academy                 | (344)                         |   | (33)                 | 104                              | (273)                         |
|   | (717)                         | -   | (72)                 | 247                              | (542)                         |
| <b>London Borough of Barking and Dagenham</b> |                               |   |                      |                                  |                               |
| Dorothy Barley Junior Academy                 | (649)                         |   | (90)                 | 369                              | (370)                         |
|   | (649)                         | -   | (90)                 | 369                              | (370)                         |
| <b>London Borough of Croydon</b>              |                               |   |                      |                                  |                               |
| Aerodrome Primary Academy                     | (884)                         |   | (184)                | 257                              | (811)                         |
| Broadmead                                     | (2,008)                       | 2,008                                       |                      |                                  | -                             |
| Castlehill                                    | (1,358)                       |   | (203)                | 482                              | (1,079)                       |
| Robert Fitzroy Academy                        | (423)                         |   | (208)                | 237                              | (394)                         |
| St Marks Church of England Primary School     | (434)                         |   | (31)                 | 96                               | (369)                         |
|   | (5,107)                       | 2,008                                       | (626)                | 1,072                            | (2,653)                       |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****London Borough of Havering**

|                        |              |          |             |              |
|------------------------|--------------|----------|-------------|--------------|
| Concordia Academy      | -            | (7)      | 1           | (6)          |
| Langtons Junior School | (425)        | (56)     | 292         | (189)        |
|                        | <u>(425)</u> | <u>-</u> | <u>(63)</u> | <u>293</u>   |
|                        |              |          |             | <u>(195)</u> |

**London Borough of Lewisham**

|                  |                |          |              |                |
|------------------|----------------|----------|--------------|----------------|
| Tidemill Academy | (1,578)        | (176)    | 532          | (1,222)        |
|                  | <u>(1,578)</u> | <u>-</u> | <u>(176)</u> | <u>532</u>     |
|                  |                |          |              | <u>(1,222)</u> |

**Staffordshire**

|                        |                |          |              |                |
|------------------------|----------------|----------|--------------|----------------|
| Combined Academies (7) | (2,185)        | (277)    | 266          | (2,196)        |
|                        | <u>(2,185)</u> | <u>-</u> | <u>(277)</u> | <u>266</u>     |
|                        |                |          |              | <u>(2,196)</u> |

**Suffolk**

|  |                |          |              |                |
|--|----------------|----------|--------------|----------------|
| Beccles Primary Academy                | (558)          | (36)     | 179          | (415)          |
| Gunton Primary Academy                 | (818)          | (46)     | 299          | (565)          |
| Martlesham Primary Academy             | (85)           | (16)     | 37           | (64)           |
| Phoenix St. Peter Primary Academy      | (287)          | (29)     | 92           | (224)          |
| Northfield St Nicholas Primary Academy | (1,289)        | (77)     | 436          | (930)          |
| Sprites Primary Academy                | (802)          | (63)     | 331          | (534)          |
| St Margarets Primary Academy           | (377)          | (44)     | 142          | (279)          |
|  | <u>(4,216)</u> | <u>-</u> | <u>(311)</u> | <u>1,516</u>   |
|  |                |          |              | <u>(3,011)</u> |

**Warwickshire**

|                        |                |          |              |                |
|------------------------|----------------|----------|--------------|----------------|
| Combined Academies (3) | (2,116)        | (244)    | 678          | (1,682)        |
|                        | <u>(2,116)</u> | <u>-</u> | <u>(244)</u> | <u>678</u>     |
|                        |                |          |              | <u>(1,682)</u> |

**West Sussex County Council**

|                               |                |          |              |                |
|-------------------------------|----------------|----------|--------------|----------------|
| Eastbrook Primary Academy     | (686)          | (94)     | 301          | (479)          |
| The Globe Primary Academy     | (865)          | (84)     | 421          | (528)          |
| White Meadows Primary Academy | (541)          | (87)     | 188          | (440)          |
|                               | <u>(2,092)</u> | <u>-</u> | <u>(265)</u> | <u>910</u>     |
|                               |                |          |              | <u>(1,447)</u> |

**London Borough of Bexley**

|                          |              |          |             |              |
|--------------------------|--------------|----------|-------------|--------------|
| Brampton Primary Academy | (574)        | (69)     | 9           | (634)        |
|                          | <u>(574)</u> | <u>-</u> | <u>(69)</u> | <u>9</u>     |
|                          |              |          |             | <u>(634)</u> |

**London Borough of Waltham Forest**

|                              |                |          |              |                |
|------------------------------|----------------|----------|--------------|----------------|
| Chapel End Junior Academy    | (556)          | (20)     | 452          | (124)          |
| The Woodside Primary Academy | (2,252)        | (128)    | (485)        | (2,865)        |
| Reach2 Head Office           | (68)           | (111)    | (224)        | (403)          |
|                              | <u>(2,876)</u> | <u>-</u> | <u>(259)</u> | <u>(257)</u>   |
|                              |                |          |              | <u>(3,392)</u> |

**Shropshire County Council**

|                        |             |          |             |              |
|------------------------|-------------|----------|-------------|--------------|
| Lawley Village Academy | (71)        | -        | (18)        | (14)         |
|                        | <u>(71)</u> | <u>-</u> | <u>(18)</u> | <u>(14)</u>  |
|                        |             |          |             | <u>(103)</u> |

**Total 2017**

|  |                 |            |                |                 |
|--|-----------------|------------|----------------|-----------------|
|  | <u>(36,231)</u> | <u>926</u> | <u>(4,284)</u> | <u>8,352</u>    |
|  |                 |            |                | <u>(31,237)</u> |

Rounding differences between individual pensions schemes give rise to small difference between this table and the primary statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

The total contribution made for the period ended 31 August 2017 were:

|   | £000's     |            | Total      |
|---|------------|------------|------------|
|   | Ers        | Ees        |            |
| <b>City of Westminster</b>                    |            |            |            |
| Minerva Academy                               | 21         | 10         | 31         |
|   | <u>21</u>  | <u>10</u>  | <u>31</u>  |
| <b>Essex</b>                                  |            |            |            |
| Burrsville Infant Academy                     | 55         | 18         | 73         |
| Camulos Academy                               | 24         | 7          | 31         |
| Chigwell Primary Academy                      | 32         | 9          | 41         |
| Kirby Primary Academy                         | 29         | 8          | 37         |
| Pemberley Academy                             | 23         | 7          | 30         |
| Purfleet Primary Academy                      | 83         | 30         | 113        |
| Sir Martin Frobisher                          | 75         | 23         | 98         |
| Unity Primary Academy                         | 93         | 28         | 121        |
| Water Lane Primary Academy                    | 30         | 11         | 41         |
|   | <u>444</u> | <u>141</u> | <u>585</u> |
| <b>Kent County Council</b>                    |            |            |            |
| Combined Academies (4)                        | 332        | 97         | 429        |
|   | <u>332</u> | <u>97</u>  | <u>429</u> |
| <b>Royal County Council of Berkshire</b>      |            |            |            |
| Combined Academies (3)                        | 130        | 45         | 175        |
|   | <u>130</u> | <u>45</u>  | <u>175</u> |
| <b>West Midlands</b>                          |            |            |            |
| Bushbury Lane Academy                         | 22         | 5          | 27         |
| Manor Park Primary Academy                    | 107        | 38         | 145        |
| Moor Green Primary Academy                    | 59         | 22         | 81         |
|   | <u>188</u> | <u>65</u>  | <u>253</u> |
| <b>Hertfordshire County Council</b>           |            |            |            |
| Garden City Academy                           | 73         | 16         | 89         |
| Wilshire Dacre Junior Academy                 | 43         | 10         | 53         |
|   | <u>116</u> | <u>26</u>  | <u>142</u> |
| <b>London Borough of Barking and Dagenham</b> |            |            |            |
| Dorothy Barley Junior Academy                 | 94         | 30         | 124        |
|   | <u>94</u>  | <u>30</u>  | <u>124</u> |
| <b>London Borough of Croydon</b>              |            |            |            |
| Aerodrome Primary Academy                     | 115        | 42         | 157        |
| Castlehill                                    | 180        | 54         | 234        |
| Robert Fitzroy Academy                        | 83         | 42         | 125        |
| St Marks Church of England Primary School     | 59         | 12         | 71         |
|   | <u>437</u> | <u>150</u> | <u>587</u> |
| <b>London Borough of Havering</b>             |            |            |            |
| Concordia Academy                             | 5          | 2          | 7          |
| Langtons Junior School                        | 51         | 12         | 63         |
|   | <u>56</u>  | <u>14</u>  | <u>70</u>  |
| <b>London Borough of Lewisham</b>             |            |            |            |
| Tidemill Academy                              | 143        | 47         | 190        |
|   | <u>143</u> | <u>47</u>  | <u>190</u> |
| <b>Staffordshire</b>                          |            |            |            |
| Combined Academies (7)                        | 331        | 92         | 423        |
|   | <u>331</u> | <u>92</u>  | <u>423</u> |
| <b>Suffolk</b>                                |            |            |            |
| Beccles Primary Academy                       | 57         | 12         | 69         |
| Gunton Primary Academy                        | 61         | 13         | 74         |
| Martlesham Primary Academy                    | 25         | 5          | 30         |
| Phoenix St. Peter Primary Academy             | 47         | 10         | 57         |
| Northfield St Nicholas Primary Academy        | 121        | 24         | 145        |
| Sprites Primary Academy                       | 95         | 20         | 115        |
| St Margarets Primary Academy                  | 89         | 18         | 107        |
|   | <u>495</u> | <u>102</u> | <u>597</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|   |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| <b>Warwickshire</b>                     |                     |                     |                     |
| Combined Academies (3)                  | 172                 | 59                  | 231                 |
|   | <u>172</u>          | <u>59</u>           | <u>231</u>          |
| <b>West Sussex County Council</b>       |                     |                     |                     |
| Eastbrook Primary Academy               | 79                  | 22                  | 101                 |
| The Globe Primary Academy               | 127                 | 26                  | 153                 |
| White Meadows Primary Academy           | 150                 | 36                  | 186                 |
|   | <u>356</u>          | <u>84</u>           | <u>440</u>          |
| <b>London Borough of Bexley</b>         |                     |                     |                     |
| Brampton Primary Academy                | 85                  | 22                  | 107                 |
|   | <u>85</u>           | <u>22</u>           | <u>107</u>          |
| <b>London Borough of Waltham Forest</b> |                     |                     |                     |
| Chapel End Junior Academy               | 62                  | 12                  | 74                  |
| The Woodside Academy                    | 497                 | 104                 | 601                 |
| Reach2 Head Office                      | 489                 | 129                 | 618                 |
|   | <u>551</u>          | <u>141</u>          | <u>692</u>          |
| <b>Shropshire County Council</b>        |                     |                     |                     |
| Lawley Village Academy                  | 5                   | 4                   | 9                   |
|   | <u>5</u>            | <u>4</u>            | <u>9</u>            |
| <b>Total 2017</b>                       | <u><b>3,956</b></u> | <u><b>1,129</b></u> | <u><b>5,085</b></u> |

The estimated value of employer contributions for the year ended 31 August 2018 is £3,956,000

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

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

**City of Westminster Pension Fund**

| <b>Principal Actuarial Assumptions (%)</b>         | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 4.2         | 4.1         |
| Rate of increase for pensions in payment/inflation | 2.7         | 2.3         |
| Discount rate for scheme liabilities               | 2.6         | 2.2         |
| Inflation assumption (CPI)                         |             | 2.3         |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 24.4 | 22.1 |
| Females               | 26.0 | 25.3 |
| Retiring in 20 years: |      |      |
| Males                 | 26.7 | 24.4 |
| Females               | 28.3 | 27.7 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 76.0         | 74.0         |
| Property                     | 9.0          | 10.0         |
| Government bonds             | 4.0          | 3.0          |
| Corporate bonds              | 10.0         | 12.0         |
| Cash                         | 1.0          | 1.0          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |             |             |
|---|-------------|-------------|
| Fair Value of fund assets                       | 101         | 55          |
| Present value of the defined benefit obligation | (122)       | (149)       |
| Net defined benefit pension liability           | <u>(21)</u> | <u>(94)</u> |

**Total Expenditure Recognised in the  
Statement of Financial Activities**

**Operating cost**

|  |    |    |
|--|----|----|
| Current service cost (net of employee contributions) | 50 | 37 |
|--|----|----|

**Financing cost**

|   |   |   |
|---|---|---|
| Interest on net defined benefit liability/(asset) | 1 | 1 |
|---|---|---|

|                 |           |           |
|-----------------|-----------|-----------|
| Pension expense | <u>51</u> | <u>38</u> |
|-----------------|-----------|-----------|

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

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

|  | 2017        | 2016        |
|--|-------------|-------------|
| <b>Analysis of Pension Finance Income</b>                            |             |             |
| Interest income on assets  | 2           | 1           |
| Interest on pension liabilities                                      | (3)         | (2)         |
| Pension finance costs  | <u>(1)</u>  | <u>(1)</u>  |
| <b>Net movement on assets and liabilities</b>                        |             |             |
| B/fwd balance 1 September 2016                                       | (94)        | -           |
| Inherited on transfer/merger   | -           | (13)        |
| Employer contribution  | 21          | 20          |
| Current service cost   | (50)        | (37)        |
| Past service cost  | -           | -           |
| Interest expense   | (3)         | (2)         |
| Interest income on assets  | 2           | 1           |
| Actuarial (losses) / gains   | 103         | (63)        |
| <b>Deficit at 31 August 2017</b>                                     | <u>(21)</u> | <u>(94)</u> |
| <b>Movement in the present value of defined benefit obligations:</b> |             |             |
| B/fwd balance 1 September 2016                                       | 149         | -           |
| Inherited on transfer/merger   | -           | 35          |
| Current service cost   | 50          | 37          |
| Interest expense   | 3           | 2           |
| Employee contributions   | 10          | 9           |
| Actuarial (gains)/ losses  | (90)        | 66          |
| Benefits paid  | -           | -           |
| <b>At 31 August 2017</b>   | <u>122</u>  | <u>149</u>  |
| <b>Movement in the fair value of fund assets:</b>                    |             |             |
| B/fwd balance 1 September 2016                                       | 55          | -           |
| Inherited on transfer/merger   | -           | 22          |
| Interest on assets   | 2           | 1           |
| Remeasurement gains/ (losses)  | 13          | 3           |
| Employer contributions   | 21          | 20          |
| Employee contributions   | 10          | 9           |
| Benefits paid  | -           | -           |
| <b>At 31 August 2017</b>   | <u>101</u>  | <u>55</u>   |
| <b>Actual return on assets:</b>                                      | <u>15</u>   | <u>4</u>    |
| <b>History of experience gains and losses:</b>                       |             |             |
| Experience gains and losses on assets                                |             |             |
| Amount   | 13          | 3           |
| Percentage of assets   | 12.9%       | 5.5%        |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Essex Pension Fund**

| Principal Actuarial Assumptions (%)                | Burrsville Infant Academy |      | Camulos Academy |      | Chigwell Primary Academy |      | Kirby Primary Academy |      | Pemberley Academy |      | Purfleet Primary Academy |      | Sir Martin Frobisher |      | Unity Primary Academy |      | Water Lane Primary Academy |      | Total |      |
|--|---------------------------|------|-----------------|------|--------------------------|------|-----------------------|------|-------------------|------|--------------------------|------|----------------------|------|-----------------------|------|----------------------------|------|-------|------|
|  | 2017                      | 2016 | 2017            | 2016 | 2017                     | 2016 | 2017                  | 2016 | 2017              | 2016 | 2017                     | 2016 | 2017                 | 2016 | 2017                  | 2016 | 2017                       | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 4.2                       | 4.1  | 4.2             |      | 4.2                      | 4.1  | 4.2                   | 4.1  | 4.2               | 4.1  | 4.2                      | 4.1  | 4.2                  | 4.1  | 4.2                   | 4.1  | 4.2                        | 4.1  | 4.2   | 4.1  |
| Rate of increase for pensions in payment/inflation | 2.7                       | 2.3  | 2.7             |      | 2.7                      | 2.3  | 2.7                   | 2.3  | 2.7               | 2.3  | 2.7                      | 2.3  | 2.7                  | 2.3  | 2.7                   | 2.3  | 2.7                        | 2.3  | 2.7   | 2.3  |
| Discount rate for scheme liabilities               | 2.6                       | 2.2  | 2.6             |      | 2.6                      | 2.2  | 2.6                   | 2.2  | 2.6               | 2.2  | 2.6                      | 2.2  | 2.6                  | 2.2  | 2.6                   | 2.2  | 2.6                        | 2.2  | 2.6   | 2.2  |
| Inflation assumption (CPI)                         | 2.6                       | 2.3  | 2.6             |      | 2.6                      | 2.3  | 2.6                   | 2.3  | 2.6               | 2.3  | 2.6                      | 2.3  | 2.6                  | 2.3  | 2.6                   | 2.3  | 2.6                        | 2.3  | 2.6   | 2.3  |

**Commutation**

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

## Retiring today:

|         |      |      |      |  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Males   | 22.2 | 22.9 | 22.2 |  | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 | 22.2 | 22.9 |
| Females | 24.7 | 25.3 | 24.7 |  | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 | 24.7 | 25.3 |

## Retiring in 20 years:

|         |      |      |      |  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Males   | 24.3 | 25.2 | 24.3 |  | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 | 24.3 | 25.2 |
| Females | 27.0 | 27.7 | 27.0 |  | 27.0 | 25.1 | 27.0 | 27.7 | 27.0 | 25.1 | 27.0 | 27.7 | 27.0 | 27.7 | 27.0 | 25.1 | 27.0 | 25.1 | 27.0 | 26.6 |

**Asset split (%):**

|                              |       |       |       |     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Equities                     | 65.0  | 69.0  | 65.0  |     | 65.0  | 69.0  | 65.0  | 69.0  | 65.0  | 69.0  | 65.0  | 69.0  | 65.0  | 69.0  | 65.0  | 69.0  | 65.0  | 69.0  | 65.00 | 69.00 |
| Property                     | 10.0  | 11.0  | 10.0  |     | 10.0  | 11.0  | 10.0  | 11.0  | 10.0  | 11.0  | 10.0  | 11.0  | 10.0  | 11.0  | 10.0  | 11.0  | 10.0  | 11.0  | 10.00 | 11.00 |
| Government bonds             | 6.0   | 4.0   | 6.0   |     | 6.0   | 4.0   | 6.0   | 4.0   | 6.0   | 4.0   | 6.0   | 4.0   | 6.0   | 4.0   | 6.0   | 4.0   | 6.0   | 4.0   | 6.00  | 4.00  |
| Corporate bonds              | 4.0   | 4.0   | 4.0   |     | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   | 4.00  | 4.00  |
| Other                        | 12.0  | 9.0   | 12.0  |     | 12.0  | 9.0   | 12.0  | 9.0   | 12.0  | 9.0   | 12.0  | 9.0   | 12.0  | 9.0   | 12.0  | 9.0   | 3.0   | 9.0   | 10.71 | 9.00  |
| Cash                         | 3.0   | 3.0   | 3.0   |     | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 12.0  | 3.0   | 4.29  | 3.00  |
| Total market value of assets | 100.0 | 100.0 | 100.0 | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

|   |         |       |      |   |       |       |       |         |       |      |         |         |         |         |         |         |       |       |         |         |
|---|---------|-------|------|---|-------|-------|-------|---------|-------|------|---------|---------|---------|---------|---------|---------|-------|-------|---------|---------|
| Fair Value of fund assets                       | 304     | 174   | 34   |   | 134   | 76    | 332   | 249     | 61    | 23   | 618     | 421     | 446     | 331     | 653     | 422     | 302   | 212   | 2,850   | 1,908   |
| Present value of the defined benefit obligation | (1,053) | (958) | (61) |   | (460) | (517) | (945) | (1,052) | (108) | (40) | (1,754) | (1,683) | (1,225) | (1,049) | (2,001) | (1,952) | (865) | (797) | (8,411) | (8,048) |
| Net defined benefit pension liability           | (749)   | (784) | (27) | - | (326) | (441) | (613) | (803)   | (47)  | (17) | (1,136) | (1,262) | (779)   | (718)   | (1,348) | (1,530) | (563) | (585) | (5,561) | (6,140) |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|  | Burrsville Infant Academy |              | Camulos Academy |          | Chigwell Primary Academy |              | Kirby Primary Academy |              | Pemberley Academy |             | Purfleet Primary Academy |                | Sir Martin Frobisher |      | Unity Primary Academy |                | Water Lane Primary Academy |              | Total          |                |  |
|--|---------------------------|--------------|-----------------|----------|--------------------------|--------------|-----------------------|--------------|-------------------|-------------|--------------------------|----------------|----------------------|------|-----------------------|----------------|----------------------------|--------------|----------------|----------------|--|
|  | 2017                      | 2016         | 2017            | 2016     | 2017                     | 2016         | 2017                  | 2016         | 2017              | 2016        | 2017                     | 2016           | 2017                 | 2016 | 2017                  | 2016           | 2017                       | 2016         | 2017           | 2016           |  |
| <b>Total Expenditure Recognised in the Statement of Financial Activities</b> |                           |              |                 |          |                          |              |                       |              |                   |             |                          |                |                      |      |                       |                |                            |              |                |                |  |
| Current service cost (net of employee contributions)                         | 125                       | 68           | 56              |          | 65                       | 45           | 70                    | 46           | 48                | 23          | 172                      | 76             | 200                  |      | 203                   | 133            | 80                         | 54           | 963            | 445            |  |
| <b>Financing cost</b>  |                           |              |                 |          |                          |              |                       |              |                   |             |                          |                |                      |      |                       |                |                            |              |                |                |  |
| Interest on net defined benefit liability/(asset)                            | 16                        | 16           | -               |          | 11                       | 10           | 17                    | 17           | 0                 | -           | 27                       | 23             | 15                   |      | 32                    | 33             | 13                         | 12           | 131            | 111            |  |
| Total operating charge   | <u>141</u>                | <u>84</u>    | <u>56</u>       | <u>-</u> | <u>76</u>                | <u>55</u>    | <u>87</u>             | <u>63</u>    | <u>48</u>         | <u>23</u>   | <u>199</u>               | <u>99</u>      | <u>215</u>           |      | <u>235</u>            | <u>166</u>     | <u>93</u>                  | <u>66</u>    | <u>1,094</u>   | <u>556</u>     |  |
| <b>Analysis of Pension Finance Income</b>                                    |                           |              |                 |          |                          |              |                       |              |                   |             |                          |                |                      |      |                       |                |                            |              |                |                |  |
| Interest income on assets  | 5                         | 5            | -               |          | 2                        | 2            | 6                     | 8            | 1                 | -           | 10                       | 13             | 8                    |      | 11                    | 13             | 5                          | 7            | 48             | 48             |  |
| Interest on pension liabilities  | (21)                      | (21)         | -               |          | (11)                     | (12)         | (23)                  | (25)         | (1)               | -           | (37)                     | (36)           | (23)                 |      | (43)                  | (46)           | (18)                       | (19)         | (177)          | (159)          |  |
| Pension finance income/ (costs)  | <u>(16)</u>               | <u>(16)</u>  | <u>-</u>        | <u>-</u> | <u>(9)</u>               | <u>(10)</u>  | <u>(17)</u>           | <u>(17)</u>  | <u>-</u>          | <u>-</u>    | <u>(27)</u>              | <u>(23)</u>    | <u>(15)</u>          |      | <u>(32)</u>           | <u>(33)</u>    | <u>(13)</u>                | <u>(12)</u>  | <u>(129)</u>   | <u>(111)</u>   |  |
| <b>Net movement on assets and liabilities</b>                                |                           |              |                 |          |                          |              |                       |              |                   |             |                          |                |                      |      |                       |                |                            |              |                |                |  |
| B/fwd balance 1 September 2016   | (784)                     | (784)        | -               |          | (441)                    | -            | (803)                 | (447)        | (17)              | -           | (1,262)                  | (615)          |                      |      | (1,530)               | (889)          | (585)                      | -            | (5,422)        | (2,735)        |  |
| Inherited on transfer/merger   | -                         | -            |                 |          | -                        | (259)        | -                     | -            | -                 | -           | -                        | -              | (718)                |      | -                     | -              | -                          | (333)        | (718)          | (592)          |  |
| Employer contribution  | 55                        | 50           | 24              |          | 32                       | 33           | 29                    | 31           | 23                | 17          | 83                       | 80             | 75                   |      | 93                    | 91             | 30                         | 34           | 444            | 336            |  |
| Current service cost   | (125)                     | (68)         | (56)            |          | (65)                     | (45)         | (70)                  | (46)         | (48)              | (23)        | (172)                    | (76)           | (200)                |      | (203)                 | (133)          | (80)                       | (54)         | (1,019)        | (445)          |  |
| Interest expense   | (21)                      | (21)         | -               |          | (11)                     | (12)         | (23)                  | (25)         | 1                 | -           | (37)                     | (36)           | (23)                 |      | (43)                  | (46)           | (18)                       | (19)         | (175)          | (159)          |  |
| Interest income on assets  | 5                         | 5            | -               |          | 2                        | 2            | 6                     | 8            | (1)               | -           | 10                       | 13             | 8                    |      | 11                    | 13             | 5                          | 7            | 46             | 48             |  |
| Actuarial gains/(losses)   | 121                       | 34           | 5               |          | 157                      | (160)        | 248                   | (324)        | (5)               | (11)        | 242                      | (628)          | 79                   |      | 324                   | (566)          | 85                         | (220)        | 1,256          | (1,875)        |  |
| <b>Deficit at 31 August 2017</b>   | <u>(749)</u>              | <u>(784)</u> | <u>(27)</u>     | <u>-</u> | <u>(326)</u>             | <u>(441)</u> | <u>(613)</u>          | <u>(803)</u> | <u>(47)</u>       | <u>(17)</u> | <u>(1,136)</u>           | <u>(1,262)</u> | <u>(779)</u>         |      | <u>(1,348)</u>        | <u>(1,530)</u> | <u>(563)</u>               | <u>(585)</u> | <u>(5,588)</u> | <u>(5,422)</u> |  |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|  | Burrsville Infant Academy |            | Camulos Academy |          | Chigwell Primary Academy |            | Kirby Primary Academy |              | Pemberley Academy |           | Purfleet Primary Academy |              | Sir Martin Frobisher |          | Unity Primary Academy |              | Water Lane Primary Academy |            | Total        |              |
|--|---------------------------|------------|-----------------|----------|--------------------------|------------|-----------------------|--------------|-------------------|-----------|--------------------------|--------------|----------------------|----------|-----------------------|--------------|----------------------------|------------|--------------|--------------|
|  | 2017                      | 2016       | 2017            | 2016     | 2017                     | 2016       | 2017                  | 2016         | 2017              | 2016      | 2017                     | 2016         | 2017                 | 2016     | 2017                  | 2016         | 2017                       | 2016       | 2017         | 2016         |
| <b>Movement in the present value of defined benefit obligations:</b> |                           |            |                 |          |                          |            |                       |              |                   |           |                          |              |                      |          |                       |              |                            |            |              |              |
| B/fwd balance 1 September 2016                                       | 958                       | 517        | -               | -        | 517                      | -          | 1,052                 | 635          | 40                | -         | 1,683                    | 884          | 1,049                | -        | 1,952                 | 1,149        | 797                        | -          | 8,048        | 3,185        |
| Inherited on transfer/merger   | -                         | -          | -               | -        | -                        | 285        | -                     | -            | 0                 | -         | -                        | -            | -                    | -        | -                     | -            | -                          | 476        | -            | 761          |
| Current service cost   | 125                       | 68         | 56              | -        | 65                       | 45         | 70                    | 46           | 48                | 23        | 172                      | 76           | 200                  | -        | 203                   | 133          | 80                         | 54         | 963          | 445          |
| Interest cost  | 21                        | 21         | -               | -        | 11                       | 12         | 23                    | 25           | 1                 | -         | 37                       | 36           | 23                   | -        | 43                    | 46           | 18                         | 19         | 177          | 159          |
| Employee contributions   | 18                        | 16         | 7               | -        | 9                        | 10         | 8                     | 9            | 7                 | 5         | 30                       | 25           | 23                   | -        | 28                    | 28           | 11                         | 11         | 134          | 104          |
| Actuarial Losses / (Gains)   | (67)                      | 338        | (2)             | -        | (139)                    | 165        | (198)                 | 345          | 12                | 12        | (154)                    | 663          | (34)                 | -        | (222)                 | 600          | (41)                       | 237        | (843)        | 2,360        |
| Benefits paid  | (2)                       | (2)        | -               | -        | (3)                      | -          | (10)                  | (8)          | -                 | -         | (14)                     | (1)          | (36)                 | -        | (3)                   | (4)          | -                          | -          | (68)         | (15)         |
| <b>At 31 August 2017</b>   | <b>1,053</b>              | <b>958</b> | <b>61</b>       | <b>-</b> | <b>460</b>               | <b>517</b> | <b>945</b>            | <b>1,052</b> | <b>108</b>        | <b>40</b> | <b>1,754</b>             | <b>1,683</b> | <b>1,225</b>         | <b>-</b> | <b>2,001</b>          | <b>1,952</b> | <b>865</b>                 | <b>797</b> | <b>8,411</b> | <b>6,999</b> |
| <b>Movement in the fair value of fund assets:</b>                    |                           |            |                 |          |                          |            |                       |              |                   |           |                          |              |                      |          |                       |              |                            |            |              |              |
| B/fwd balance 1 September 2016                                       | 174                       | 91         | -               | -        | 76                       | -          | 249                   | 188          | 23                | -         | 421                      | 269          | 331                  | -        | 422                   | 260          | 212                        | -          | 1,908        | 808          |
| Inherited on transfer/merger   | -                         | -          | -               | -        | -                        | 26         | -                     | -            | -                 | -         | -                        | -            | -                    | -        | -                     | -            | -                          | 143        | -            | 169          |
| Interest on assets   | 5                         | 5          | -               | -        | 2                        | 2          | 6                     | 8            | 1                 | -         | 10                       | 13           | 8                    | -        | 11                    | 13           | 5                          | 7          | 48           | 48           |
| Remeasurements gains / (losses)                                      | 54                        | 14         | 3               | -        | 18                       | 5          | 50                    | 21           | 7                 | 1         | 88                       | 35           | 45                   | -        | 102                   | 34           | 44                         | 17         | 408          | 127          |
| Employer contributions   | 55                        | 50         | 24              | -        | 32                       | 33         | 29                    | 31           | 23                | 17        | 83                       | 80           | 75                   | -        | 93                    | 91           | 30                         | 34         | 420          | 336          |
| Employee contributions   | 18                        | 16         | 7               | -        | 9                        | 10         | 8                     | 9            | 7                 | 5         | 30                       | 25           | 23                   | -        | 28                    | 28           | 11                         | 11         | 134          | 104          |
| Benefits paid  | (2)                       | (2)        | -               | -        | (3)                      | -          | (10)                  | (8)          | -                 | -         | (14)                     | (1)          | (36)                 | -        | (3)                   | (4)          | -                          | -          | (68)         | (15)         |
| <b>At 31 August 2017</b>   | <b>304</b>                | <b>174</b> | <b>34</b>       | <b>-</b> | <b>134</b>               | <b>76</b>  | <b>332</b>            | <b>249</b>   | <b>61</b>         | <b>23</b> | <b>618</b>               | <b>421</b>   | <b>446</b>           | <b>-</b> | <b>653</b>            | <b>422</b>   | <b>302</b>                 | <b>212</b> | <b>2,850</b> | <b>1,577</b> |
| <b>Actual return on assets:</b>                                      | <b>59</b>                 | <b>19</b>  | <b>3</b>        | <b>-</b> | <b>20</b>                | <b>7</b>   | <b>56</b>             | <b>29</b>    | <b>8</b>          | <b>1</b>  | <b>98</b>                | <b>48</b>    | <b>53</b>            | <b>-</b> | <b>113</b>            | <b>47</b>    | <b>49</b>                  | <b>24</b>  | <b>456</b>   | <b>175</b>   |
| <b>History of experience gains and losses:</b>                       |                           |            |                 |          |                          |            |                       |              |                   |           |                          |              |                      |          |                       |              |                            |            |              |              |
| Experience gains and (losses) on assets                              |                           |            |                 |          |                          |            |                       |              |                   |           |                          |              |                      |          |                       |              |                            |            |              |              |
| Amount   | 54                        | 14         | 3               | -        | 18                       | 5          | 50                    | 21           | 7                 | 1         | 88                       | 35           | 45                   | -        | 102                   | 34           | 44                         | 17         | 408          | 127          |
| Percentage of assets   | 17.8%                     | 8.0%       | 8.8%            | -        | 13.4%                    | 6.6%       | 15.1%                 | 8.4%         | 11.5%             | 4.3%      | 14.2%                    | 8.3%         | 10.1%                | -        | 15.6%                 | 8.1%         | 14.6%                      | 8.0%       | 14.3%        | 8.1%         |

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

---

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

**Warwickshire County Council Pension Fund**

| <b>Principal Actuarial Assumptions (%)</b>         | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 3           | 4.1         |
| Rate of increase for pensions in payment/inflation | 2.4         | 2.1         |
| Discount rate for scheme liabilities               | 2.5         | 2.1         |
| Inflation assumption (CPI)                         |             |             |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 22.5 | 22.4 |
| Females               | 24.7 | 24.4 |
| Retiring in 20 years: |      |      |
| Males                 | 24.3 | 24.3 |
| Females               | 26.7 | 26.6 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 65           | 65.0         |
| Property                     | 11           | 11.0         |
| Government bonds             | 22           | 23.0         |
| Corporate bonds              |              |              |
| Other                        |              |              |
| Cash                         | 2            | 1.0          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |                |                |
|---|----------------|----------------|
| Fair Value of fund assets                       | 1,961          | 1,464          |
| Present value of the defined benefit obligation | (3,643)        | (3,836)        |
| Net defined benefit pension liability           | <u>(1,682)</u> | <u>(2,372)</u> |

**Total Expenditure Recognised in the  
Statement of Financial Activities**

|  |            |            |
|--|------------|------------|
| Current service cost (net of employee contributions) | 364        | 256        |
| Administration expenses                              |            |            |
| <b>Financing cost</b>                                |            |            |
| Interest on net defined benefit liability/(asset)    | 52         | 51         |
| Pension Expense                                      | <u>416</u> | <u>307</u> |

NOTES TO THE FINANCIAL STATEMENTS  
 Pension and Similar Obligations (continued)  
 FOR THE YEAR ENDED 31 AUGUST 2017

2017 2016

**Analysis of Pension Finance Income**

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Interest income on assets            | 33          | 44          |
| Interest cost on pension liabilities | (85)        | (95)        |
| Pension finance income/ (costs)      | <u>(52)</u> | <u>(51)</u> |

**Net movement on assets and liabilities**

|                                |         |         |
|--------------------------------|---------|---------|
| B/fwd balance 1 September 2016 | (2,116) | (1,313) |
| Inherited on transfer/merger   | -       | -       |
| Employer contribution          | 172     | 160     |
| Current service cost           | (364)   | (256)   |
| Past service cost              |         |         |
| Interest expense               | (85)    | (95)    |
| Interest income on assets      | 33      | 44      |
| Actuarial gains/(losses)       | 678     | (656)   |

**Deficit at 31 August 2017** (1,682) (2,116)

**Movement in the present value of defined benefit obligations:**

|                                |       |       |
|--------------------------------|-------|-------|
| B/fwd balance 1 September 2016 | 3,836 | 2,357 |
| Inherited on transfer/merger   | -     | -     |
| Current service cost           | 364   | 256   |
| Interest cost                  | 85    | 95    |
| Employee contributions         | 59    | 56    |
| Actuarial (gain)/ loss         | (688) | 1,083 |
| Benefits paid                  | (13)  | (11)  |

**At 31 August 2017** 3,643 3,836

**Movement in the fair value of fund assets:**

|                                |       |       |
|--------------------------------|-------|-------|
| B/fwd balance 1 September 2016 | 1,464 | 1,044 |
| Inherited on merger/transfer   |       |       |
| Interest on income             | 33    | 44    |
| Administration expenses        |       |       |
| Remeasurements gains/ (losses) | 246   | 171   |
| Employer contributions         | 172   | 160   |
| Employee contributions         | 59    | 56    |
| Benefits paid                  | (13)  | (11)  |

**At 31 August 2017** 1,961 1,464

**Actual return on assets:** 279 215

**Experience gains and losses on assets**

|                      |       |       |
|----------------------|-------|-------|
| Amount               | 246   | 171   |
| Percentage of assets | 12.5% | 11.7% |

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

---

**20 Pension and Similar Obligations (continued)**
**Kent County Council Pension Fund**
**Principal Actuarial Assumptions (%)**

|  | 2017 | 2016 |
|--|------|------|
| Rate of increase in salaries                       | 4.2  | 4.1  |
| Rate of increase for pensions in payment/inflation | 2.7  | 2.3  |
| Discount rate for scheme liabilities               | 2.6  | 2.2  |
| Inflation assumption (CPI)                         | 2.7  | 2.3  |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 23.0 | 22.9 |
| Females               | 25.1 | 25.3 |
| Retiring in 20 years: |      |      |
| Males                 | 25.2 | 25.2 |
| Females               | 27.4 | 27.7 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 70.0         | 68.0         |
| Property                     | 12.0         | 14.0         |
| Government bonds             | 1.0          | 1.0          |
| Corporate bonds              | 10.0         | 14.0         |
| Other                        | 4.0          | 1.0          |
| Cash                         | 3.0          | 2.0          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |                |                |
|---|----------------|----------------|
| Fair Value of fund assets                       | 3750           | 2,729          |
| Present value of the defined benefit obligation | <u>(7,221)</u> | <u>(7,462)</u> |
| Net defined benefit pension liability           | <u>(3,471)</u> | <u>(4,733)</u> |

**Total Expenditure Recognised in the  
Statement of Financial Activities**

|  |            |            |
|--|------------|------------|
| Current service cost (net of employee contributions) | 796        | 454        |
| Administration expenses                              | 2          | 1          |
| <b>Financing cost</b>                                |            |            |
| Interest on net defined benefit liability/(asset)    | 101        | 82         |
| Pension Expense                                      | <u>899</u> | <u>537</u> |

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

| 20 Pension and Similar Obligations (continued)                       | 2017           | 2016           |       |
|--|----------------|----------------|-------|
| <b>Analysis of Pension Finance Income</b>                            |                |                |       |
| Interest income on assets  | 64             | 89             |       |
| Interest cost on pension liabilities                                 | (165)          | (171)          |       |
| Pension finance income/ (costs)                                      | <u>(101)</u>   | <u>(82)</u>    |       |
| <b>Net movement on assets and liabilities</b>                        |                |                |       |
| B/fwd balance 1 September 2016                                       | (4,733)        | -              |       |
| Inherited on transfer/merger   | -              | (2,218)        |       |
| Employer contribution  | 332            | 303            |       |
| Current service cost   | (796)          | (454)          | (464) |
| Past service cost  | -              | -              |       |
| Interest expense   | (165)          | (171)          | (165) |
| Interest income on assets  | 64             | 89             | 64    |
| Actuarial gains/(losses)   | 1,827          | (2,282)        | 1,827 |
| <b>Deficit at 31 August 2017</b>                                     | <u>(3,471)</u> | <u>(4,733)</u> |       |
| <b>Movement in the present value of defined benefit obligations:</b> |                |                |       |
| B/fwd balance 1 September 2016                                       | 7,462          | -              |       |
| Inherited on transfer/merger   | -              | 4,245          |       |
| Current service cost   | 796            | 454            |       |
| Interest cost  | 165            | 171            |       |
| Employee contributions   | 97             | 88             |       |
| Actuarial (gain)/ loss   | (1,267)        | 2,507          |       |
| Benefits paid  | (32)           | (3)            |       |
| <b>At 31 August 2017</b>   | <u>7,221</u>   | <u>7,462</u>   |       |
| <b>Movement in the fair value of fund assets:</b>                    |                |                |       |
| B/fwd balance 1 September 2016                                       | 2,729          | -              |       |
| Inherited on merger/transfer   | -              | 2,027          |       |
| Interest on income   | 64             | 89             |       |
| Administration expenses  | (2)            | (1)            |       |
| Remeasurements gains/ (losses)                                       | 562            | 226            |       |
| Employer contributions   | 332            | 303            |       |
| Employee contributions   | 97             | 88             |       |
| Benefits paid  | (32)           | (3)            |       |
| <b>At 31 August 2017</b>   | <u>3,750</u>   | <u>2,729</u>   |       |
| <b>Actual return on assets:</b>                                      | <u>626</u>     | <u>315</u>     |       |
| <b>Experience gains and losses on assets</b>                         |                |                |       |
| Amount   | 562            | 226            |       |
| Percentage of assets   | 15.0%          | 8.3%           |       |

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

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

**Royal County Council of Berkshire Pension Fund**

| <b>Principal Actuarial Assumptions (%)</b>   | <b>Total</b>   |                |
|--|----------------|----------------|
|  | <b>2017</b>    | <b>2016</b>    |
| Rate of increase in salaries   | 4.2            | 4.1            |
| Rate of increase for pensions in payment/inflation   | 2.7            | 2.3            |
| Discount rate for scheme liabilities   | 2.6            | 2.2            |
| Inflation assumption (CPI)   | 2.7            | 2.3            |
| <br><b>Commutation</b>   |                |                |
| The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are: |                |                |
| Retiring today:  |                |                |
| Males  | 23.0           | 22.9           |
| Females  | 25.1           | 26.2           |
| Retiring in 20 years:  |                |                |
| Males  | 25.2           | 25.2           |
| Females  | 27.4           | 28.5           |
| <br><b>Asset split (%):</b>  |                |                |
| Equities   | 50.0           | 49.0           |
| Property   | 14.0           | 13.0           |
| Government bonds   | -              | 2.0            |
| Corporate bonds  | 16.0           | 14.0           |
| Other  | 8.0            | 18.0           |
| Cash   | 12.0           | 4.0            |
| Total market value of assets   | <u>100.0</u>   | <u>100.0</u>   |
| <br>   |                |                |
| Fair Value of fund assets  | 782            | 718            |
| Present value of the defined benefit obligation  | (2,409)        | (2,040)        |
| Net defined benefit pension liability  | <u>(1,627)</u> | <u>(1,322)</u> |
| <br><b>Total Expenditure Recognised in the Statement of Financial Activities</b>   |                |                |
| <br>   |                |                |
| Current service cost (net of employee contributions)   | 347            | 198            |
| <b>Financing cost</b>  |                |                |
| Interest on net defined benefit liability/(asset)  | 29             | 20             |
| Pension expense  | <u>376</u>     | <u>218</u>     |
| <br><b>Analysis of Pension Finance Income</b>  |                |                |
| <br>   |                |                |
| Expected return on pension scheme assets   | 16             | 22             |
| Interest on pension liabilities  | (44)           | (42)           |
| Pension finance costs  | <u>(28)</u>    | <u>(20)</u>    |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|  | <b>Total</b>   |                |
|--|----------------|----------------|
|  | <b>2017</b>    | <b>2016</b>    |
| <b>Net movement on assets and liabilities</b>                        |                |                |
| B/fwd balance 1 September 2016                                       | (1,322)        | -              |
| Inherited on transfer/merger   |                | (588)          |
| Employer contribution  | 130            | 123            |
| Current service cost   | (347)          | (198)          |
| Interest expense   | (44)           | (42)           |
| Interest income on assets  | 16             | 22             |
| Actuarial gains/(losses)   | (60)           | (639)          |
| <b>Deficit at 31 August 2017</b>                                     | <b>(1,627)</b> | <b>(1,322)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                |                |
| B/fwd balance 1 September 2016                                       | 2,040          | -              |
| Inherited on transfer/merger   |                | 1,072          |
| Current service cost   | 347            | 198            |
| Interest expense   | 44             | 42             |
| Employee contributions   | 45             | 43             |
| Actuarial Gains / (losses)   | (67)           | 685            |
| <b>At 31 August 2017</b>   | <b>2,409</b>   | <b>2,040</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                |                |
| B/fwd balance 1 September 2016                                       | 718            | -              |
| Inherited on transfer/merger   |                | 484            |
| Interest on income   | 16             | 22             |
| Remeasurement Gains / (Losses)                                       | (127)          | 46             |
| Employer contributions   | 130            | 123            |
| Employee contributions   | 45             | 43             |
| <b>At 31 August 2017</b>   | <b>782</b>     | <b>718</b>     |
| <b>Actual return on assets:</b>                                      | <b>(111)</b>   | <b>68</b>      |
| <b>History of experience gains and losses:</b>                       |                |                |
| Experience gains and losses on assets                                |                |                |
| Amount   | (127)          | 46             |
| Percentage of assets   | (16.2%)        | 6.4%           |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****West Midlands Pension Fund**

| Principal Actuarial Assumptions (%)                | Bushbury Lane<br>Primary Academy |      | Manor Park<br>Primary Academy |      | Moor Green<br>Primary Academy |      | Total |      |
|--|----------------------------------|------|-------------------------------|------|-------------------------------|------|-------|------|
|  | 2017                             | 2016 | 2017                          | 2016 | 2017                          | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 4.2                              |      | 4.2                           | 3.8  | 4.2                           | 3.8  | 4.2   | 3.8  |
| Rate of increase for pensions in payment/inflation | 2.7                              |      | 2.7                           | 2.0  | 2.7                           | 2.0  | 2.7   | 2.0  |
| Discount rate for scheme liabilities               | 2.6                              |      | 2.6                           | 2.2  | 2.6                           | 2.2  | 2.6   | 2.2  |
| Inflation assumption (CPI)                         | 2.7                              |      | 2.7                           | 2.0  | 2.7                           | 2.0  | 2.7   | 2.0  |

**Commutation**

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

## Retiring today:

|         |      |  |      |      |      |      |      |      |
|---------|------|--|------|------|------|------|------|------|
| Males   | 21.8 |  | 21.8 | 23.1 | 21.8 | 23.1 | 21.8 | 23.1 |
| Females | 24.3 |  | 24.3 | 25.8 | 24.3 | 25.8 | 24.3 | 25.8 |

## Retiring in 20 years:

|         |      |  |      |      |      |      |      |      |
|---------|------|--|------|------|------|------|------|------|
| Males   | 24.0 |  | 24.0 | 25.3 | 24.0 | 25.3 | 24.0 | 25.3 |
| Females | 26.6 |  | 26.6 | 28.1 | 26.6 | 28.1 | 26.6 | 28.1 |

**Asset split (%):**

|                              |       |   |       |       |       |       |       |       |
|------------------------------|-------|---|-------|-------|-------|-------|-------|-------|
| Equities                     | 63.0  |   | 63.0  | 59.0  | 63.0  | 59.0  | 63.0  | 59.0  |
| Property                     | 7.0   |   | 7.0   | 8.0   | 7.0   | 8.0   | 7.0   | 8.0   |
| Government bonds             | 7.0   |   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   | 7.0   |
| Corporate bonds              | 4.0   |   | 4.0   | 9.0   | 4.0   | 9.0   | 4.0   | 9.0   |
| Other                        | 14.0  |   | 14.0  | 11.0  | 14.0  | 11.0  | 14.0  | 11.0  |
| Cash                         | 5.0   |   | 5.0   | 6.0   | 5.0   | 6.0   | 5.0   | 6.0   |
| Total market value of assets | 100.0 | - | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

|   |       |   |         |         |         |       |         |         |
|---|-------|---|---------|---------|---------|-------|---------|---------|
| Fair Value of fund assets                       | 56    |   | 252     | 99      | 489     | 344   | 797     | 443     |
| Present value of the defined benefit obligation | (459) |   | (1,958) | (1,761) | (1,463) | (736) | (3,880) | (2,497) |
| Net defined benefit pension liability           | (403) | - | (1,706) | (1,662) | (974)   | (392) | (3,083) | (2,054) |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |    |   |     |    |     |    |     |     |
|--|----|---|-----|----|-----|----|-----|-----|
| Current service cost (net of employee contributions) | 36 |   | 242 | 62 | 133 | 74 | 411 | 136 |
| <b>Financing cost</b>                                |    |   |     |    |     |    |     |     |
| Interest on net defined benefit liability/(asset)    | 4  |   | 35  | 24 | 8   | 6  | 47  | 30  |
| Pension expense                                      | 40 | - | 277 | 86 | 141 | 80 | 458 | 166 |

**Analysis of Pension Finance Income**

|  |     |   |      |      |      |      |      |      |
|--|-----|---|------|------|------|------|------|------|
| Expected return on pension scheme assets | 1   |   | 4    | 1    | 8    | 7    | 13   | 8    |
| Interest on pension liabilities          | (5) |   | (39) | (25) | (16) | (16) | (60) | (41) |
| Pension finance costs                    | (4) | - | (35) | (24) | (8)  | (9)  | (47) | (33) |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|  | <b>Bushbury Lane<br/>Primary Academy</b> |          | <b>Manor Park<br/>Primary<br/>Academy</b> |                | <b>Moor Green<br/>Primary<br/>Academy</b> |              | <b>Total</b>   |                |
|--|--|----------|---|----------------|---|--------------|----------------|----------------|
|  |  |          | <b>2017</b>                               | <b>2016</b>    | <b>2017</b>                               | <b>2016</b>  | <b>2017</b>    | <b>2016</b>    |
| <b>Net movement on assets and liabilities</b>                        |  |          |   |                |   |              |                |                |
| B/fwd balance 1 September 2016                                       | -  |          | (1,662)                                   | -              | (392)                                     | -            | (2,054)        | -              |
| Inherited on transfer/merger   | (364)                                    |          | -   | (1,069)        |   | (179)        | (364)          | (1,248)        |
| Employer contribution  | 22                                       |          | 107                                       | 77             | 59  | 41           | 188            | 118            |
| Current service cost   | (36)                                     |          | (242)                                     | (62)           | (133)                                     | (74)         | (411)          | (136)          |
| Interest expense   | (5)                                      |          | (39)                                      | (25)           | (16)                                      | (16)         | (60)           | (41)           |
| Interest income on assets  | 1  |          | 4   | 1              | 8   | 10           | 13             | 11             |
| Actuarial gains/(losses)   | (21)                                     |          | 126                                       | (584)          | (500)                                     | (174)        | (395)          | (758)          |
| <b>Deficit at 31 August 2017</b>                                     | <b>(403)</b>                             | <b>-</b> | <b>(1,706)</b>                            | <b>(1,662)</b> | <b>(974)</b>                              | <b>(392)</b> | <b>(3,083)</b> | <b>(2,054)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |  |          |   |                |   |              |                |                |
| B/fwd balance 1 September 2016                                       | -  |          | 1,761                                     | -              | 736                                       | -            | 2,497          | -              |
| Inherited on transfer/merger   | 390                                      |          | -   | 1,069          |   | 375          | 390            | 1,444          |
| Current service cost   | 36                                       |          | 242                                       | 62             | 133                                       | 74           | 411            | 136            |
| Interest expense   | 5  |          | 39  | 25             | 16  | 16           | 60             | 41             |
| Employee contributions   | 23                                       |          | 38  | 15             | 22  | 20           | 83             | 35             |
| Benefits net of transfers in   | 5  |          | -   | -              | (7)                                       | 40           | (2)            | 40             |
|  |  |          |   |                |   |              | -              | -              |
|  |  |          | (122)                                     |                |   |              | (122)          | -              |
| Actuarial Gains / (losses)   |  |          |   | 590            | 563                                       | 211          | 563            | 801            |
| <b>At 31 August 2017</b>   | <b>459</b>                               | <b>-</b> | <b>1,958</b>                              | <b>1,761</b>   | <b>1,463</b>                              | <b>736</b>   | <b>3,880</b>   | <b>2,497</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |  |          |   |                |   |              |                |                |
| B/fwd balance 1 September 2016                                       | -  |          | 99  | -              | 344                                       | -            | 443            | -              |
| Inherited on transfer/merger   | 26                                       |          | -   | -              |   | 196          | 26             | 196            |
| Interest on income   | 1  |          | 4   | 1              | 8   | 10           | 13             | 11             |
| Remeasurement Gains / (Losses)                                       | 2  |          | 4   | 6              | 63  | 37           | 69             | 43             |
| Employer contributions   | 22                                       |          | 107                                       | 77             | 59  | 41           | 188            | 118            |
| Employee contributions   | 5  |          | 38  | 15             | 22  | 20           | 65             | 35             |
| Benefits net of transfers in   |  |          |   | -              | (7)                                       | 40           | (7)            | 40             |
| <b>At 31 August 2017</b>   | <b>56</b>                                | <b>-</b> | <b>252</b>                                | <b>99</b>      | <b>489</b>                                | <b>344</b>   | <b>797</b>     | <b>443</b>     |
| <b>Actual return on assets:</b>                                      | <b>3</b>                                 | <b>-</b> | <b>8</b>                                  | <b>7</b>       | <b>71</b>                                 | <b>47</b>    | <b>82</b>      | <b>54</b>      |
| <b>History of experience gains and losses:</b>                       |  |          |   |                |   |              |                |                |
| Experience gains and losses on assets                                |  |          |   |                |   |              |                |                |
| Amount   | 2  | 0        | 4   | 6              | 63  | 37           | 69             | 43             |
| Percentage of assets   | 3.6%                                     | -        | 1.6%                                      | 6.1%           | 12.9%                                     | 10.8%        | 8.7%           | 9.7%           |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Hertfordshire County Council Pension Fund**

| Principal Actuarial Assumptions (%)  | Garden City Academy |              | Wilshire Dacre Junior Academy |              | Total        |              |
|--|---------------------|--------------|-------------------------------|--------------|--------------|--------------|
|  | 2017                | 2016         | 2017                          | 2016         | 2017         | 2016         |
| Rate of increase in salaries   | 3.6                 | 3.6          | 2.5                           | 3.6          | 3.1          | 3.6          |
| Rate of increase for pensions in payment/inflation   | 2.1                 | 2.1          | 2.4                           | 2.1          | 2.3          | 2.1          |
| Discount rate for scheme liabilities   | 2.1                 | 2.1          | 2.5                           | 2.1          | 2.3          | 2.1          |
| Inflation assumption (CPI)   | 2.0                 | 2.0          | 2.4                           | 2.0          | 2.2          | 2.0          |
| <b>Commutation</b>   |                     |              |                               |              |              |              |
| The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are: |                     |              |                               |              |              |              |
| Retiring today:  |                     |              |                               |              |              |              |
| Males  | 22.5                | 22.3         | 22.5                          | 22.3         | 22.5         | 22.3         |
| Females  | 24.9                | 24.5         | 24.9                          | 24.5         | 24.9         | 24.5         |
| Retiring in 20 years:  |                     |              |                               |              |              |              |
| Males  | 24.1                | 24.3         | 24.1                          | 24.3         | 24.1         | 24.3         |
| Females  | 26.7                | 26.7         | 26.7                          | 26.7         | 26.7         | 26.7         |
| <b>Asset split (%):</b>  |                     |              |                               |              |              |              |
| Equities   | 65.0                | 63.0         | 65.0                          | 63.0         | 65.0         | 63.0         |
| Property   | 7.0                 | 7.0          | 7.0                           | 7.0          | 7.0          | 7.0          |
| Government bonds   | 25.0                | 28.0         | 25.0                          | 28.0         | 25.0         | 28.0         |
| Corporate bonds  | -                   | -            | -                             | -            | -            | 0            |
| Other  | -                   | -            | -                             | -            | -            | -            |
| Cash   | 3.0                 | 2.0          | 3.0                           | 2.0          | 3.0          | 2.0          |
| Total market value of assets   | <u>100.0</u>        | <u>100.0</u> | <u>100.0</u>                  | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |
| Fair Value of fund assets  | 488                 | 401          | 494                           | 401          | 982          | 802          |
| Present value of the defined benefit obligation  | (757)               | (774)        | (767)                         | (745)        | (1,524)      | (1,519)      |
| Net defined benefit pension liability  | <u>(269)</u>        | <u>(373)</u> | <u>(273)</u>                  | <u>(344)</u> | <u>(542)</u> | <u>(717)</u> |
| <b>Total Expenditure Recognised in the Statement of Financial Activities</b>   |                     |              |                               |              |              |              |
| Current service cost (net of employee contributions)   | 104                 | 60           | 68                            | 55           | 172          | 115          |
| <b>Financing cost</b>  |                     |              |                               |              |              |              |
| Interest on net defined benefit liability/(asset)  | 8                   | 8            | 8                             | 8            | 16           | 16           |
| Pension expense  | <u>112</u>          | <u>68</u>    | <u>76</u>                     | <u>63</u>    | <u>188</u>   | <u>131</u>   |
| <b>Analysis of Pension Finance Income</b>  |                     |              |                               |              |              |              |
| Expected return on pension scheme assets   | 9                   | 12           | 8                             | 12           | 17           | 24           |
| Interest on pension liabilities  | (17)                | (20)         | (16)                          | (20)         | (33)         | (40)         |
| Pension finance costs  | <u>(8)</u>          | <u>(8)</u>   | <u>(8)</u>                    | <u>(8)</u>   | <u>(16)</u>  | <u>(16)</u>  |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

|  | Garden City Academy |              | Wilshire Dacre Junior Academy |              | Total        |              |
|--|---------------------|--------------|-------------------------------|--------------|--------------|--------------|
|  | 2017                | 2016         | 2017                          | 2016         | 2017         | 2016         |
| <b>Net movement on assets and liabilities</b>                        |                     |              |                               |              |              |              |
| B/fwd balance 1 September 2016                                       | (373)               | -            | (344)                         | -            | (717)        | -            |
| Inherited on transfer/merger   | -                   | (208)        | -                             | (203)        | -            | (411)        |
| Employer contribution  | 73                  | 58           | 43                            | 47           | 116          | 105          |
| Current service cost   | (104)               | (60)         | (68)                          | (55)         | (172)        | (115)        |
| Interest expense   | (17)                | (20)         | (16)                          | (20)         | (33)         | (40)         |
| Interest income on assets  | 9                   | 12           | 8                             | 12           | 17           | 24           |
| Actuarial gains/(losses)   | 143                 | (155)        | 104                           | (125)        | 247          | (280)        |
| <b>Deficit at 31 August 2017</b>                                     | <b>(269)</b>        | <b>(373)</b> | <b>(273)</b>                  | <b>(344)</b> | <b>(542)</b> | <b>(717)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                     |              |                               |              |              |              |
| B/fwd balance 1 September 2016                                       | 774                 | -            | 745                           | -            | 1,519        | -            |
| Inherited on transfer/merger   | -                   | 490          | -                             | 495          | -            | 985          |
| Current service cost   | 104                 | 60           | 68                            | 55           | 172          | 115          |
| Interest expense   | 17                  | 20           | 16                            | 20           | 33           | 40           |
| Employee contributions   | 16                  | 13           | 10                            | 11           | 26           | 24           |
| Benefits net of transfers in   | (2)                 | (2)          | (6)                           |              | (8)          | (2)          |
|  |                     |              |                               |              | -            | -            |
|  |                     |              |                               |              | -            | -            |
| Actuarial Gains / (losses)   | (152)               | 193          | (66)                          | 164          | (218)        | 357          |
| <b>At 31 August 2017</b>   | <b>757</b>          | <b>774</b>   | <b>767</b>                    | <b>745</b>   | <b>1,524</b> | <b>1,519</b> |
| <b>Movement in the fair value of fund assets:</b>                    |                     |              |                               |              |              |              |
| B/fwd balance 1 September 2016                                       | 401                 | -            | 401                           | -            | 802          | -            |
| Inherited on transfer/merger   | -                   | 282          | -                             | 292          | -            | 574          |
| Interest on income   | 9                   | 12           | 8                             | 12           | 17           | 24           |
| Remeasurement Gains / (Losses)                                       | (9)                 | 38           | 38                            | 39           | 29           | 77           |
| Employer contributions   | 73                  | 58           | 43                            | 47           | 116          | 105          |
| Employee contributions   | 16                  | 13           | 10                            | 11           | 26           | 24           |
| Benefits net of transfers in   | (2)                 | (2)          | (6)                           |              | (8)          | (2)          |
| <b>At 31 August 2017</b>   | <b>488</b>          | <b>401</b>   | <b>494</b>                    | <b>401</b>   | <b>982</b>   | <b>802</b>   |
| <b>Actual return on assets:</b>                                      | -                   | 50           | 46                            | 51           | 46           | 101          |
| <b>History of experience gains and losses:</b>                       |                     |              |                               |              |              |              |
| Experience gains and losses on assets                                |                     |              |                               |              |              |              |
| Amount   | (9)                 | 38           | 38                            | 39           | 29           | 77           |
| Percentage of assets   | (1.8%)              | 9.5%         | 7.7%                          | 9.7%         | 3.0%         | 9.6%         |

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

---

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

**London Borough of Barking and Dagenham Pension Fund**

**Principal Actuarial Assumptions (%)**

|  | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 2.9         | 3.6         |
| Rate of increase for pensions in payment/inflation | 2.4         | 2.1         |
| Discount rate for scheme liabilities               | 2.5         | 2.1         |
| Inflation assumption (CPI)                         | 2.7         | 2.3         |

**Commutation**

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

Retiring today:

|         |      |      |
|---------|------|------|
| Males   | 22.0 | 21.8 |
| Females | 24.7 | 24.0 |

Retiring in 20 years:

|         |      |      |
|---------|------|------|
| Males   | 24.0 | 24.1 |
| Females | 26.4 | 26.5 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 75           | 69.0         |
| Property                     | 6            | 6.0          |
| Government bonds             | 19           | 21.0         |
| Cash                         | 0            | 4.0          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |                |                |
|---|----------------|----------------|
| Fair Value of fund assets                       | 1118           | 699            |
| Present value of the defined benefit obligation | <u>(1,488)</u> | <u>(1,348)</u> |
| Net defined benefit pension liability           | <u>(370)</u>   | <u>(649)</u>   |

**Total Expenditure Recognised in the Statement of Financial Activities**

**Operating cost**

|  |     |     |
|--|-----|-----|
| Current service cost (net of employee contributions) | 170 | 127 |
|--|-----|-----|

**Financing cost**

|   |    |    |
|---|----|----|
| Interest on net defined benefit liability/(asset) | 14 | 14 |
|---|----|----|

|                 |            |            |
|-----------------|------------|------------|
| Pension expense | <u>184</u> | <u>141</u> |
|-----------------|------------|------------|

**2017      2016**

**Analysis of Pension Finance Income**

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Interest income on assets       | 16          | 20          |
| Interest on pension liabilities | <u>(30)</u> | <u>(34)</u> |
| Pension finance costs           | <u>(14)</u> | <u>(14)</u> |

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

---

**20 Pension and Similar Obligations (continued)**  
**Net movement on assets and liabilities**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| B/fwd balance 1 September 2016   | (649)        | -            |
| Inherited on transfer/merger     | -            | (343)        |
| Employer contribution            | 94           | 97           |
| Current service cost             | (170)        | (127)        |
| Past service cost                |              | -            |
| Interest expense                 | (30)         | (34)         |
| Interest income on assets        | 16           | 20           |
| Actuarial (losses) / gains       | 369          | (262)        |
| <b>Deficit at 31 August 2017</b> | <b>(370)</b> | <b>(649)</b> |

**Movement in the present value of defined benefit obligations:**

|                                |              |              |
|--------------------------------|--------------|--------------|
| B/fwd balance 1 September 2016 | 1,348        | -            |
| Inherited on transfer/merger   | -            | 814          |
| Current service cost           | 170          | 127          |
| Interest expense               | 30           | 34           |
| Employee contributions         | 30           | 32           |
| Actuarial (gains)/ losses      | (79)         | 341          |
| Benefits paid                  | (11)         | -            |
| <b>At 31 August 2017</b>       | <b>1,488</b> | <b>1,348</b> |

**Movement in the fair value of fund assets:**

|                                |              |            |
|--------------------------------|--------------|------------|
| B/fwd balance 1 September 2016 | 699          | -          |
| Inherited on transfer/merger   | -            | 471        |
| Interest on assets             | 16           | 20         |
| Remeasurement gains/ (losses)  | 290          | 79         |
| Employer contributions         | 94           | 97         |
| Employee contributions         | 30           | 32         |
| Benefits paid                  | (11)         | -          |
| <b>At 31 August 2017</b>       | <b>1,118</b> | <b>699</b> |

|                                 |            |           |
|---------------------------------|------------|-----------|
| <b>Actual return on assets:</b> | <b>306</b> | <b>99</b> |
|---------------------------------|------------|-----------|

**History of experience gains and losses:**

|                                       |       |       |
|---------------------------------------|-------|-------|
| Experience gains and losses on assets |       |       |
| Amount                                | 290   | 79    |
| Percentage of assets                  | 25.9% | 11.3% |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Croydon Pension Fund**

| Principal Actuarial Assumptions (%)                | Aerodrome Primary Academy |      | Broadmead Primary Academy |      | Castle Hill Academy |      | Robert Fitzroy Academy |      | St Marks COFE Academy |      | Total |      |
|--|---------------------------|------|---------------------------|------|---------------------|------|------------------------|------|-----------------------|------|-------|------|
|  | 2017                      | 2016 | 2017                      | 2016 | 2017                | 2016 | 2017                   | 2016 | 2017                  | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 2.9                       | 3.1  |                           | 3    | 2.9                 | 3.1  | 2.9                    | 3.1  | 2.9                   | 3.1  | 2.9   | 3.1  |
| Rate of increase for pensions in payment/inflation | 2.4                       | 2.1  |                           | 2    | 2.4                 | 2.1  | 2.4                    | 2.1  | 2.4                   | 2.1  | 2.4   | 2.1  |
| Discount rate for scheme liabilities               | 2.5                       | 2.1  |                           | 3.7  | 2.5                 | 2.0  | 2.5                    | 2.1  | 2.5                   | 2.0  | 2.5   | 2.4  |
| Inflation assumption (CPI)                         | 2.4                       | 2.3  |                           | 2.3  | 2.4                 | 2.3  | 2.4                    | 2.3  | 2.4                   | 2.3  | 2.4   | 2.3  |

**Commutation**

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

**Retiring today:**

|         |      |      |   |      |      |      |      |      |      |      |      |      |
|---------|------|------|---|------|------|------|------|------|------|------|------|------|
| Males   | 22.3 | 22.3 | - | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 | 22.3 |
| Females | 24.4 | 24.4 | - | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 |

**Retiring in 20 years:**

|         |      |      |   |      |      |      |      |      |      |      |      |      |
|---------|------|------|---|------|------|------|------|------|------|------|------|------|
| Males   | 24   | 24.4 | - | 24.4 | 24   | 24.4 | 24   | 24.4 | 24   | 24.4 | 24.0 | 24.4 |
| Females | 26.2 | 26.7 | - | 26.7 | 26.2 | 26.7 | 26.2 | 26.7 | 26.2 | 26.7 | 26.2 | 26.7 |

**Asset split (%):**

|                              |       |      |   |      |       |      |       |      |       |       |        |        |
|------------------------------|-------|------|---|------|-------|------|-------|------|-------|-------|--------|--------|
| Equities                     | 69.0  | 70.0 | - | 70.0 | 69.0  | 70.0 | 69.0  | 70.0 | 69.0  | 70.0  | 69.00  | 70.00  |
| Property                     | 11.0  | 9.0  | - | 9.0  | 11.0  | 9.0  | 11.0  | 9.0  | 11.0  | 9.0   | 11.00  | 9.00   |
| Government bonds             | 17.0  | 21.0 | - | 21.0 | 17.0  | 21.0 | 17.0  | 21.0 | 17.0  | 21.0  | 17.00  | 21.00  |
| Corporate bonds              | 0.0   | -    | - | -    | 0.0   | -    | 0.0   | -    | 0.0   | -     | 0.00   | 0.00   |
| Other                        | 0.0   | -    | - | -    | 0.0   | -    | 0.0   | -    | 0.0   | -     | 0.00   | 0.00   |
| Cash                         | 3.0   | -    | - | -    | 3.0   | -    | 3.0   | -    | 3.0   | -     | 3.00   | 0.00   |
| Total market value of assets | 100.0 | -    | - | -    | 100.0 | -    | 100.0 | -    | 100.0 | 100.0 | 100.00 | 100.00 |

|   |       |         |   |         |         |         |       |       |       |       |         |         |
|---|-------|---------|---|---------|---------|---------|-------|-------|-------|-------|---------|---------|
| Fair Value of fund assets                       | 832   | 728     | - | 644     | 1216    | 1,027   | 297   | 290   | 239   | 169   | 1,368   | 1,187   |
| Present value of the defined benefit obligation | -1643 | (1,612) | - | (2,652) | -2295   | (2,385) | -691  | (713) | (608) | (603) | (2,942) | (2,928) |
| Net defined benefit pension liability           | (811) | (884)   | - | (2,008) | (1,079) | (1,358) | (394) | (423) | (369) | (434) | (1,574) | (1,741) |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |     |     |   |     |     |     |     |     |    |    |     |     |
|--|-----|-----|---|-----|-----|-----|-----|-----|----|----|-----|-----|
| Current service cost (net of employee contributions) | 279 | 191 | - | 174 | 354 | 242 | 280 | 134 | 81 | 65 | 640 | 390 |
| <b>Financing cost</b>                                |     |     |   |     |     |     |     |     |    |    |     |     |
| Interest on net defined benefit liability/(asset)    | 20  | 19  | - | 49  | 29  | 30  | 11  | 6   | 9  | 11 | 40  | 36  |
| Total operating charge                               | 299 | 210 | - | 223 | 383 | 272 | 291 | 140 | 90 | 76 | 680 | 426 |

**Analysis of Pension Finance Income**

|                                 |      |      |   |      |      |      |      |      |      |      |      |      |
|---------------------------------|------|------|---|------|------|------|------|------|------|------|------|------|
| Interest income on assets       | 17   | 20   | - | 16   | 23   | 28   | 7    | 8    | 4    | 4    | 28   | 32   |
| Interest on pension liabilities | (37) | (39) | - | (65) | (52) | (58) | (18) | (14) | (13) | (15) | (68) | (68) |
| Pension finance income/(costs)  | (20) | (19) | - | (49) | (29) | (30) | (11) | (6)  | (9)  | (11) | (40) | (36) |

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

| Net movement on assets and liabilities                               | Aerodrome<br>Primary Academy |              | Broadmead<br>Primary<br>Academy |                | Castle Hill<br>Academy |                | Robert Fitzroy<br>Academy |              | St Marks Church<br>of England<br>Primary |              | Total          |                |
|--|------------------------------|--------------|---------------------------------|----------------|------------------------|----------------|---------------------------|--------------|--|--------------|----------------|----------------|
|  | 2017                         | 2016         | 2017                            | 2016           | 2017                   | 2016           | 2017                      | 2016         | 2017                                     | 2016         | 2017           | 2016           |
| B/fwd balance 1 September 2016                                       | (884)                        | -            | (2,008)                         | -              | (1,358)                | -              | (423)                     | -            | (434)                                    | (306)        | (5,107)        | (306)          |
| Inherited on transfer/merger   | -                            | (464)        | 2008                            | (1,331)        | -                      | (778)          | -                         | (130)        | -  | -            | 2,008          | (594)          |
| Employer contribution  | 115                          | 134          |                                 | 203            | 180                    | 179            | 83                        | 64           | 59                                       | 64           | 437            | 262            |
| Current service cost   | (279)                        | (191)        |                                 | (174)          | (354)                  | (242)          | (280)                     | (134)        | (81)                                     | (65)         | (994)          | (390)          |
| Interest expense   | (37)                         | (39)         |                                 | (65)           | (52)                   | (58)           | (18)                      | (14)         | (13)                                     | (15)         | (120)          | (68)           |
| Interest income on assets  | 17                           | 20           |                                 | 16             | 23                     | 28             | 7                         | 8            | 4  | 4            | 51             | 32             |
| Actuarial gains/(losses)   | 257                          | (344)        |                                 | (657)          | 482                    | (487)          | 237                       | (217)        | 96                                       | (116)        | 1,072          | (677)          |
| <b>Deficit at 31 August 2017</b>                                     | <b>(811)</b>                 | <b>(884)</b> | <b>-</b>                        | <b>(2,008)</b> | <b>(1,079)</b>         | <b>(1,358)</b> | <b>(394)</b>              | <b>(423)</b> | <b>(369)</b>                             | <b>(434)</b> | <b>(2,653)</b> | <b>(1,741)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                              |              |                                 |                |                        |                |                           |              |  |              |                |                |
| B/fwd balance 1 September 2016                                       | 1,612                        | -            | -                               | -              | 2,385                  | -              | 713                       | -            | 603                                      | 375          | 2,928          | 375            |
| Inherited on transfer/merger   | -                            | 906          | 1,640                           | -              | 1,412                  | -              | -                         | 280          | -  | -            | -              | 1,186          |
| Current service cost   | 279                          | 191          | 174                             | 354            | 242                    | 280            | 134                       | 81           | 65                                       | 640          | 390            |                |
| Interest cost  | 37                           | 39           | 65                              | 52             | 58                     | 18             | 14                        | 13           | 15                                       | 68           | 68             |                |
| Employee contributions   | 42                           | 39           | 39                              | 54             | 52                     | 42             | 33                        | 12           | 13                                       | 96           | 85             |                |
| Actuarial Losses / (Gains)   | (324)                        | 438          | 734                             | (548)          | 621                    | (362)          | 252                       | (99)         | 135                                      | (785)        | 825            |                |
| Benefits paid  | (3)                          | (1)          | -                               | (2)            | -                      | -              | -                         | (2)          | -  | (5)          | (1)            |                |
| <b>At 31 August 2017</b>   | <b>1,643</b>                 | <b>1,612</b> | <b>-</b>                        | <b>2,652</b>   | <b>2,295</b>           | <b>2,385</b>   | <b>691</b>                | <b>713</b>   | <b>608</b>                               | <b>603</b>   | <b>2,942</b>   | <b>2,928</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                              |              |                                 |                |                        |                |                           |              |  |              |                |                |
| B/fwd balance 1 September 2016                                       | 728                          | 0            | -                               | 1,027          | -                      | 290            | -                         | 169          | 69                                       | 1,187        | 69             |                |
| Inherited on transfer/merger   | -                            | 442          | 309                             | 634            | -                      | -              | 150                       | -            | -  | -            | 592            |                |
| Interest on assets   | 17                           | 20           | 16                              | 23             | 28                     | 7              | 8                         | 4            | 4  | 28           | 32             |                |
| Remeasurements gains / (losses)                                      | (67)                         | 94           | 77                              | (66)           | 134                    | (125)          | 35                        | (3)          | 19                                       | (195)        | 148            |                |
| Employer contributions   | 115                          | 134          | 203                             | 180            | 179                    | 83             | 64                        | 59           | 64                                       | 257          | 262            |                |
| Employee contributions   | 42                           | 39           | 39                              | 54             | 52                     | 42             | 33                        | 12           | 13                                       | 96           | 85             |                |
| Benefits paid  | (3)                          | (1)          | -                               | (2)            | -                      | -              | -                         | (2)          | -  | (5)          | (1)            |                |
| <b>At 31 August 2017</b>   | <b>832</b>                   | <b>728</b>   | <b>-</b>                        | <b>644</b>     | <b>1,216</b>           | <b>1,027</b>   | <b>297</b>                | <b>290</b>   | <b>239</b>                               | <b>169</b>   | <b>1,368</b>   | <b>1,187</b>   |
| <b>Actual return on assets:</b>                                      | <b>(50)</b>                  | <b>114</b>   | <b>-</b>                        | <b>93</b>      | <b>(43)</b>            | <b>162</b>     | <b>(118)</b>              | <b>43</b>    | <b>1</b>                                 | <b>23</b>    | <b>(167)</b>   | <b>180</b>     |
| <b>History of experience gains and losses:</b>                       |                              |              |                                 |                |                        |                |                           |              |  |              |                |                |
| Experience gains and (losses) on assets                              |                              |              |                                 |                |                        |                |                           |              |  |              |                |                |
| Amount   | (67)                         | 94           | -                               | 77             | (66)                   | 134            | (125)                     | 35           | (3)                                      | 19           | (195)          | 148            |
| Percentage of assets   | (8.1%)                       | 12.9%        | -                               | 12.0%          | (5.4%)                 | 13.0%          | (42.1%)                   | 12.1%        | (1.3%)                                   | 11.2%        | (14.3%)        | 12.5%          |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****London Borough of Havering Pension Fund**

|  | Langtons Junior Academy |              | Concordia Academy |              | Total        |              |
|--|-------------------------|--------------|-------------------|--------------|--------------|--------------|
|  | 2017                    | 2016         | 2017              | 2016         | 2017         | 2016         |
| <b>Principal Actuarial Assumptions (%)</b>   |                         |              |                   |              |              |              |
| Rate of increase in salaries   | 2.7                     | 3.1          | 2.7               |              | 2.7          |              |
| Rate of increase for pensions in payment/inflation   | 2.4                     | 2.1          | 2.4               |              | 2.4          |              |
| Discount rate for scheme liabilities   | 2.5                     | 2.0          | 2.5               |              | 2.5          |              |
| Inflation assumption (CPI)   |                         | 2.3          |                   |              |              |              |
| <b>Commutation</b>   |                         |              |                   |              |              |              |
| The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are: |                         |              |                   |              |              |              |
| Retiring today:  |                         |              |                   |              |              |              |
| Males  | 22.0                    | 22.1         | 22.0              |              | 22.0         | 22.1         |
| Females  | 24.2                    | 24.1         | 24.2              |              | 24.2         | 24.1         |
| Retiring in 20 years:  |                         |              |                   |              |              |              |
| Males  | 23.9                    | 24.2         | 23.9              |              | 23.9         | 24.2         |
| Females  | 26.3                    | 26.7         | 26.3              |              | 26.3         | 26.7         |
| <b>Asset split (%):</b>  |                         |              |                   |              |              |              |
| Equities   | 75.0                    | 71.0         | 75.0              | 71.0         | 75.0         | 71.0         |
| Property   | 6.0                     | 5.0          | 6.0               | 5.0          | 6.0          | 5.0          |
| Government bonds   | 17.0                    | 21.0         | 17.0              | 21.0         | 17.0         | 21.0         |
| Cash   | 2.0                     | 3.0          | 2.0               | 3.0          | 2.0          | 3.0          |
| Total market value of assets   | <u>100.0</u>            | <u>100.0</u> | <u>100.0</u>      | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |
| Fair Value of fund assets  | 674                     | 578          | 7                 | -            | 681          | 578          |
| Present value of the defined benefit obligation  | (863)                   | (1,003)      | (13)              | -            | (876)        | (1,003)      |
| Net defined benefit pension liability  | <u>(189)</u>            | <u>(425)</u> | <u>(6)</u>        | <u>-</u>     | <u>(195)</u> | <u>(425)</u> |
| <b>Total Expenditure Recognised in the Statement of Financial Activities</b>   |                         |              |                   |              |              |              |
| <b>Operating cost</b>  |                         |              |                   |              |              |              |
| Current service cost (net of employee contributions)   | 98                      | 64           | 12                |              | 110          | 64           |
| <b>Financing cost</b>  |                         |              |                   |              |              |              |
| Interest on net defined benefit liability/(asset)  | 9                       | 8            | -                 |              | 9            | 8            |
| Pension expense  | <u>107</u>              | <u>72</u>    | <u>12</u>         | <u>-</u>     | <u>119</u>   | <u>72</u>    |
| <b>Analysis of Pension Finance Income</b>  |                         |              |                   |              |              |              |
| Interest income on assets  | 12                      | 18           | -                 |              | 12           | 18           |
| Interest on pension liabilities  | (21)                    | (26)         | -                 |              | (21)         | (26)         |
| Pension finance costs  | <u>(9)</u>              | <u>(8)</u>   | <u>-</u>          | <u>-</u>     | <u>(9)</u>   | <u>(8)</u>   |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Net movement on assets and liabilities**

|                                  |              |              |            |              |              |
|----------------------------------|--------------|--------------|------------|--------------|--------------|
| B/fwd balance 1 September 2016   | (425)        | (204)        | -          | (425)        | (204)        |
| Inherited on transfer/merger     | -            | -            | -          | -            | -            |
| Employer contribution            | 51           | 49           | 5          | 56           | 49           |
| Current service cost             | (98)         | (64)         | (12)       | (110)        | (64)         |
| Past service cost                | -            | -            | -          | -            | -            |
| Interest expense                 | (21)         | (26)         | -          | (21)         | (26)         |
| Interest income on assets        | 12           | 18           | -          | 12           | 18           |
| Actuarial (losses) / gains       | 292          | (198)        | 1          | 293          | (198)        |
|                                  |              |              |            | -            | -            |
| <b>Deficit at 31 August 2017</b> | <b>(189)</b> | <b>(425)</b> | <b>(6)</b> | <b>(195)</b> | <b>(425)</b> |

**Movement in the present value of defined benefit obligations:**

|                                |            |              |           |            |              |
|--------------------------------|------------|--------------|-----------|------------|--------------|
| B/fwd balance 1 September 2016 | 1,003      | 654          | -         | 1,003      | 654          |
| Inherited on transfer/merger   | -          | -            | -         | -          | -            |
| Current service cost           | 98         | 64           | 12        | 110        | 64           |
| Interest expense               | 21         | 26           | -         | 21         | 26           |
| Employee contributions         | 12         | 11           | 2         | 14         | 11           |
| Actuarial (gains)/ losses      | (267)      | 248          | (1)       | (268)      | 248          |
| Benefits paid                  | (4)        | -            | -         | (4)        | -            |
|                                |            |              |           | -          | -            |
| <b>At 31 August 2017</b>       | <b>863</b> | <b>1,003</b> | <b>13</b> | <b>876</b> | <b>1,003</b> |

**Movement in the fair value of fund assets:**

|                                |            |            |          |            |            |
|--------------------------------|------------|------------|----------|------------|------------|
| B/fwd balance 1 September 2016 | 578        | 450        | -        | 578        | 450        |
| Inherited on transfer/merger   | -          | -          | -        | -          | -          |
| Interest on assets             | 12         | 18         | -        | 12         | 18         |
| Remeasurement gains/ (losses)  | 25         | 50         | -        | 25         | 50         |
| Employer contributions         | 51         | 49         | 5        | 56         | 49         |
| Employee contributions         | 12         | 11         | 2        | 14         | 11         |
| Benefits paid                  | (4)        | -          | -        | (4)        | -          |
|                                |            |            |          | -          | -          |
| <b>At 31 August 2017</b>       | <b>674</b> | <b>578</b> | <b>7</b> | <b>681</b> | <b>578</b> |

**Actual return on assets:**

|  |    |    |   |   |    |    |
|--|----|----|---|---|----|----|
|  | 37 | 68 | - | - | 37 | 68 |
|--|----|----|---|---|----|----|

**History of experience gains and losses:**

|                                       |      |      |      |   |      |      |
|---------------------------------------|------|------|------|---|------|------|
| Experience gains and losses on assets |      |      |      |   |      |      |
| Amount                                | 25   | 50   | -    | - | 25   | 50   |
| Percentage of assets                  | 3.7% | 8.7% | 0.0% | - | 3.7% | 8.7% |

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

---

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

**London Brough of Lewisham**

| <b>Principal Actuarial Assumptions (%)</b>         | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 3.1         | 4.1         |
| Rate of increase for pensions in payment/inflation | 2.5         | 2.1         |
| Discount rate for scheme liabilities               | 2.4         | 2.1         |
| Inflation assumption (CPI)                         | 2.3         | 2.3         |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 22.2 | 21.7 |
| Females               | 24.6 | 24.0 |
| Retiring in 20 years: |      |      |
| Males                 | 24.0 | 24.4 |
| Females               | 26.5 | 26.7 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 64.0         | 68.0         |
| Property                     | 8.0          | 8.0          |
| Government bonds             | 19.0         | 21.0         |
| Cash                         | 9.0          | 3.0          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |                |                |
|---|----------------|----------------|
| Fair Value of fund assets                       | 1,299          | 934            |
| Present value of the defined benefit obligation | <u>(2,521)</u> | <u>(2,512)</u> |
| Net defined benefit pension liability           | <u>(1,222)</u> | <u>(1,578)</u> |

**Total Expenditure Recognised in the  
Statement of Financial Activities**

**Operating cost**

|  |     |     |
|--|-----|-----|
| Current service cost (net of employee contributions) | 285 | 154 |
|--|-----|-----|

**Financing cost**

|   |    |    |
|---|----|----|
| Interest on net defined benefit liability/(asset) | 34 | 35 |
|---|----|----|

|                 |            |            |
|-----------------|------------|------------|
| Pension expense | <u>319</u> | <u>189</u> |
|-----------------|------------|------------|

**2017      2016**

**Analysis of Pension Finance Income**

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Interest income on assets       | 22          | 27          |
| Interest on pension liabilities | <u>(56)</u> | <u>(62)</u> |
| Pension finance costs           | <u>(34)</u> | <u>(35)</u> |

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

---

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

**Net movement on assets and liabilities**

|                                  |                |                |
|----------------------------------|----------------|----------------|
| B/fwd balance 1 September 2016   | (1,578)        | -              |
| Inherited on transfer/merger     | -              | (923)          |
| Employer contribution            | 143            | 129            |
| Current service cost             | (285)          | (154)          |
| Past service cost                | -              | -              |
| Interest expense                 | (56)           | (62)           |
| Interest income on assets        | 22             | 27             |
| Actuarial (losses) / gains       | 532            | (595)          |
| <b>Deficit at 31 August 2017</b> | <b>(1,222)</b> | <b>(1,578)</b> |

**Movement in the present value of defined benefit obligations:**

|                                |              |              |
|--------------------------------|--------------|--------------|
| B/fwd balance 1 September 2016 | 2,512        | -            |
| Inherited on transfer/merger   | -            | 1,546        |
| Current service cost           | 285          | 154          |
| Interest expense               | 56           | 62           |
| Employee contributions         | 47           | 37           |
| Actuarial (gains)/ losses      | (377)        | 715          |
| Benefits paid                  | (2)          | (2)          |
| <b>At 31 August 2017</b>       | <b>2,521</b> | <b>2,512</b> |

**Movement in the fair value of fund assets:**

|                                |              |            |
|--------------------------------|--------------|------------|
| B/fwd balance 1 September 2016 | 934          | -          |
| Inherited on transfer/merger   | -            | 623        |
| Interest on assets             | 22           | 27         |
| Remeasurement gains/ (losses)  | 155          | 120        |
| Employer contributions         | 143          | 129        |
| Employee contributions         | 47           | 37         |
| Benefits paid                  | (2)          | (2)        |
| <b>At 31 August 2017</b>       | <b>1,299</b> | <b>934</b> |

**Actual return on assets:**

|     |     |
|-----|-----|
| 177 | 147 |
|-----|-----|

**History of experience gains and losses:**

|                                       |       |       |
|---------------------------------------|-------|-------|
| Experience gains and losses on assets |       |       |
| Amount                                | 155   | 120   |
| Percentage of assets                  | 11.9% | 12.8% |

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

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

**Staffordshire**

| Principal Actuarial Assumptions (%)                | Total |      |
|--|-------|------|
|  | 2017  | 2016 |
| Rate of increase in salaries                       | 2.8   | 2.5  |
| Rate of increase for pensions in payment/inflation | 2.4   | 2.1  |
| Discount rate for scheme liabilities               | 2.5   | 2.1  |
| Inflation assumption (CPI)                         | 2.4   | 2.3  |

**Commutation**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

Retiring today:

|         |      |      |
|---------|------|------|
| Males   | 22.1 | 22.1 |
| Females | 24.4 | 24.3 |

Retiring in 20 years:

|         |      |      |
|---------|------|------|
| Males   | 24.1 | 24.3 |
| Females | 26.4 | 26.6 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 76.0         | 72.4         |
| Property                     | 8.0          | 9.3          |
| Government bonds             | 12.0         | 8.0          |
| Corporate bonds              | 0.0          | 2.0          |
| Other                        | 0.0          | 4.5          |
| Cash                         | 4.0          | 4.7          |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |                |                |
|---|----------------|----------------|
| Fair Value of fund assets                       | 2,335          | 1,790          |
| Present value of the defined benefit obligation | <u>(4,531)</u> | <u>(3,974)</u> |
| Net defined benefit pension liability           | <u>(2,196)</u> | <u>(2,184)</u> |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |            |            |
|--|------------|------------|
| Current service cost (net of employee contributions) | 604        | 361        |
| <b>Financing cost</b>                                |            |            |
| Interest on net defined benefit liability/(asset)    | 4          | 68         |
| Total operating charge                               | <u>608</u> | <u>429</u> |

**Analysis of Pension Finance Income**

|                                 |             |              |
|---------------------------------|-------------|--------------|
| Interest income on assets       | 6           | 50           |
| Interest on pension liabilities | <u>(10)</u> | <u>(118)</u> |
| Pension finance income/ (costs) | <u>(4)</u>  | <u>(68)</u>  |

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

---

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

| <b>Net movement on assets and liabilities</b>                        | <b>Total</b>   |                |
|--|----------------|----------------|
|  | <b>2017</b>    | <b>2016</b>    |
| B/fwd balance 1 September 2016                                       | (2,194)        | (445)          |
| Inherited on transfer/merger   | -              | (1,308)        |
| Employer contribution  | 331            | 279            |
| Current service cost   | (604)          | (361)          |
| Interest expense   | (10)           | (118)          |
| Interest income on assets  | 4              | 50             |
| Actuarial gains/(losses)   | 277            | (291)          |
| <b>Deficit at 31 August 2017</b>                                     | <b>(2,196)</b> | <b>(2,194)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                |                |
| B/fwd balance 1 September 2016                                       | 140            | 636            |
| Inherited on transfer/merger   | -              | 2,271          |
| Current service cost   | 604            | 361            |
| Interest cost  | 10             | 118            |
| Employee contributions   | 92             | 78             |
| Actuarial Losses / (Gains)   | 3,720          | 510            |
| Benefits paid  | (35)           | -              |
| <b>At 31 August 2017</b>   | <b>4,531</b>   | <b>3,974</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                |                |
| B/fwd balance 1 September 2016                                       | 99             | 201            |
| Inherited on transfer/merger   | -              | 963            |
| Interest on assets   | 6              | 50             |
| Remeasurements gains / (losses)                                      | 1,842          | 219            |
| Employer contributions   | 331            | 279            |
| Employee contributions   | 92             | 78             |
| Benefits paid  | (35)           | -              |
| <b>At 31 August 2017</b>   | <b>2,335</b>   | <b>1,790</b>   |
| <b>Actual return on assets:</b>                                      | <b>1,842</b>   | <b>219</b>     |
| <b>History of experience gains and losses:</b>                       |                |                |
| Experience gains and (losses) on assets                              |                |                |
| Amount   | 5,562          | 729            |
| Percentage of assets   | 238.2%         | 40.7%          |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Suffolk Pension Fund**

| Principal Actuarial Assumptions (%)                | Beccles Primary Academy |      | Gunton Primary Academy |      | Martlesham Primary Academy |      | Phoenix St. Peter Primary Academy |      | Northfield St Nicholas Primary |      | Sprites Primary Academy |      | St Margarets Primary Academy |      | Total |      |
|--|-------------------------|------|------------------------|------|----------------------------|------|-----------------------------------|------|--------------------------------|------|-------------------------|------|------------------------------|------|-------|------|
|  | 2017                    | 2016 | 2017                   | 2016 | 2017                       | 2016 | 2017                              | 2016 | 2017                           | 2016 | 2017                    | 2016 | 2017                         | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 2.7                     | 4.1  | 2.7                    | 4.1  | 2.7                        | 4.1  | 2.7                               | 4.1  | 2.7                            | 4.1  | 2.7                     | 4.1  | 2.7                          | 4.1  | 2.7   | 4.1  |
| Rate of increase for pensions in payment/inflation | 2.4                     | 2.1  | 2.4                    | 2.1  | 2.4                        | 2.1  | 2.4                               | 2.1  | 2.4                            | 2.1  | 2.4                     | 2.1  | 2.4                          | 2.1  | 2.4   | 2.1  |
| Discount rate for scheme liabilities               | 2.5                     | 2.1  | 2.5                    | 2.1  | 2.5                        | 2.1  | 2.5                               | 2.1  | 2.5                            | 2.1  | 2.5                     | 2.1  | 2.5                          | 2.1  | 2.5   | 2.1  |
| Inflation assumption (CPI)                         | 2.4                     | 2.3  | 2.4                    | 2.3  | 2.4                        | 2.3  | 2.4                               | 2.3  | 2.4                            | 2.3  | 2.4                     | 2.3  | 2.4                          | 2.3  | 2.4   | 2.3  |

**Commutation**

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

## Retiring today:

|         |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Males   | 21.9 | 22.4 | 21.9 | 22.4 | 21.9 | 22.4 | 21.9 | 22.1 | 21.9 | 22.1 | 21.9 | 22.1 | 21.9 | 22.1 | 21.9 | 22.2 |
| Females | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.3 | 24.4 | 24.3 | 24.4 | 24.3 | 24.4 | 24.3 | 24.4 | 24.3 |

## Retiring in 20 years:

|         |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Males   | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 | 23.9 | 24.3 |
| Females | 26.4 | 26.9 | 26.4 | 26.9 | 26.4 | 26.9 | 26.4 | 26.6 | 26.4 | 26.6 | 26.4 | 26.6 | 26.4 | 26.6 | 26.4 | 26.7 |

**Asset split (%):**

|                              |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Equities                     | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  | 68.0  | 69.0  |
| Property                     | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  |
| Government bonds             | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  | 21.0  | 20.0  |
| Cash                         | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   | 1.0   |
| Total market value of assets | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

|   |       |       |         |         |       |       |       |       |         |         |         |         |       |       |         |         |
|---|-------|-------|---------|---------|-------|-------|-------|-------|---------|---------|---------|---------|-------|-------|---------|---------|
| Fair Value of fund assets                       | 492   | 399   | 549     | 431     | 86    | 48    | 453   | 220   | 925     | 871     | 786     | 540     | 618   | 306   | 3,909   | 2,815   |
| Present value of the defined benefit obligation | (907) | (957) | (1,114) | (1,249) | (150) | (133) | (677) | (507) | (1,855) | (2,160) | (1,320) | (1,342) | (897) | (683) | (6,920) | (7,031) |
| Net defined benefit pension liability           | (415) | (558) | (565)   | (818)   | (64)  | (85)  | (224) | (287) | (930)   | (1,289) | (534)   | (802)   | (279) | (377) | (3,011) | (4,216) |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |    |    |     |    |    |    |    |    |     |     |     |     |     |    |     |     |
|--|----|----|-----|----|----|----|----|----|-----|-----|-----|-----|-----|----|-----|-----|
| Current service cost (net of employee contributions) | 81 | 73 | 90  | 61 | 39 | 10 | 70 | 63 | 172 | 137 | 142 | 99  | 124 | 83 | 718 | 526 |
| <b>Financing cost</b>                                |    |    |     |    |    |    |    |    |     |     |     |     |     |    |     |     |
| Interest on net defined benefit liability/(asset)    | 12 | 13 | 17  | 18 | 2  | -  | 6  | 6  | 26  | 31  | 16  | 19  | 9   | 9  | 88  | 74  |
| Total operating charge                               | 93 | 86 | 107 | 79 | 41 | 10 | 76 | 69 | 198 | 168 | 158 | 118 | 133 | 92 | 806 | 600 |

**Analysis of Pension Finance Income**

|                                 |      |      |      |      |     |     |     |      |      |      |      |      |     |      |       |       |
|---------------------------------|------|------|------|------|-----|-----|-----|------|------|------|------|------|-----|------|-------|-------|
| Interest income on assets       | 9    | 12   | 9    | 11   | 1   | 1   | 5   | 6    | 19   | 25   | 12   | 15   | 7   | 8    | 62    | 78    |
| Interest on pension liabilities | (21) | (25) | (26) | (29) | (3) | (1) | -11 | (12) | -45  | (56) | (28) | (34) | -16 | (17) | (150) | (174) |
| Pension finance income/ (costs) | (12) | (13) | (17) | (18) | (2) | -   | (6) | (6)  | (26) | (31) | (16) | (19) | (9) | (9)  | (88)  | (96)  |

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

| Net movement on assets and liabilities                               | Beccles Primary Academy |              | Gunton Primary Academy |              | Martlesham Primary Academy |             | Phoenix St. Peter Primary Academy |              | Northfield St Nicholas Primary Academy |                | Sprites Primary Academy |              | St Margarets Primary Academy |              | Total          |                |
|--|-------------------------|--------------|------------------------|--------------|----------------------------|-------------|-----------------------------------|--------------|--|----------------|-------------------------|--------------|------------------------------|--------------|----------------|----------------|
|  | 2017                    | 2016         | 2017                   | 2016         | 2017                       | 2016        | 2017                              | 2016         | 2017                                   | 2016           | 2017                    | 2016         | 2017                         | 2016         | 2017           | 2016           |
| B/fwd balance 1 September 2016                                       | (558)                   | -            | (818)                  | -            | (85)                       | -           | (287)                             | (169)        | (1,289)                                | (827)          | (802)                   | (502)        | (377)                        | (230)        | (4,216)        | (1,728)        |
| Inherited on transfer/merger   | -                       | (358)        | -                      | (532)        | -                          | (43)        | -                                 | -            | -                                      | -              | -                       | -            | -                            | -            | -              | (933)          |
| Employer contribution  | 57                      | 70           | 61                     | 57           | 25                         | 11          | 47                                | 60           | 121                                    | 130            | 95                      | 90           | 89                           | 81           | 495            | 499            |
| Current service cost   | (81)                    | (73)         | (90)                   | (61)         | (39)                       | (10)        | (70)                              | (63)         | (172)                                  | (137)          | (142)                   | (99)         | (124)                        | (83)         | (718)          | (526)          |
| Interest expense   | (21)                    | (25)         | (26)                   | (29)         | (3)                        | (1)         | (11)                              | (12)         | (45)                                   | (56)           | (28)                    | (34)         | (16)                         | (17)         | (150)          | (174)          |
| Interest income on assets  | 9                       | 12           | 9                      | 11           | 1                          | 1           | 5                                 | 6            | 19                                     | 25             | 12                      | 15           | 7                            | 8            | 62             | 78             |
| Actuarial gains/(losses)   | 179                     | (184)        | 299                    | (264)        | 37                         | (43)        | 92                                | (109)        | 436                                    | (424)          | 331                     | (272)        | 142                          | (136)        | 1,516          | (1,432)        |
|  |                         |              |                        |              |                            |             |                                   |              |  |                |                         |              |                              |              | 0              |                |
| <b>Deficit at 31 August 2017</b>                                     | <b>(415)</b>            | <b>(558)</b> | <b>(565)</b>           | <b>(818)</b> | <b>(64)</b>                | <b>(85)</b> | <b>(224)</b>                      | <b>(287)</b> | <b>(930)</b>                           | <b>(1,289)</b> | <b>(534)</b>            | <b>(802)</b> | <b>(279)</b>                 | <b>(377)</b> | <b>(3,011)</b> | <b>(4,216)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                         |              |                        |              |                            |             |                                   |              |  |                |                         |              |                              |              |                |                |
| B/fwd balance 1 September 2016                                       | 957                     | -            | 1,249                  | -            | 133                        | -           | 507                               | 289          | 2,160                                  | 1,423          | 1,342                   | 861          | 683                          | 400          | 7,031          | 2,973          |
| Inherited on transfer/merger   | -                       | 619          | -                      | 830          | -                          | 73          | -                                 | -            | -                                      | -              | -                       | -            | 0                            | -            | -              | 1,522          |
| Current service cost   | 81                      | 73           | 90                     | 61           | 39                         | 10          | 70                                | 63           | 172                                    | 137            | 142                     | 99           | 124                          | 83           | 718            | 526            |
| Interest cost  | 21                      | 25           | 26                     | 29           | 3                          | 1           | 11                                | 12           | 45                                     | 56             | 28                      | 34           | 16                           | 17           | 150            | 174            |
| Employee contributions   | 12                      | 15           | 13                     | 12           | 5                          | 2           | 9                                 | 13           | 24                                     | 27             | 20                      | 19           | 18                           | 17           | 101            | 105            |
| Actuarial Losses / (Gains)   | (155)                   | 225          | (248)                  | 317          | (30)                       | 47          | 80                                | 130          | (516)                                  | 517            | (196)                   | 329          | 67                           | 166          | (998)          | 1,731          |
| Benefits paid  | (9)                     | -            | (16)                   | -            | -                          | -           | -                                 | -            | (30)                                   | -              | (16)                    | -            | -11                          | -            | (82)           | -              |
| <b>At 31 August 2017</b>   | <b>907</b>              | <b>957</b>   | <b>1,114</b>           | <b>1,249</b> | <b>150</b>                 | <b>133</b>  | <b>677</b>                        | <b>507</b>   | <b>1,855</b>                           | <b>2,160</b>   | <b>1,320</b>            | <b>1,342</b> | <b>897</b>                   | <b>683</b>   | <b>6,920</b>   | <b>7,031</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                         |              |                        |              |                            |             |                                   |              |  |                |                         |              |                              |              |                |                |
| B/fwd balance 1 September 2016                                       | 399                     | -            | 431                    | -            | 48                         | -           | 220                               | 120          | 871                                    | 596            | 540                     | 359          | 306                          | 170          | 2,815          | 1,245          |
| Inherited on transfer/merger   | 0                       | 261          | -                      | 298          | -                          | 30          | -                                 | -            | -                                      | -              | 0                       | -            | 0                            | -            | -              | 589            |
| Interest on assets   | 9                       | 12           | 9                      | 11           | 1                          | 1           | 5                                 | 6            | 19                                     | 25             | 12                      | 15           | 7                            | 8            | 62             | 78             |
| Remeasurements gains / (losses)                                      | 24                      | 41           | 51                     | 53           | 7                          | 4           | 172                               | 21           | (80)                                   | 93             | 135                     | 57           | 209                          | 30           | 518            | 299            |
| Employer contributions   | 57                      | 70           | 61                     | 57           | 25                         | 11          | 47                                | 60           | 121                                    | 130            | 95                      | 90           | 89                           | 81           | 495            | 499            |
| Employee contributions   | 12                      | 15           | 13                     | 12           | 5                          | 2           | 10                                | 13           | 24                                     | 27             | 20                      | 19           | 18                           | 17           | 102            | 105            |
| Benefits paid  | -9                      | -            | (16)                   | -            | -                          | -           | (1)                               | -            | (30)                                   | -              | -16                     | -            | -11                          | -            | (83)           | -              |
| <b>At 31 August 2017</b>   | <b>492</b>              | <b>399</b>   | <b>549</b>             | <b>431</b>   | <b>86</b>                  | <b>48</b>   | <b>453</b>                        | <b>220</b>   | <b>925</b>                             | <b>871</b>     | <b>786</b>              | <b>540</b>   | <b>618</b>                   | <b>306</b>   | <b>3,909</b>   | <b>2,815</b>   |
| <b>Actual return on assets:</b>                                      | <b>33</b>               | <b>53</b>    | <b>60</b>              | <b>64</b>    | <b>8</b>                   | <b>5</b>    | <b>177</b>                        | <b>27</b>    | <b>(61)</b>                            | <b>118</b>     | <b>147</b>              | <b>72</b>    | <b>216</b>                   | <b>38</b>    | <b>580</b>     | <b>377</b>     |
| <b>History of experience gains and losses:</b>                       |                         |              |                        |              |                            |             |                                   |              |  |                |                         |              |                              |              |                |                |
| Experience gains and (losses) on assets                              |                         |              |                        |              |                            |             |                                   |              |  |                |                         |              |                              |              |                |                |
| Amount   | 24                      | 41           | 51                     | 53           | 7                          | 4           | 172                               | 21           | (80)                                   | 93             | 135                     | 57           | 209                          | 30           | 518            | 299            |
| Percentage of assets   | 4.9%                    | 10.3%        | 9.3%                   | 12.3%        | 8.1%                       | 8.3%        | 38.0%                             | 9.5%         | (8.6%)                                 | 10.7%          | 17.2%                   | 10.6%        | 33.8%                        | 9.8%         | 13.3%          | 10.6%          |

**20 Pension and Similar Obligations (continued)****West Sussex Pension Fund**

| Principal Actuarial Assumptions (%)                | Eastbrook Primary |      | The Globe Primary |      | White Meadows Primary |      | Total |      |
|--|-------------------|------|-------------------|------|-----------------------|------|-------|------|
|  | 2017              | 2016 | 2017              | 2016 | 2017                  | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 3.1               | 3.6  | 3.1               | 3.6  | 3.1                   | 3.6  | 3.1   | 3.6  |
| Rate of increase for pensions in payment/inflation | 2.5               | 2.1  | 2.5               | 2.1  | 2.5                   | 2.1  | 2.5   | 2.1  |
| Discount rate for scheme liabilities               | 2.4               | 2.1  | 2.4               | 2.1  | 2.4                   | 2.1  | 2.4   | 2.1  |
| Inflation assumption (CPI)                         | 2.4               | 2.3  | 2.4               | 2.3  | 2.4                   | 2.3  | 2.4   | 2.3  |

**Commutation**

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

Retiring today:

|         |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|
| Males   | 23.6 | 24.4 | 23.6 | 24.4 | 23.6 | 24.4 | 23.6 | 24.4 |
| Females | 25.0 | 25.8 | 25.0 | 25.8 | 25.0 | 25.8 | 25.0 | 25.8 |

Retiring in 20 years:

|         |      |      |      |      |      |      |      |      |
|---------|------|------|------|------|------|------|------|------|
| Males   | 26.0 | 26.9 | 26.0 | 26.9 | 26.0 | 26.9 | 26.0 | 26.9 |
| Females | 27.8 | 28.5 | 27.8 | 28.5 | 27.8 | 28.5 | 27.8 | 28.5 |

**Asset split (%):**

|                              |              |              |              |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Equities                     | 52.0         | 73.0         | 52.0         | 73.0         | 52.0         | 73.0         | 52.0         | 73.0         |
| Property                     | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          |
| Government bonds             | 37.0         | 16.0         | 37.0         | 16.0         | 37.0         | 16.0         | 37.0         | 16.0         |
| Cash                         | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| Total market value of assets | <u>100.0</u> |

|   |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fair Value of fund assets                       | 969            | 752            | 1364           | 1,071          | 1368           | 1,088          | 3,701          | 2,911          |
| Present value of the defined benefit obligation | <u>(1,448)</u> | <u>(1,438)</u> | <u>(1,892)</u> | <u>(1,936)</u> | <u>(1,808)</u> | <u>(1,629)</u> | <u>(5,148)</u> | <u>(5,003)</u> |
| Net defined benefit pension liability           | <u>(479)</u>   | <u>(686)</u>   | <u>(528)</u>   | <u>(865)</u>   | <u>(440)</u>   | <u>(541)</u>   | <u>(1,447)</u> | <u>(2,092)</u> |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |            |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| Current service cost (net of employee contributions) | 158        | 112        | 192        | 132        | 225        | 144        | 575        | 388        |
| <b>Financing cost</b>                                |            |            |            |            |            |            |            |            |
| Interest on net defined benefit liability/(asset)    | 15         | 16         | 19         | 19         | 12         | 12         | 46         | 47         |
| Total operating charge                               | <u>173</u> | <u>128</u> | <u>211</u> | <u>151</u> | <u>237</u> | <u>156</u> | <u>621</u> | <u>435</u> |

**Analysis of Pension Finance Income**

|                                 |             |             |             |             |             |             |              |              |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Interest income on assets       | 17          | 22          | 24          | 31          | 23          | 30          | 64           | 83           |
| Interest on pension liabilities | <u>-32</u>  | <u>(38)</u> | <u>-43</u>  | <u>(50)</u> | <u>(35)</u> | <u>(42)</u> | <u>(110)</u> | <u>(130)</u> |
| Pension finance income/ (costs) | <u>(15)</u> | <u>(16)</u> | <u>(19)</u> | <u>(19)</u> | <u>(12)</u> | <u>(12)</u> | <u>(46)</u>  | <u>(47)</u>  |

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

| Net movement on assets and liabilities                               | Eastbrook Primary |              | The Globe Primary |              | White Meadows Primary |              | Total          |                |
|--|-------------------|--------------|-------------------|--------------|-----------------------|--------------|----------------|----------------|
|  | 2017              | 2016         | 2017              | 2016         | 2017                  | 2016         | 2017           | 2016           |
| B/fwd balance 1 September 2016                                       | (686)             |              | (865)             | -            | (541)                 | -            | (2,092)        | -              |
| Inherited on transfer/merger   |                   | (394)        |                   | (476)        |                       | (308)        |                | (1,178)        |
| Employer contribution  | 79                | 70           | 127               | 108          | 150                   | 130          | 356            | 308            |
| Current service cost   | (158)             | (112)        | (192)             | (132)        | (225)                 | (144)        | (575)          | (388)          |
| Interest expense   | (32)              | (38)         | (43)              | (50)         | (35)                  | (42)         | (110)          | (130)          |
| Interest income on assets  | 17                | 22           | 24                | 31           | 23                    | 30           | 64             | 83             |
| Actuarial gains/(losses)   | 301               | (234)        | 421               | (346)        | 188                   | (207)        | 910            | (787)          |
| <b>Deficit at 31 August 2017</b>                                     | <b>(479)</b>      | <b>(686)</b> | <b>(528)</b>      | <b>(865)</b> | <b>(440)</b>          | <b>(541)</b> | <b>(1,447)</b> | <b>(2,092)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                   |              |                   |              |                       |              |                |                |
| B/fwd balance 1 September 2016                                       | 1438              | -            | 1936              | -            | 1,629                 | -            | 5,003          | -              |
| Inherited on transfer/merger   |                   | 925          | 0                 | 1,229        |                       | 1,050        |                | 3,204          |
| Current service cost   | 158               | 112          | 192               | 132          | 225                   | 144          | 575            | 388            |
| Interest cost  | 32                | 38           | 43                | 50           | 35                    | 42           | 110            | 130            |
| Employee contributions   | 22                | 21           | 26                | 25           | 36                    | 31           | 84             | 77             |
| Actuarial Losses / (Gains)   | (188)             | 342          | -302              | 500          | (77)                  | 362          | (567)          | 1,204          |
| Benefits paid  | (14)              | -            | -3                | -            | (40)                  | -            | (57)           | -              |
| <b>At 31 August 2017</b>   | <b>1,448</b>      | <b>1,438</b> | <b>1,892</b>      | <b>1,936</b> | <b>1,808</b>          | <b>1,629</b> | <b>5,148</b>   | <b>5,003</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                   |              |                   |              |                       |              |                |                |
| B/fwd balance 1 September 2016                                       | 752               | -            | 1071              | -            | 1,088                 | -            | 2,911          | -              |
| Inherited on transfer/merger   |                   | 531          | 0                 | 753          |                       | 742          |                | 2,026          |
| Interest on assets   | 17                | 22           | 24                | 31           | 23                    | 30           | 64             | 83             |
| Remeasurements gains / (losses)                                      | 113               | 108          | 119               | 154          | 111                   | 155          | 343            | 417            |
| Employer contributions   | 79                | 70           | 127               | 108          | 150                   | 130          | 356            | 308            |
| Employee contributions   | 22                | 21           | 26                | 25           | 36                    | 31           | 84             | 77             |
| Benefits paid  | (14)              | -            | -3                | -            | (40)                  | -            | (57)           | -              |
| <b>At 31 August 2017</b>   | <b>969</b>        | <b>752</b>   | <b>1,364</b>      | <b>1,071</b> | <b>1,368</b>          | <b>1,088</b> | <b>3,701</b>   | <b>2,911</b>   |
| <b>Actual return on assets:</b>                                      | <b>130</b>        | <b>130</b>   | <b>143</b>        | <b>185</b>   | <b>134</b>            | <b>185</b>   | <b>407</b>     | <b>500</b>     |
| <b>History of experience gains and losses:</b>                       |                   |              |                   |              |                       |              |                |                |
| Experience gains and (losses) on assets                              |                   |              |                   |              |                       |              |                |                |
| Amount   | 113               | 108          | 119               | 154          | 111                   | 155          | 343            | 417            |
| Percentage of assets   | 11.7%             | 14.4%        | 8.7%              | 14.4%        | 8.1%                  | 14.2%        | 9.3%           | 14.3%          |

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

---

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

**London Borough of Bexley Pension Fund**

| <b>Principal Actuarial Assumptions (%)</b>         | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 3.7         | 3.3         |
| Rate of increase for pensions in payment/inflation | 2.2         | 1.8         |
| Discount rate for scheme liabilities               | 2.4         | 2.1         |
| Inflation assumption (CPI)                         | 2.2         | 1.8         |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 23   | 23.2 |
| Females               | 26   | 25.6 |
| Retiring in 20 years: |      |      |
| Males                 | 25.2 | 25.5 |
| Females               | 28.3 | 28.5 |

**Asset split (%):**

|                              |              |              |
|------------------------------|--------------|--------------|
| Equities                     | 60.1         | 61.8         |
| Property                     | 10.6         | 11.1         |
| Other bonds                  | 8.7          | 7.7          |
| Cash                         | 0.7          | 1.3          |
| Other bonds                  | 19.9         | 18.1         |
| Total market value of assets | <u>100.0</u> | <u>100.0</u> |

|   |              |              |
|---|--------------|--------------|
| Fair Value of fund assets                       | 855          | 656          |
| Present value of the defined benefit obligation | (1,489)      | (1,230)      |
| Net defined benefit pension liability           | <u>(634)</u> | <u>(574)</u> |

**Total Expenditure Recognised in the  
Statement of Financial Activities**

**Operating cost**

|  |     |    |
|--|-----|----|
| Current service cost (net of employee contributions) | 143 | 97 |
| Admin expenses                                       | 3   | 4  |

**Financing cost**

|   |    |    |
|---|----|----|
| Interest on net defined benefit liability/(asset) | 11 | 11 |
|---|----|----|

|                 |            |            |
|-----------------|------------|------------|
| Pension expense | <u>157</u> | <u>112</u> |
|-----------------|------------|------------|

**2017      2016**

**Analysis of Pension Finance Income**

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Interest income on assets       | 15          | 20          |
| Interest on pension liabilities | (26)        | (31)        |
| Pension finance costs           | <u>(11)</u> | <u>(11)</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)****Net movement on assets and liabilities**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| B/fwd balance 1 September 2016   | (574)        | -            |
| Inherited on transfer/merger     | -            | (345)        |
| Employer contribution            | 85           | 90           |
| Current service cost             | (143)        | (101)        |
| Past service cost                |              | -            |
| Interest expense                 | (26)         | (31)         |
| Interest income on assets        | 15           | 20           |
| Actuarial (losses) / gains       | 9            | (207)        |
| <b>Deficit at 31 August 2017</b> | <b>(634)</b> | <b>(574)</b> |

**Movement in the present value of defined benefit obligations:**

|                                |              |              |
|--------------------------------|--------------|--------------|
| B/fwd balance 1 September 2016 | 1,230        | -            |
| Inherited on transfer/merger   | -            | 791          |
| Current service cost           | 143          | 97           |
| Interest expense               | 26           | 31           |
| Employee contributions         | 22           | 21           |
| Actuarial (gains) / losses     | 92           | 290          |
| Benefits paid                  | (24)         | -            |
| <b>At 31 August 2017</b>       | <b>1,489</b> | <b>1,230</b> |

**Movement in the fair value of fund assets:**

|                                |            |            |
|--------------------------------|------------|------------|
| B/fwd balance 1 September 2016 | 656        | -          |
| Inherited on transfer/merger   | -          | 446        |
| Interest on assets             | 15         | 20         |
| Remeasurement gains/ (losses)  | 101        | 79         |
| Employer contributions         | 85         | 90         |
| Employee contributions         | 22         | 21         |
| Benefits paid                  | (24)       | -          |
| <b>At 31 August 2017</b>       | <b>855</b> | <b>656</b> |

**Actual return on assets:**

|     |    |
|-----|----|
| 116 | 99 |
|-----|----|

**History of experience gains and losses:**

|                                       |       |       |
|---------------------------------------|-------|-------|
| Experience gains and losses on assets |       |       |
| Amount                                | 101   | 79    |
| Percentage of assets                  | 11.8% | 12.0% |

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

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

**London Borough of Waltham Pension Forest Pension Fund**

| Principal Actuarial Assumptions (%)                | Chapel End Junior Academy |      | Woodside Primary Academy |      | Reach2 |      | Total |      |
|--|---------------------------|------|--------------------------|------|--------|------|-------|------|
|  | 2017                      | 2016 | 2017                     | 2016 | 2017   | 2016 | 2017  | 2016 |
| Rate of increase in salaries                       | 3.7                       | 3.4  | 3.7                      | 3.6  | 3.7    | 3.4  | 3.7   | 3.4  |
| Rate of increase for pensions in payment/inflation | 2.2                       | 2.0  | 2.2                      | 2.1  | 2.2    | 2.0  | 2.2   | 2.0  |
| Discount rate for scheme liabilities               | 2.5                       | 2.2  | 2.4                      | 2.1  | 2.4    | 2.2  | 2.5   | 2.2  |
| Inflation assumption (CPI)                         | 2.2                       | 1.9  | 2.2                      | 2.3  | 2.2    | 1.9  | 2.2   | 1.9  |

**Commutation**

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

|                       |      |      |      |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|------|------|
| Retiring today:       |      |      |      |      |      |      |      |      |
| Males                 | 22.4 | 25.5 | 22.4 | 24.4 | 22.4 | 25.5 | 22.4 | 25.5 |
| Females               | 25.4 | 28   | 25.4 | 25.8 | 25.4 | 28   | 25.4 | 28   |
| Retiring in 20 years: |      |      |      |      |      |      |      |      |
| Males                 | 24.6 | 23.3 | 24.6 | 26.9 | 24.6 | 23.3 | 24.6 | 23.3 |
| Females               | 27.7 | 25.6 | 27.7 | 28.5 | 27.7 | 25.6 | 27.7 | 25.6 |

**Asset split (%):**

|   |              |              |                |                |              |              |              |              |
|---|--------------|--------------|----------------|----------------|--------------|--------------|--------------|--------------|
| Equities  | 63.0         | 65.0         | 63.0           | 73.0           | 63.0         | 65.0         | 63.0         | 65.0         |
| Property  | 9.0          | 7.0          | 9.0            | 8.0            | 9.0          | 7.0          | 9.0          | 7.0          |
| Other bonds                                     | 12.0         | 15.0         | 12.0           | 16.0           | 12.0         | 15.0         | 12.0         | 15.0         |
| Cash  | 6.0          | 2.0          | 6.0            | 3.0            | 6.0          | 2.0          | 6.0          | 2.0          |
| Other   | 10.0         | 11.0         | 10.0           | 0.0            | 10.0         | 11.0         | 10.0         | 11.0         |
| Total market value of assets                    | <u>100.0</u> | <u>100.0</u> | <u>100.0</u>   | <u>100.0</u>   | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> | <u>100.0</u> |
| Fair Value of fund assets                       | 333          | 135          | 2,344          | 1,826          | 1477         | 666          | 4,154        | 2,627        |
| Present value of the defined benefit obligation | (457)        | (691)        | (5,209)        | (4,078)        | (1,880)      | (805)        | (7,546)      | (5,574)      |
| Net defined benefit pension liability           | <u>(124)</u> | <u>(556)</u> | <u>(2,865)</u> | <u>(2,252)</u> | <u>(403)</u> | <u>(139)</u> | <u>(124)</u> | <u>(556)</u> |

**Total Expenditure Recognised in the Statement of Financial Activities**

|  |           |           |            |            |            |            |              |            |
|--|-----------|-----------|------------|------------|------------|------------|--------------|------------|
| Current service cost (net of employee contributions) | 72        | 31        | 580        | 310        | 587        | 173        | 1,239        | 514        |
| Admin costs  | 2         | 1         | 17         |            | 17         | 7          | 36           | 8          |
| <b>Financing cost</b>                                |           |           |            |            |            |            |              |            |
| Interest on net defined benefit liability/(asset)    | 11        | 12        | 45         | 37         | -4         | (8)        | 52           | 41         |
| Total operating charge                               | <u>85</u> | <u>44</u> | <u>642</u> | <u>347</u> | <u>600</u> | <u>172</u> | <u>1,327</u> | <u>563</u> |

**Analysis of Pension Finance Income**

|                                 |             |           |             |             |          |            |             |             |
|---------------------------------|-------------|-----------|-------------|-------------|----------|------------|-------------|-------------|
| Interest income on assets       | 4           | 18        | 46          | 59          | 23       | 10         | 73          | 87          |
| Interest on pension liabilities | (15)        | (6)       | (91)        | (96)        | (19)     | (18)       | (125)       | (120)       |
| Pension finance income/ (costs) | <u>(11)</u> | <u>12</u> | <u>(45)</u> | <u>(37)</u> | <u>4</u> | <u>(8)</u> | <u>(52)</u> | <u>(33)</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**20 Pension and Similar Obligations (continued)**

| Net movement on assets and liabilities                               | Chapel End Junior Academy |              | Woodside Primary Academy |                | Reach2       |              | Total          |                |
|--|---------------------------|--------------|--------------------------|----------------|--------------|--------------|----------------|----------------|
|  | 2017                      | 2016         | 2017                     | 2016           | 2017         | 2016         | 2017           | 2016           |
| B/fwd balance 1 September 2016                                       | (555)                     | -            | (2,252)                  | -              | (68)         | (52)         | (2,875)        | (52)           |
| Inherited on transfer/merger   | -                         | (315)        | -                        | (1,153)        | -            | -            | -              | (1,468)        |
| Employer contribution  | 62                        | 48           | 497                      | 422            | 489          | 265          | 1,048          | 735            |
| Current service cost   | (72)                      | (31)         | (580)                    | (310)          | (587)        | (173)        | (1,239)        | (514)          |
| Interest expense   | (15)                      | (18)         | (91)                     | (96)           | (19)         | (10)         | (125)          | (124)          |
| Interest income on assets  | 4                         | 6            | 46                       | 59             | 23           | 18           | 73             | 83             |
| Actuarial gains/(losses)   | 452                       | (245)        | (485)                    | (1,174)        | (241)        | (187)        | (274)          | (1,606)        |
| <b>Deficit at 31 August 2017</b>                                     | <b>(124)</b>              | <b>(555)</b> | <b>(2,865)</b>           | <b>(2,252)</b> | <b>(403)</b> | <b>(139)</b> | <b>(3,392)</b> | <b>(2,946)</b> |
| <b>Movement in the present value of defined benefit obligations:</b> |                           |              |                          |                |              |              |                |                |
| B/fwd balance 1 September 2016                                       | 691                       | -            | 4,078                    | -              | 734          | -            | 5,503          | -              |
| Inherited on transfer/merger   | 0                         | 381          | -                        | 2,390          | -            | 227          | -              | 2,998          |
| Current service cost   | 72                        | 31           | 580                      | 310            | 587          | 173          | 1,239          | 514            |
| Interest cost  | 15                        | 18           | 91                       | 96             | 19           | 10           | 125            | 124            |
| Employee contributions   | 12                        | 9            | 104                      | 88             | 129          | 74           | 245            | 171            |
| Actuarial Losses / (Gains)   | -325                      | 252          | 460                      | 1,238          | 297          | 321          | 432            | 1,811          |
| Benefits paid  | -8                        | -            | (104)                    | (44)           | 114          | -            | 2              | (44)           |
| <b>At 31 August 2017</b>   | <b>457</b>                | <b>691</b>   | <b>5,209</b>             | <b>4,078</b>   | <b>1,880</b> | <b>805</b>   | <b>7,546</b>   | <b>5,574</b>   |
| <b>Movement in the fair value of fund assets:</b>                    |                           |              |                          |                |              |              |                |                |
| B/fwd balance 1 September 2016                                       | 136                       | -            | 1,826                    | -              | 666          | 292          | 2,628          | 292            |
| Inherited on transfer/merger   | 0                         | 66           | -                        | 1,237          | -            | -            | -              | 1,303          |
| Interest on assets   | 4                         | 6            | 46                       | 59             | 23           | 18           | 73             | 83             |
| Remeasurements gains / (losses)                                      | 127                       | 7            | (25)                     | 64             | 56           | 17           | 158            | 88             |
| Employer contributions   | 62                        | 48           | 497                      | 422            | 489          | 265          | 1,048          | 735            |
| Employee contributions   | 12                        | 9            | 104                      | 88             | 129          | 74           | 245            | 171            |
| Benefits paid  | -8                        | -            | (104)                    | (44)           | 114          | -            | 2              | (44)           |
| <b>At 31 August 2017</b>   | <b>333</b>                | <b>136</b>   | <b>2,344</b>             | <b>1,826</b>   | <b>1,477</b> | <b>666</b>   | <b>4,154</b>   | <b>2,628</b>   |
| <b>Actual return on assets:</b>                                      | <b>131</b>                | <b>13</b>    | <b>21</b>                | <b>123</b>     | <b>79</b>    | <b>35</b>    | <b>231</b>     | <b>171</b>     |
| <b>History of experience gains and losses:</b>                       |                           |              |                          |                |              |              |                |                |
| Experience gains and (losses) on assets                              |                           |              |                          |                |              |              |                |                |
| Amount   | 127                       | 7            | (25)                     | 64             | 56           | 17           | 158            | 88             |
| Percentage of assets   | 38.1%                     | 5.1%         | (1.1%)                   | 3.5%           | 3.8%         | 2.6%         | 3.8%           | 3.3%           |

**20 Pension and Similar Obligations (continued)****Shropshire County Council Pension Fund**

| <b>Principal Actuarial Assumptions (%)</b>         | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Rate of increase in salaries                       | 3.7         | 3.4         |
| Rate of increase for pensions in payment/inflation | 2.2         | 2.0         |
| Discount rate for scheme liabilities               | 2.5         | 2.2         |
| Inflation assumption (CPI)                         | 2.2         | 1.9         |

**Commutation**

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

|                       |      |      |
|-----------------------|------|------|
| Retiring today:       |      |      |
| Males                 | 23   | 23.9 |
| Females               | 26.2 | 26.4 |
| Retiring in 20 years: |      |      |
| Males                 | 25.2 | 26.2 |
| Females               | 28.5 | 29.2 |

**Asset split (%):**

|   |              |              |
|---|--------------|--------------|
| Equities  | 51.2         | 53.2         |
| Property  | 4.8          | 5.3          |
| Other bonds                                     | 23.5         | 19.7         |
| Cash  | 4.7          | 1.7          |
| Other bonds                                     | 15.8         | 20.1         |
| Total market value of assets                    | <u>100.0</u> | <u>100.0</u> |
| Fair Value of fund assets                       | 15           | 35           |
| Present value of the defined benefit obligation | (118)        | (106)        |
| Net defined benefit pension liability           | <u>(103)</u> | <u>(71)</u>  |

**Total Expenditure Recognised in the Statement of Financial Activities****Operating cost**

|  |    |   |
|--|----|---|
| Current service cost (net of employee contributions) | 22 | 5 |
|--|----|---|

**Financing cost**

|   |   |   |
|---|---|---|
| Interest on net defined benefit liability/(asset) | 1 | 1 |
|---|---|---|

|                 |           |          |
|-----------------|-----------|----------|
| Pension expense | <u>23</u> | <u>6</u> |
|-----------------|-----------|----------|

**2017**      **2016**

**Analysis of Pension Finance Income**

|                                 |            |            |
|---------------------------------|------------|------------|
| Interest income on assets       | 1          | 1          |
| Interest on pension liabilities | (2)        | (2)        |
| Pension finance costs           | <u>(1)</u> | <u>(1)</u> |

**20 Pension and Similar Obligations (continued)****Net movement on assets and liabilities**

|                                  |              |             |
|----------------------------------|--------------|-------------|
| B/fwd balance 1 September 2016   | (71)         | -           |
| Inherited on transfer/merger     | -            | -           |
| Employer contribution            | 5            | 3           |
| Current service cost             | (22)         | (5)         |
| Past service cost                |              | (18)        |
| Interest expense                 | (2)          | (2)         |
| Interest income on assets        | 1            | 1           |
| Actuarial (losses) / gains       | (14)         | (50)        |
| <b>Deficit at 31 August 2017</b> | <b>(103)</b> | <b>(71)</b> |

**Movement in the present value of defined benefit obligations:**

|                                |            |            |
|--------------------------------|------------|------------|
| B/fwd balance 1 September 2016 | 106        | -          |
| Inherited on transfer/merger   | -          | -          |
| Current service cost           | 22         | 5          |
| Past service cost              |            | 44         |
| Interest expense               | 2          | 2          |
| Employee contributions         | 4          | 2          |
| Actuarial (gains)/ losses      | (16)       | 53         |
| Benefits paid                  |            | -          |
| <b>At 31 August 2017</b>       | <b>118</b> | <b>106</b> |

**Movement in the fair value of fund assets:**

|                                |           |           |
|--------------------------------|-----------|-----------|
| B/fwd balance 1 September 2016 | 35        | -         |
| Inherited on transfer/merger   | -         | -         |
| Interest on assets             | 1         | 1         |
| Remeasurement gains/ (losses)  | (30)      | 3         |
| Employer contributions         | 5         | 3         |
| Employee contributions         | 4         | 2         |
| Impact of past service         |           | 26        |
| <b>At 31 August 2017</b>       | <b>15</b> | <b>35</b> |

|                                 |             |          |
|---------------------------------|-------------|----------|
| <b>Actual return on assets:</b> | <b>(29)</b> | <b>4</b> |
|---------------------------------|-------------|----------|

**History of experience gains and losses:**

|                                       |          |      |
|---------------------------------------|----------|------|
| Experience gains and losses on assets |          |      |
| Amount                                | (30)     | 3    |
| Percentage of assets                  | (200.0%) | 8.6% |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

| 21 Reconciliation of net income to cash flows from operating activities | 2017<br>£ 000  | 2016<br>£ 000 |
|---|----------------|---------------|
| Net income for the reporting period                                     | (8,922)        | 198,125       |
| <i>Adjusted for</i>   |                |               |
| Net deficit/(surplus) transferred on conversion                         | (9,969)        | (200,302)     |
| Capital grants from DfE/ ESFA and other capital income                  | (4,303)        | (4,780)       |
| Investment income   | (47)           | (38)          |
| Defined benefit pension cost less contributions payable                 | 473            | 2,621         |
| Defined benefit pension net finance cost/(income)                       | 661            | 678           |
| Depreciation, amortisation and impairment of fixed assets               | 8,256          | 11,765        |
| Decrease/(increase) in stocks   | 21             | (31)          |
| (Increase)/decrease in debtors  | (189)          | (2,168)       |
| Increase/(decrease) in creditors  | 1,415          | 5,482         |
| Loss on disposal of tangible fixed assets                               | 11,292         | -             |
|   | <u>(1,348)</u> | <u>11,352</u> |

### 22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

|                                       | 2017<br>£ 000 | 2016<br>£ 000 |
|---------------------------------------|---------------|---------------|
| Amounts due within one year           | 14            | 14            |
| Amounts due within two and five years | 226           | 230           |
| Amounts due after five years          | 471           | 11            |
|                                       | <u>711</u>    | <u>255</u>    |

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 23 Related party transactions

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

During the year, the academy trust entered into the following transactions with Astrea Academy Trust a company in which Sir Steve Lancashire was a trustee until 1/4/17 and Reach South a company in which some REAch2 employees provided seconded services.

- Supplies relating to staff employed by REAch2 for Reach South amounted to £188,000 in the year, with a debtor balance of £118,000 at the year end.
- Supplies relating to staff employed by REAch2 for Astrea Academy Trust amounted to £159,000 in the year, with no debtor balance at the year end.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2016.

Dr Louise Askew - a trustee of the Board and NLG provided governor training supporting our LGBs during the academic year. Transactions totalling £2,850.25 were invoiced and paid in full during the year.

Mike Peters - a trustee of the Board provided consultancy services as part of a complex internal investigation that took place during the year. Transactions totalling £6,166.10 were invoiced and paid in full during the year.

#### 24 Post balance sheet events

After the year-end, the following school converted to Academy Trust status and joined Reach2 Academy Trust.

| <b>Academy</b>             | <b>Location</b> | <b>Date of conversion</b>      |
|----------------------------|-----------------|--------------------------------|
| Greenridge Primary Academy | Aylesbury       | 1 <sup>st</sup> September 2017 |
| Summerside Primary Academy | North London    | 1 <sup>st</sup> September 2017 |

At the time of signing the accounts management have not been able to determine the fair value of assets and liabilities acquired by the Trust.

#### 25 Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he or 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.

## REACH2 ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 26 Conversion to an academy

During the year, the below joined the Trust with all of their operations and assets and liabilities being transferred to Reach2 Academy Trust from the relevant Local Authorities and legacy academies for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

| <b>Academy</b>   | <b>Location</b> | <b>Date of conversion</b>      |               |
|--|-----------------|--------------------------------|---------------|
| Camulos Academy  | Colchester      | 1 <sup>st</sup> September 2016 |               |
| Concordia Academy  | Romford         | 1 <sup>st</sup> Septmeber 2016 |               |
| Sir Martin Frobisher Academy                                   | Clacton On Sea  | 1 <sup>st</sup> September 2016 |               |
| Bushbury Lane Academy  | Wolverhampton   | 1 <sup>st</sup> March 2017     |               |
|  |                 |                                | <b>2017</b>   |
| <b>Net assets transferred:</b>                                 |                 |                                | <b>£ 000</b>  |
| Leasehold land and buildings                                   |                 |                                | 12,562        |
| Cash   |                 |                                | 362           |
|  |                 |                                | <hr/>         |
| <b>Recognised as income within the SOFA</b>                    |                 |                                | <b>12,924</b> |
|  |                 |                                | <hr/>         |
| LGPS pension deficit recognised as expenditure within the SOFA |                 |                                | (954)         |
|  |                 |                                | <hr/>         |
| <b>Total net assets acquired</b>                               |                 |                                | <b>11,970</b> |
|  |                 |                                | <hr/>         |

#### 27 Investments

Reach2 Academy Trust owns 100% of the issued ordinary share capital of Reach2 Inspiration Limited, a company incorporated in England and Wales. The subsidiary is engaged in the supply of services to education. Its financial year ends on 31 August 2017.

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