

REACH2STAFFORDSHIRE ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

LANDAU BAKER LIMITED

Chartered Accountants & Statutory Auditors

154 Brent Street

London

NW4 2DR

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20 - 21
Balance sheet	22 - 23
Cash flow statement	24
Notes to the financial statements	25 - 45

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

Rev Anne Dollery
REAch2 Ltd represented by Steve Lancashire
Roger Pryce
Rebecca McKenzie Young

Trustees

Karen Amos, Vice Chair (appointed 3 December 2014)¹
Steve Lancashire (resigned 3 December 2014)¹
Cathie Paine, Chair¹
Ian Carnwell (resigned 25 March 2015)¹
Chris Perkins, Executive Principal¹
Dean Ashton (resigned 17 December 2014)¹
Anita Willars (appointed 3 December 2014)¹
James Collins (appointed 5 December 2014)¹
Jane Seddon (appointed 25 March 2015)¹
Wesley Morris (appointed 15 July 2015)¹
Sarah Birchall (appointed 25 March 2015)¹
Yateen Bhoola (resigned 3 December 2014)¹

¹ Director of the charitable company

Company registered number

08634450

Principal and registered office

REAch2 Office, Scientia Academy, Mona Road, Burton-on-Trent, Staffordshire, DE13 0UF

Company secretary

Veale Wasbrough Vizards LLP

Chief executive officer

Steve Lancashire

Independent auditors

Landau Baker Limited, 154 Brent Street, London, NW4 2DR

Solicitors

Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period from 1 September 2014 to 31st August 2015. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The trust operates 4 primary academies in Staffordshire. Its academies have a combined pupil capacity of 1050 and has a roll of 750 in the school census on 31st October 2014.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 1 August 2013) are the primary governing documents of the academy trust. The trustees of REAch2Staffordshire Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as REAch2Staffordshire Academy Trust.

The ultimate parent undertaking and controlling party is REAch2 Limited.

Details of the trustees who served during the year are included in the reference and administrative details on page 1.

The principal activity of the academy is to advance, for the public benefit, education in Staffordshire by maintaining and operating REAch2Staffordshire Academy Trust.

b. 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.

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association and funding agreement as follows:

- REAch2 Limited
- REAch2 Appointed Directors as REAch2 sees fit.
- The Executive Principal (referred to as the Executive Director in the articles) if appointed by REAch2 for as long as they remain in office.
- One Academy Director, will be the chair of a Local Governing Body of an academy within the Trust. Where there is more than one candidate the Chairs will elect the Academy Director for a period of one

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- year.
- One Principal Director, which will be a Principal of an Academy within the Trust. Where there is more than one candidate the Principals will elect the Principal Director for a period of one year.
- Directors co-opted by the Board.
- A minimum of two parent trustees unless the Local Governing Bodies each have at least two Parent trustees.
- The Directors may also, with the consent of REAch2, appoint staff directors providing that the total number of staff directors including the Executive Principal, Principal, Co-opted and appointed staff directors does not exceed one third of the total number of Directors.

The term of office for any trustee years. The Headteachers' terms of office run parallel with their terms of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the trustees held three full governing body meetings. The training and induction provided for new trustees will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and a chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. ORGANISATIONAL STRUCTURE

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executives and who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation, which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

The headteacher is directly responsible for the day to day running of the academy and is assisted by the senior leadership team. Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Executive Principal assumes the role of the accounting officer.

g. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

REAch2Staffordshire Academy Trust has a strong working relationship with REAch2 Ltd. This relationship is defined through the Memorandum of Understanding that the Trust and REAch2 Ltd have agreed. REAch2 Ltd is a charity with the purpose:

- REAch2 (Raising Educational Achievement for Children) is an Academy Trust developed by Hillyfield Primary Academy. Its core mission is to create a family of primary academies that have strong reputation for delivering outstanding education for all pupils. In addition to this, the trust also provides a procurement framework that enables its member academies to access commercial services that ensure value for money and consistent quality. For these commercial services REAch2 Staffordshire Academy Trust has entered into agreements with commercial providers of back office services including: legal, payroll,

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

insurance, financial systems and accountancy services.

- The mission and vision of REAch2 is set out in its mission and vision statement. In fulfilling this mission, REAch2 has established a network of academies who share a common vision and purpose. This Memorandum acknowledges the shared vision and the commitments that REAch2 and all the REAch2 Academy Trusts and their respective REAch2 Academies (the "Trust"), by signing this Memorandum, make to each other. The relationship between REAch2 and the Trust is intended to be mutually beneficial and reflects their wish to work together and to collaborate. Whilst there is no intention to create legally binding obligations in this Memorandum, it reflects the expectations that the parties have of each other.
- The strength of the partnership between REAch2 and the Trust and the REAch2 Academies and more widely the REAch2 network of schools lies in the fact that all look outwards as well as inwards and the interaction with others provides challenge and opportunity as well as promotes best practice. Whilst it may be clear that the primary objective of this Memorandum is to provide mutual support, nothing in this Memorandum will prohibit either REAch2 or the Trust collaborating with other local and national networks.

On February 2014, a trading company was established, REAch2 Inspiration Ltd. REAch2 Inspiration Ltd is wholly and equally owned by the eleven charities that make up the REAch2 group, the 10 Multi-Academy Trusts (MATs) and REAch2 Ltd. Because REAch2 Inspiration Ltd is wholly owned by the 11 charities it will fully comply with the provision of services "at cost" principle, as any surpluses generated by the company would belong to the Multi Academy Trusts. 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 MATs and their Academies, ensuring budgets are optimized to benefit the education of children within REAch2 Academies and hence providing best value.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of academies to provide a broad and balanced education for pupils of all abilities in the Staffordshire area.

The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

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 SEN; the basis for charging pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- To develop more effective relationships between all stakeholders to positively impact on the ethos of the academy and behaviour of pupils within the academy.
- The academy seeks to develop its approach to creativity and engagement so that this positively impact on the quality of teaching and learning in the school.
- The academy will strengthen its accountability structure through a review of effectiveness of leadership

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- and management. It will achieve this through developing a more effective appraisal framework.
- achieve consistently high standards of teaching and learning
- provide local leadership capacity and support
- develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them
- provide support building upon individual learning and areas of strength between schools to improve key aspects of performance
- achieve best value in service delivery especially where partnership working can add value.

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.
- The Academy Trust will build its capacity through a target to operate six academies, recruited from a mix of sponsorships, new provision and conversions.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

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

- Developing a new teaching and learning policy and implementing this effectively
- The academy will review and develop its curriculum provision to enhance creativity and engagement
- The accountability of the academy will be strengthened by the development of new policies and procedures and implementation of a new self-evaluation framework
- 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, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: group leadership, business and administration. The academy trust retain a percentage of each academy's monthly EFA income in order to provide these services. The percentage retention for the period to 31st August 2015 was 5.5%.
- Where greater benefit can be achieved for the Academy Trust, by the provision of services across the wider REAch2 Group, then the Academy Trust purchases those services through a set contribution to the charity, REAch2 Ltd, on a not-for-profit basis.
- The academy's aims are being reviewed and edited in the Spring Term of 2016.

d. PUBLIC BENEFIT

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience with regards to the local community. Some examples of this are

- Raising money for local, national and international charities

The academy trust have complied with their duty to have due regard to the guidance on public benefit published by the charities commission.

Strategic report

a. ACHIEVEMENTS AND PERFORMANCE

			Level 4+				Level 5+				2014 Comparison		Above Floor
	Date Joined REAch2 Staffordshire		Reading	Writing	Maths	Reading, Writing & Maths (Combined)	Reading	Writing	Maths	Reading, Writing & Maths (Combined)	2014 Combined Level 4+		
			%	%	%		%	%	%			+/- 2014	
Academy													Y/N
Heath Hayes	01/01/2104	Sponsored	79	86	69	62	34	45	28	24	76	-14	Yes
Norton Canes	01/01/2014	Sponsored	79	85	70	64	33	18	18	9	62	2	Yes
Springhill	01/01/2014	Sponsored	76	100	84	72	32	32	32	20	62	10	Yes
Scientia	01/09/2013	New provision	No Year 6 Cohort, Infant only										

Achievements and performance

a. KEY PERFORMANCE INDICATORS

Strategic Report

Heath Hayes Primary Academy opened as a sponsored academy on 1 January 2014. Its section 5 inspection will be due from January 2016 and as a new Academy has yet to be graded. Outcomes in July 2014 showed EYFS and KS1 pupils to be attaining above the national level. Outcomes for KS2 were significantly below national. The quality of teaching at good or better is currently at 71%. Attendance has improved from 94% in 2014/15 to 95% this academic year to date. The number of fixed term exclusions has reduced by 2.

Norton Canes Primary Academy opened as a sponsored academy on 1 January 2014. Its previous inspection in January 2013 judged overall effectiveness to be inadequate. It's section 5 inspection, as a new Academy, will be due from January 2016. Outcomes in July 2014 showed EYFS and KS1 pupils to be attaining above the national level. Outcomes for KS2 were significantly below national. The quality of teaching at good or better is currently at 92%. Attendance has fallen from 95% in 2014/15 94% for this academic year to date. The number of fixed term exclusions has decreased by 2.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Scientia Primary Academy opened as a sponsored academy on 1 September 2013. Its previous inspection in June 2015 judged overall effectiveness to be good. Outcomes in July 2014 showed EYFS and KS1 pupils to be attaining significantly above the national level. The quality of teaching is at good or better is 100%. Attendance has decreased from 97% in 2014/15 to 96% this academic year to date. The number of fixed term exclusions has increased by 1.

Springhill Primary Academy opened as a sponsored academy on 1 January 2014. Its previous inspection in July 2013 judged overall effectiveness to be inadequate. It's section 5 inspection, as a new Academy, will be due from January 2016. Outcomes in July 2014 showed KS1 and EYFS pupils to be attaining significantly above national level. Outcomes for KS2 were below the national. The quality of teaching is at good or better is 75%. Attendance is at the same level of 95% in 2014/15 for this academic year to date. The number of fixed term exclusions has remained at the same level.

a. FINANCIAL REVIEW

During the period, EFA/LA grants totalled to £4,152,628 (2014: £2,961,654). Other income included within the restricted funds totalled to £223,576 (2014: £17,178,023). Restricted fund expenditure totalled to £4,735,131 (2014: £3,143,016).

The main source of unrestricted income is donations totalling £9,121 (2014:£nil).

Most of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2015 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 EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), 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 are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover. Overall the academy has a healthy balance sheet and cashflow and will be using their 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.

Following conversion to academy status the academy appointed a finance director. The finance director has subsequently been reviewing the financial processes and controls and one of the changes made is to the accounting package used to improve reporting. The trustees through the finance committee and headteacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The finance committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academy.

b. RESERVES POLICY

The definition of reserves in the SORP is, 'that part of the charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- Permanent endowment funds
- Expendable endowment funds
- Restricted income funds
- Any part of unrestricted funds not readily available for spending specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

Reserves are therefore resources the academy has or can make available to spend for any or all of the Academy's purpose once it has met its commitments and covered its other planned expenditure. More specifically reserves are income which becomes available to the academy 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 (ie 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 governors 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.

Total reserves at the end of the period amounted to £16,345,750 (2014 £16,688,393). This balance includes unrestricted funds (free reserves) of £11,016 (2014: £732) which is considered appropriate for the academy trust, and restricted funds of £16,334,734 (2014 £16,687,661).

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 to £1,308,000 (2014 £1,214,000). 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 cashflow 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 cashflow deficit on the fund or direct impact on the unrestricted reserves of the academy trust due to the recognition of the deficit.

c. INVESTMENT POLICY

It should be noted that the academy trust has substantial powers with regards to investment due to cash balances held. Investment policies are determined at Academy level, which is agreed by the local Governing Body. This ensures the level of funds the academy holds can cover any immediate expenditure, without exposing the academy to additional risk. Should any potential investment opportunity arise this would be escalated to the board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against as of 31st August 2015 no investment were held.

d. PRINCIPAL RISKS AND UNCERTAINTIES

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

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the 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. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy 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 procedure are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the reserves policy above for the description of the defined benefit of the pension scheme which there was a deficit of £1,308,000 at 31st August 2015.

Plans for future periods

a. FUTURE DEVELOPMENTS

The multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and ceased trading on this date. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts. The funding agreement between transferee multi academy trust and the ultimate controlling party, REAch2 Limited, remains unchanged at 1 September 2015, albeit under a different group structure.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 the Strategic report, was approved by order of the Board of Trustees as the company directors, as the company directors, on 22 December 2015 and signed on the board's behalf by:



Cathie Paine
Chair of Trustees



Steve Lancashire
Acting Accounting Officer

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that REAch2Staffordshire 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 misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Executive Principal, as accounting officer, (referred to in the Articles as the Executive Director) 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 Master Funding Agreement and Supplementary Funding Agreements between REAch2Staffordshire Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of directors 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 Directors has formally met three times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Karen Amos, Vice Chair	3	3
Steve Lancashire	0	1
Cathie Paine, Chair	2	3
Ian Carnwell	3	3
Chris Perkins, Executive Principal	3	3
Dean Ashton	1	1
Anita Willars	1	1
James Collins	1	1
Jane Seddon	2	3
Wesley Morris	1	1
Sarah Birchall	1	1

Trustees typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Governing Body Committee is reviewed and monitored through the headline document that each committee reviews and produces on a termly basis. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

Key findings, actions taken and their impact are addressed and resolved by the academy.

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation. The committee was established in July 2013.

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Jim Collins	1	1
Anita Willars	1	1
Sarah Birchall	1	1

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Jane Seddon

1

1

The audit committee, is also a subcommittee 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
- 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.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Jim Collins	1	1
Anita Willars	1	1
Sarah Birchall	1	1
Jane Seddon	1	1

REVIEW OF VALUE FOR MONEY

As accounting officer the executive principal 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Moving away from centralised functions being outsourced to having a dedicated team who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- Focus for the next year will be around procurement of serviced that will benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our academies.
- Educational outcomes have improved by having a bespoke MIS system, which is monitored and reviewed regularly when looking at outcomes for children and the targeted focused need to ensure that children are realising their potential.

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 risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in REAch2Staffordshire Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 have been in place for the period 1 September 2014 to 31 August 2015 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 included:

- 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 and general purpose 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 RO's role included giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the system of control and on the discharge of the governing body's financial responsibilities.

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

- to appoint Dean Ashton as internal auditor, who in turn has delegated the testing to an internal provider, strictly education to perform the role of RO. Formal reports are issued to the internal auditor for review and consideration.

The internal auditors 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 quarterly basis, Dean Ashton the internal auditor reports to the Board of trustees, through the risk and audit committee on the operations 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, provided details of any material control issues arising as a result of their work. 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 Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

Approved by the member s of the board of trustees on 22 December 2015 and signed on its behalf, by:



Cathie Paine
Chair of Trustees



Steve Lancashire
Acting Accounting Officer

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Reach2Staffordshire Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook.

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



Steve Lancashire
Acting Accounting Officer

Date: 22 December 2015

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The trustees (who act as governors of REAch2 Staffordshire Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the trust board of trustees on 22 December 2015 and signed on its behalf by:



Cathie Paine
Chair of Trustees

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH2STAFFORDSHIRE ACADEMY TRUST

We have audited the financial statements of Reach2Staffordshire Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 30 to the financial statements concerning the company's ability to continue as a going concern. The company ceased trading on 1 September 2015 and transferred its trade, assets and

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH2STAFFORDSHIRE ACADEMY TRUST

liabilities to a fellow subsidiary on this date. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Michael Durst (Senior statutory auditor)

Michael Durst for Landau Baker Limited

Landau Baker Limited

Chartered Accountants
Statutory Auditors

154 Brent Street
London
NW4 2DR
22 December 2015

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2STAFFORDSHIRE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Reach2Staffordshire Academy Trust during the year 1 September 2014 to 31 August 2015 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 Reach2Staffordshire Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Reach2Staffordshire Academy Trust and EFA 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 Reach2Staffordshire Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF REACH2STAFFORDSHIRE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Reach2Staffordshire Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
REACH2STAFFORDSHIRE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

by staff or related parties.

- adherence to tendering policies.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

154 Brent Street
London
NW4 2DR

22 December 2015

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	9,121	-	-	9,121	17,075,645
Activities for generating funds	3	-	223,576	-	223,576	102,378
Investment income	4	1,163	-	-	1,163	732
Incoming resources from charitable activities	5	-	4,063,043	89,585	4,152,628	2,961,654
TOTAL INCOMING RESOURCES		10,284	4,286,619	89,585	4,386,488	20,140,409
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	-	53,347	-	53,347	32,011
Charitable activities		-	4,289,381	197,110	4,486,491	2,962,166
Governance costs	7	-	195,293	-	195,293	148,839
TOTAL RESOURCES EXPENDED	10	-	4,538,021	197,110	4,735,131	3,143,016
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		10,284	(251,402)	(107,525)	(348,643)	16,997,393

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Note					
Actuarial gains and losses on defined benefit pension schemes	-	6,000	-	6,000	(309,000)
NET MOVEMENT IN FUNDS FOR THE YEAR	10,284	(245,402)	(107,525)	(342,643)	16,688,393
<i>Total funds at 1 September 2014</i>	<i>732</i>	<i>(1,120,563)</i>	<i>17,808,224</i>	<i>16,688,393</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2015	11,016	(1,365,965)	17,700,699	16,345,750	16,688,393

All activities relate to discontinued operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 45 form part of these financial statements.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08634450

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		17,669,423		17,808,224
Investments	18		1		-
			17,669,424		17,808,224
CURRENT ASSETS					
Debtors	19	180,039		217,569	
Cash at bank and in hand		374,223		351,779	
		554,262		569,348	
CREDITORS: amounts falling due within one year	20	(569,936)		(451,161)	
NET CURRENT (LIABILITIES)/ASSETS			(15,674)		118,187
TOTAL ASSETS LESS CURRENT LIABILITIES			17,653,750		17,926,411
CREDITORS: amounts falling due after more than one year	21		-		(24,018)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			17,653,750		17,902,393
Defined benefit pension scheme liability	27		(1,308,000)		(1,214,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,345,750		16,688,393
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	(57,965)		93,437	
Restricted fixed asset funds	22	17,700,699		17,808,224	
Restricted funds excluding pension liability		17,642,734		17,901,661	
Pension reserve		(1,308,000)		(1,214,000)	
Total restricted funds			16,334,734		16,687,661
Unrestricted funds	22		11,016		732
TOTAL FUNDS			16,345,750		16,688,393

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 22 December 2015 and are signed on their behalf, by:



Cathie Paine
Chair of Trustees



Steve Lancashire
Acting Accounting Officer

The notes on pages 25 to 45 form part of these financial statements.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Net cash flow from operating activities	24	11,633	324,042
Returns on investments and servicing of finance	25	(1,163)	(732)
Capital expenditure and financial investment	25	31,276	(21,564)
Cash transferred on conversion to an academy trust		-	6,218
CASH INFLOW BEFORE FINANCING		41,746	307,964
Financing	25	(19,302)	-
INCREASE IN CASH IN THE YEAR		22,444	307,964

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Increase in cash in the year	22,444	307,964
Cash outflow from decrease in debt and lease financing	19,302	-
MOVEMENT IN NET FUNDS IN THE YEAR	41,746	307,964
Net funds at 1 September 2014	307,964	-
NET FUNDS AT 31 AUGUST 2015	349,710	307,964

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

As explained in note 30, the multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the multi academy trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The policy with respect to impairment reviews of fixed assets is to carry out a review of a fixed asset 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	125 years
Fixtures and fittings	-	4 years
Computer equipment	-	3 years

1.7 Taxation

The academy 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 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.

1.8 Pensions

Retirement benefits to employees of the academy 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.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	9,121	-	9,121	4,491
Assets Gifted From Predecessor School	-	-	-	17,071,154
Voluntary Income	<u>9,121</u>	<u>-</u>	<u>9,121</u>	<u>17,075,645</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Trips Income	37,531	37,531	10,405
Hire of Facilities	16,402	16,402	8,307
Other Income	151,137	151,137	64,309
Catering Income	18,506	18,506	19,357
	<u>223,576</u>	<u>223,576</u>	<u>102,378</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment Income	1,163	-	1,163	732

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	-	4,152,628	4,152,628	2,961,654

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

REAch2Staffordshire Academy Trust

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants			
General Annual Grant	3,239,030	3,239,030	2,184,232
Start Up Grants	208,395	208,395	367,500
Pupil Premium Grant	315,332	315,332	199,580
Capital Income	89,585	89,585	-
Other EFA Income	80,553	80,553	31,002
	<u>3,932,895</u>	<u>3,932,895</u>	<u>2,782,314</u>
Other government grants			
Other Government Grants	36,825	36,825	34,293
SEN funding	95,739	95,739	87,111
Early Years funding	87,169	87,169	20,268
	<u>219,733</u>	<u>219,733</u>	<u>141,672</u>
Other funding			
Other Income	-	-	37,668
	<u>-</u>	<u>-</u>	<u>37,668</u>
	<u>4,152,628</u>	<u>4,152,628</u>	<u>2,961,654</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. COSTS OF GENERATING VOLUNTARY INCOME

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Trips Expenditure	52,562	52,562	21,056
Other Expenditure	785	785	10,955
	<u>53,347</u>	<u>53,347</u>	<u>32,011</u>

7. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' Remuneration	16,000	16,000	16,000
Auditors' non audit costs	35,488	35,488	8,000
Other Professional Fees	48,838	48,838	83,295
Intra Group Charges	94,967	94,967	41,544
	<u>195,293</u>	<u>195,293</u>	<u>148,839</u>

8. DIRECT COSTS

	Educational Operations £	Total 2015 £	Total 2014 £
Educational Supplies & Services	51,672	51,672	122,480
Staff Development	35,567	35,567	24,494
Educational Consultancy	79,698	79,698	54,368
Supply Teaching Costs	187,152	187,152	104,878
Technology Costs	56,965	56,965	35,525
Other Direct Costs	4,680	4,680	-
Wages and salaries	2,095,091	2,095,091	1,342,721
National insurance	108,149	108,149	77,325
Pension cost	267,695	267,695	171,554
	<u>2,886,669</u>	<u>2,886,669</u>	<u>1,933,345</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. SUPPORT COSTS

	Educational Operations £	Total 2015 £	Total 2014 £
Pension finance costs- LGPS	29,000	29,000	20,000
Repairs & Maintenance	29,767	29,767	15,182
Other Occupancy Costs	25,631	25,631	12,696
Recruitment & Support	5,120	5,120	4,144
Maintenance of Premises	29,679	29,679	10,328
Water & Energy Costs	93,246	93,246	58,540
Insurance	58,313	58,313	49,408
Catering	180,306	180,306	74,242
Other Support Costs	119,468	119,468	163,522
Support Staff Supply Costs	8,997	8,997	-
Technology Costs	52,402	52,402	28,362
Cleaning	28,820	28,820	20,783
Security and Transport	1,245	1,245	529
Wages and Salaries	597,215	597,215	359,551
National Insurance	17,282	17,282	10,772
Pension Cost	126,221	126,221	44,610
Depreciation	197,110	197,110	156,152
	<u>1,599,822</u>	<u>1,599,822</u>	<u>1,028,821</u>

10. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Depreciation 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	53,347	53,347	32,011
Costs of generating funds	<u>-</u>	<u>-</u>	<u>53,347</u>	<u>53,347</u>	<u>32,011</u>
Direct Costs - Educational Operations	2,658,087	-	228,582	2,886,669	1,933,345
Support Costs - Educational Operations	749,715	197,110	652,997	1,599,822	1,008,821
Charitable activities	<u>3,407,802</u>	<u>197,110</u>	<u>881,579</u>	<u>4,486,491</u>	<u>2,942,166</u>
Governance	<u>-</u>	<u>-</u>	<u>195,293</u>	<u>195,293</u>	<u>148,839</u>
	<u>3,407,802</u>	<u>197,110</u>	<u>1,130,219</u>	<u>4,735,131</u>	<u>3,123,016</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	2,886,669	1,599,822	4,486,491	2,962,166

12. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Wages and salaries	2,692,306	1,702,272
Social security costs	125,431	88,097
Other pension costs (Note 27)	393,916	216,164
	<u>3,211,653</u>	<u>2,006,533</u>
Supply teacher costs	187,152	104,878
Support supply costs	8,997	-
Compensation payments	-	18,020
	<u>3,407,802</u>	<u>2,129,431</u>

b. Staff numbers

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

	31 August 2015 No.	<i>Period ended 31 August 2014 No.</i>
Teachers	46	39
Education and other support staff	97	95
	<u>143</u>	<u>134</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	31 August 2015 No.	<i>Period ended 31 August 2014 No.</i>
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme.

13. CENTRAL SERVICES

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

- Human Resources (HR) support services
- HR insurance for litigation claims
- Full payroll service
- Financial systems annual licence
- Financial planning system licence
- Financial support
- Insurance procurement

The academy charges for these services on the following basis:

3% of Budget Share and Educational Services Grant (ESG) Income.

The actual amounts charged during the year were as follows:

	31 August 2015 £
Scientia Academy	19,425
Heath Hayes Primary Academy	20,395
Norton Canes Primary Academy	29,756
Springhill Primary Academy	25,391
Total	<u>94,967</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14. TRUSTEES' REMUNERATION AND EXPENSES

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

Yateen Bhoola (Principal (Scientia Academy) and Trustee):

Remuneration £75,000 - £80,000 (2014: £70,000 - £75,000)

Employer's pension contributions £10,000 - £15,000 (2014: £5,000 - £10,000)

Karen Amos (Principal (Norton Canes Academy) and Trustee):

Remuneration £50,000 - £55,000 (2014: £30,000 - £35,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

During the year ended 31 August 2015, travel expenses totalling £1487 (2014 - £2144) were reimbursed to 1 Trustee (2014 - 3).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. In the prior year, the insurance provided cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £5,000. The academy joined the EFA's Risk Protection Arrangement on 1 September 2014. The cost of this insurance is £25 per pupil, which cannot be divided into cover sections. The cost of this insurance totalled to £18,898 is included in the total insurance cost.

16. OTHER FINANCE INCOME

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Expected return on pension scheme assets	48,000	<i>26,000</i>
Interest on pension scheme liabilities	(77,000)	<i>(46,000)</i>
	(29,000)	<i>(20,000)</i>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

17. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	17,938,936	18,315	7,125	17,964,376
Additions	44,282	-	14,334	58,616
Disposals	-	(48)	(259)	(307)
At 31 August 2015	17,983,218	18,267	21,200	18,022,685
Depreciation				
At 1 September 2014	150,708	3,663	1,781	156,152
Charge for the year	187,625	3,654	5,831	197,110
At 31 August 2015	338,333	7,317	7,612	353,262
Net book value				
At 31 August 2015	17,644,885	10,950	13,588	17,669,423
At 31 August 2014	17,788,228	14,652	5,344	17,808,224

18. FIXED ASSET INVESTMENTS

	Trade investments £
Market value	
At 1 September 2014	-
Additions	1
At 31 August 2015	1
Investments at market value comprise:	
	2015 £
1 share in REAch2 Inspiration Limited	1

All the fixed asset investments are held in the UK

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. DEBTORS

	2015 £	2014 £
Trade debtors	21,971	22,632
Amounts owed by group undertakings	-	28,217
Other debtors	53,835	89,537
Prepayments and accrued income	104,233	77,183
	<u>180,039</u>	<u>217,569</u>

**20. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Other loans	24,513	19,797
Trade creditors	109,856	194,348
Amounts owed to group undertakings	34,644	-
Other taxation and social security	48,263	46,557
Other creditors	203,844	2,743
Accruals and deferred income	148,816	187,716
	<u>569,936</u>	<u>451,161</u>

Deferred income

	£
Deferred income at 1 September 2014	102,714
Resources deferred during the year	81,919
Amounts released from previous years	(102,714)
Deferred income at 31 August 2015	<u>81,919</u>

At the balance sheet date, the academy trust was holding funds received in advance for EFA Grants.

**21. CREDITORS:
Amounts falling due after more than one year**

	2015 £	2014 £
Other loans	<u>-</u>	<u>24,018</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds - all funds	732	10,284	-	-	11,016
Restricted funds					
Restricted Funds - all funds	93,437	4,286,619	(4,438,021)	-	(57,965)
Pension reserve	(1,214,000)	-	(100,000)	6,000	(1,308,000)
	<u>(1,120,563)</u>	<u>4,286,619</u>	<u>(4,538,021)</u>	<u>6,000</u>	<u>(1,365,965)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	17,808,224	89,585	(197,110)	-	17,700,699
Total restricted funds	<u>16,687,661</u>	<u>4,376,204</u>	<u>(4,735,131)</u>	<u>6,000</u>	<u>16,334,734</u>
Total of funds	<u>16,688,393</u>	<u>4,386,488</u>	<u>(4,735,131)</u>	<u>6,000</u>	<u>16,345,750</u>

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

Restricted Fixed Assets funds relate to capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have arisen through revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds relates to investment income during the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Springhill Primary Academy	25,810
Heath Hayes Primary Academy	9,629
Scientia Academy	7,937
Norton Canes Primary Academy	661
MAT fund balance	(90,986)
Total before fixed asset fund and pension reserve	(46,949)
Restricted fixed asset fund	17,700,699
Pension reserve	(1,308,000)
Total	<u>16,345,750</u>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Springhill Primary Academy	687,122	124,273	59,361	273,106	1,143,862
Norton Canes Primary Academy	895,894	180,607	57,311	280,054	1,413,866
Scientia Primary Academy	493,830	182,027	73,696	270,329	1,019,882
Heath Hayes Primary Academy	527,855	103,611	36,209	182,870	850,545
MAT costs not allocated	-	212,583	-	(102,717)	109,866
	<u>2,604,701</u>	<u>803,101</u>	<u>226,577</u>	<u>903,642</u>	<u>4,538,021</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	732	10,284	-	-	11,016
Restricted funds	(1,120,563)	4,286,619	(4,538,021)	6,000	(1,365,965)
Restricted fixed asset funds	17,808,224	89,585	(197,110)	-	17,700,699
	<u>16,688,393</u>	<u>4,386,488</u>	<u>(4,735,131)</u>	<u>6,000</u>	<u>16,345,750</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	17,669,423	17,669,423	17,808,224
Trade investments	-	1	-	1	-
Current assets	11,016	511,970	31,276	554,262	569,348
Creditors due within one year	-	(569,936)	-	(569,936)	(451,161)
Creditors due in more than one year	-	-	-	-	(24,018)
Provisions for liabilities and charges	-	(1,308,000)	-	(1,308,000)	(1,214,000)
	<u>11,016</u>	<u>(1,365,965)</u>	<u>17,700,699</u>	<u>16,345,750</u>	<u>16,688,393</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2015 £	Period ended 31 August 2014 £
Net incoming resources before revaluations	(348,643)	16,997,393
Returns on investments and servicing of finance	1,163	732
Assets gifted by predecessor schools	-	(17,071,154)
Depreciation of tangible fixed assets	197,110	156,152
Capital grants from DfE	(89,585)	(3,876)
Decrease/(increase) in debtors	37,530	(217,569)
Increase in creditors	94,756	475,179
Increase/(decrease) in loans	19,302	(43,815)
FRS 17 adjustments	100,000	31,000
Net cash inflow from operations	<u>11,633</u>	<u>324,042</u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2015 £	Period ended 31 August 2014 £
Returns on investments and servicing of finance		
Interest received	<u>(1,163)</u>	<u>(732)</u>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(58,616)	(25,440)
Sale of tangible fixed assets	307	-
Capital grants from DfE	89,585	3,876
Net cash inflow/(outflow) capital expenditure	<u>31,276</u>	<u>(21,564)</u>
	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Financing		
Repayment of other loans	<u>(19,302)</u>	<u>-</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	351,779	22,444	-	374,223
Debt:				
Finance leases	-	-	-	-
Debts due within one year	(19,797)	-	(4,716)	(24,513)
Debts falling due after more than one year	(24,018)	-	24,018	-
Net funds	<u>307,964</u>	<u>22,444</u>	<u>19,302</u>	<u>349,710</u>

27. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2015.

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

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £258,515 (2014: £165,765).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £193,000, of which employer's contributions totalled £149,000 and employees' contributions totalled £44,000. The agreed contribution rates for future years are between 19.2% - 20.6% for employers and between 5.5% - 8.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Present value of funded obligations	(2,271,000)	<i>(1,961,000)</i>
Fair value of scheme assets	963,000	<i>747,000</i>
Net liability	<u>(1,308,000)</u>	<i><u>(1,214,000)</u></i>

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Current service cost	(213,000)	<i>(108,000)</i>
Interest on obligation	(77,000)	<i>(46,000)</i>
Expected return on scheme assets	48,000	<i>26,000</i>
Gains on curtailments and settlements	(7,000)	<i>-</i>
Total	<u>(249,000)</u>	<i><u>(128,000)</u></i>
Actual return on scheme assets	<u>23,000</u>	<i><u>45,000</u></i>

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27. PENSION COMMITMENTS (continued)

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

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Opening defined benefit obligation	1,961,000	-
Current service cost	213,000	108,000
Interest cost	77,000	46,000
Contributions by scheme participants	44,000	29,000
Actuarial (Gains)/losses	(31,000)	328,000
Losses on curtailments	7,000	-
Liabilities assumed in a business combination	-	1,450,000
	<u>2,271,000</u>	<u>1,961,000</u>
Closing defined benefit obligation	<u>2,271,000</u>	<u>1,961,000</u>

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

	31 August 2015 £	<i>Period ended 31 August 2014 £</i>
Opening fair value of scheme assets	747,000	-
Expected return on assets	48,000	26,000
Actuarial gains and (losses)	(25,000)	19,000
Contributions by employer	149,000	97,000
Contributions by employees	44,000	29,000
Assets acquired in a business combination	-	576,000
	<u>963,000</u>	<u>747,000</u>
	<u>963,000</u>	<u>747,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(303,000) (2014 - £(309,000)).

The academy expects to contribute £149,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	74.00 %	76.00 %
Bonds	11.00 %	13.00 %
Property	9.00 %	8.00 %
Cash	6.00 %	3.00 %
	- %	- %

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.60 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.3	24.3
Females	26.6	26.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(2,271,000)	(1,961,000)
Scheme assets	963,000	747,000
Deficit	(1,308,000)	(1,214,000)
Experience adjustments on scheme liabilities	31,000	(328,000)
Experience adjustments on scheme assets	(25,000)	19,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	2,575	-

REACH2STAFFORDSHIRE ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Per FRS 8, common control exists between the individual REAch2 Multi Academy Trusts. During the year, transactions amounting to £nil (2014: £30,000) took place with REAch2 Waltham Forest Academy Trust. An amount of £nil (2014: £30,000) was due by REAch2 Waltham Forest Academy Trust).

During the year, the academy trust was invoiced the amount of £1,650 (2014: £nil) by REAch2 Maritime Academy Trust. There were no amounts outstanding at the year end.

No other related party transactions took place in the period of account.

30. POST BALANCE SHEET EVENTS

The multi academy trust transferred its trade, assets and liabilities to a fellow subsidiary multi academy trust on 1 September 2015 and ceased trading on this date. All assets and liabilities were transferred to the fellow subsidiary at their carrying amounts. The funding agreement between transferee multi academy trust and the ultimate controlling party, REAch2 Limited, remains unchanged at 1 September 2015, albeit under a different group structure.

31. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

REACH2 Limited is the ultimate parent undertaking and controlling party. As at 31 August 2015, an amount of £34,644 (2014: £1,783) was due to Reach2 Limited.

Management fee income receivable by REAch2 Limited from the academies amounted to £94,967 (2014: £45,012) in the period.

