

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

REACH2 ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

TUESDAY



ABWEE0H

A11

31/01/2023

#27

COMPANIES HOUSE

CONTENTS

TRUSTEES' REPORT – REFERENCE AND ADMINISTRATIVE DETAIL	4
REACH2 SCHOOLS & HEADTEACHER LIST	5
TRUSTEES' REPORT	7
STRUCTURE, GOVERNANCE AND MANAGEMENT	7
<i>Constitution</i>	7
<i>Members' Liability</i>	7
<i>Trustees' Indemnities</i>	7
<i>Method of Recruitment and Appointment or Election of Trustees</i>	7
<i>Create and distribute a Trustee person specification</i>	8
<i>Applying for the position</i>	8
<i>Shortlisting and Interview</i>	9
<i>Final Selection</i>	9
<i>Final Decision, Approval & Appointment</i>	9
<i>Future Succession Planning</i>	9
<i>The Induction and Training of Trustees</i>	9
ORGANISATIONAL STRUCTURE.....	10
ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL.....	11
TRADE UNION (FACILITY TIME PUBLICATION REQUIREMENTS) REGULATIONS 2017.....	12
RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS	12
ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS).....	13
ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE TRUST.....	13
TRUST OBJECTIVES AND ACTIVITIES.....	13
OBJECTIVES AND AIMS.....	13
<i>Truly Exceptional Performance</i>	14
<i>Distinctive Contribution</i>	14
<i>Enduring Impact</i>	14
OBJECTIVES, STRATEGIES AND ACTIVITIES	14
PUBLIC BENEFIT	14
WELLBEING	15
COVID-19 – THE LEGACY IMPACT	15
UKRAINE INVASION.....	15
TRAINING & CPD.....	15
STAFF SURVEY	15
WELLBEING – NEXT STEPS.....	16
SAFEGUARDING.....	16
KEY PERFORMANCE INDICATORS	17
2 YEAR PLAN PRIORITIES.....	17
<i>Education Provision</i>	17
<i>Cluster Optimisation</i>	17
<i>Equality, Diversity, and Inclusion</i>	17
<i>Wellbeing</i>	18
<i>Branding</i>	18
OFSTED	18
ATTENDANCE	19

SUSPENSIONS AND EXCLUSIONS.....	20
RISK MANAGEMENT PROCESS.....	21
GOING CONCERN.....	21
PROMOTING THE SUCCESS OF THE COMPANY	21
THE LIKELY CONSEQUENCE OF ANY DECISIONS IN THE LONG-TERM.....	22
THE INTERESTS OF EMPLOYEES.....	22
THE NEED TO FOSTER THE TRUST'S BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS.....	22
THE IMPACT OF THE TRUST'S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT.....	23
THE DESIRABILITY OF THE TRUST MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT.....	23
THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY	23
FINANCIAL REVIEW	23
RESERVES POLICY.....	24
INVESTMENT POLICY.....	25
PRINCIPAL RISKS AND UNCERTAINTIES	25
FUNDRAISING PRACTICES.....	26
STREAMLINED ENERGY AND CARBON REPORTING	26
ORGANISATIONAL BOUNDARY.....	26
REPORTING PERIOD	27
QUANTIFICATION AND REPORTING METHODOLOGY.....	27
TRUST PLAN FOR FUTURE PERIODS	30
GOVERNANCE STATEMENT.....	31
SCOPE OF RESPONSIBILITY.....	31
GOVERNANCE.....	31
REVIEWING THE EFFECTIVENESS OF GOVERNANCE AT REACH2 ACADEMY TRUST.....	31
TRUSTEE SUCCESSION PLANNING	32
REVIEW OF VALUE FOR MONEY.....	36
CAPACITY TO HANDLE RISKS	37
<i>The Risk and Control Framework</i>	37
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE.....	39
STATEMENT OF TRUSTEES' RESPONSIBILITIES	40
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REACH2 ACADEMY TRUST	41
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO REACH2 ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY	44
STATEMENT OF FINANCIAL ACTIVITY.....	46
BALANCE SHEET.....	47
STATEMENT OF CASHFLOWS.....	48
ACCOUNTING POLICIES.....	49
NOTES TO THE FINANCIAL STATEMENTS.....	55

TRUSTEES' REPORT – REFERENCE AND ADMINISTRATIVE DETAIL
For the Year Ended 31 August 2022

Members	Jeremy King Peter Little Roger Pryce
Trustees	Gavin Robert (Chair) Teresa Beach (Vice Chair) Rosalind Cordner Marc Doyle Ralph Kugler Jonathan Lewis Wade Newmark David Walker Adanna Welch-Charles (resigned 27.09.2022) Catherine Paine (CEO & Accounting Officer – appointed 19.04.2022) Tracey Harrison (appointed 24.05.2022) Sir Steve Lancashire (CEO & Accounting Officer – resigned 18.04.2022) Anthony Gilbey (resigned 09.12.2021) Jeremy King (resigned 22.07.2022) Michael Peters (resigned 22.07.2022) Victoria Pigott (resigned 22.07.2022)
Company Secretary	Ann Marie Dalton Pillay (31.01.2022)
Executive Leadership Team	Sir Steve Lancashire (Chief Executive Officer and Accounting Officer – resigned 18.04.2022) Catherine Paine (Deputy Chief Executive Officer to 18.04.2022, appointed CEO & Accounting Officer 19.04.2022) Katherine Alexander (Chief Operating Officer) (Chief Finance Officer to 31.08.2022) Chris Perry (appointed Chief Finance Officer 01.09.2022)
Company Name	REAch2 Academy Trust
Registered Office & Head Office	Henhurst Ridge Primary Academy, Henhurst Ridge, Burton-on-Trent, Staffordshire, DE13 9TQ
Company Registration Number	08452281 (England and Wales)
Independent Auditor	Azets, 2 nd Floor, Regis House, 45 King William Street, London, EC4R 9AN
Bankers	Royal Bank of Scotland 3 rd Floor, Houblon House, 62-63 Threadneedle Street, London EC2R 8HP
Solicitors	Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

REACH2 SCHOOLS & HEADTEACHER LIST

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

Academy	Headteacher	Address
Aerodrome Primary Academy	Zoe Foulsham	Goodwin Road, Croydon CR0 4EJ
Beccles Primary Academy	Heather Thorne	Ellough Road, Beccles NR34 7AB
Brampton Primary Academy	Zara Winter-Nolan	Brampton Road, Bexleyheath DA7 4SL
Burrsville Infant Academy	Katie Siggery	Craigfield Avenue, Clacton-on-Sea CO15 4HR
Bushbury Lane Academy	Lisa Smith	Ripon Road, Bushbury Lane, Wolverhampton WV10 9TR
Camulos Academy	Lisa Frith-Sly	Whitmore Drive, Colchester CO4 6AL
Chapel End Junior Academy	Terence Sheen	Roberts Road, London, Walthamstow E17 4LS
Chigwell Primary Academy	Elaine Brook (EHT) Charlotte Furia (Head of School)	Mandir Lane, Chigwell IG7 6ED
Civitas Academy	Salima Ducker (EHT)	90a Great Knollys Street, Reading RG1 7HL
Concordia Academy	Raheel Akhtar	Union Road, Romford RM7 OHG
Copperfield Academy	Ben Clark	Dover Road East, Gravesend, Northfleet DA11 ORB
Dorothy Barley Junior Academy	Cathy Leicester	Ivinghoe Road, Dagenham RM8 2NB
Eastbrook Primary Academy	Paul Wade	Manor Hall Road, Brighton, Southwick BN42 4NF
Five Spires Academy	Diane Rafferty	Cherry Orchard, Lichfield WS14 9AN
Garden City Academy	Sean English	Radburn Way, Letchworth, Garden City SG6 2JZ
Green Park Village Primary Academy	Gemma Jackson	2 Flagstaff Road, Green Park, Reading RG2 3AX
Green Ridge Primary Academy	Aaron Wanford (EHT) Sam Kaye (Head of School)	President Road, Berryfields, Aylesbury HP18 0YA
Gunton Primary Academy	Matthew Jordan (EHT) Kirsten Stone (Headteacher)	Gainsborough Drive, Lowestoft NR32 4LX
Heath Hayes Primary Academy	Louise Johnson	Wimblebury Road, Heath Hayes, Cannock WS12 2EP
Henhurst Ridge Primary Academy	Charlotte Hopkins	Henhurst Ridge, Branston, Burton on Trent DE13 9TQ
Kemsley Primary Academy	Iris Homer	Coldharbour Lane, Sittingbourne, Kemsley ME10 2RP
Kirby Primary Academy	Debbie Byles	Halstead Road, Frinton-on-Sea, Kirby Cross CO13 0LW
Langtons Junior Academy	Anna Thorpe	Westland Avenue, Hornchurch RM11 3SD
Lawley Village Academy	Laura Hopley	Bryce Way, Telford, Lawley Village TF4 2SG
Lower Farm Academy	Andy How	Milking Lane, Nuneaton CV10 0FD
Manor Park Primary Academy	Leah Adams (Acting)	Church Lane, Aston, Birmingham B6 5UQ
Martlesham Primary Academy	Emma Churchman	Black Tiles Lane, Woodbridge, Martlesham IP12 4SS

Milton Court Primary Academy	Ursula Salotto (Acting)	Brewery Road, Sittingbourne, Milton Regis ME10 2EE
Moor Green Primary Academy	Tom Twort (EHT) Christine Chapman (Head of School)	Moor Green Lane, Birmingham, Moseley B13 8QP
Newhall Primary Academy	Baz Duffy	Roundhouse Way, Harlow CM17 9SS
Northfield St Nicholas Primary Academy	Iain Owens	St Margaret's Road, Lowestoft NR32 4HN
Norton Canes Primary Academy	Bethan Hadley	School Road, Norton Canes, Cannock WS11 9SQ
Oakfield Primary Academy	Leah Adams	Oakfield Road, Rugby CV22 6AU
Pemberley Academy	Neil Coster	Hodings Road, Harlow CM20 1NW
Phoenix St Peter Academy	Matthew Jordon (EHT)	Enstone Road, Lowestoft NR33 ONE
Purfleet Primary Academy	Eugene Samuel	Tank Hill Road, Purfleet RM19 1TA
Racemeadow Primary Academy	Joanna Collinson	Ratcliffe Road, Atherstone CV9 1LT
Ranikhet Academy	Louisa Sanghera	Spey Road, Tilehurst, Reading RG30 4ED
Riverside Academy	Rebecca Payne	Newbold Road, Rugby, Newbold-on-Avon CV21 1EH
Robert Fitzroy Academy	Matt Clarke	80 Brampton Road, Croydon CRO 6JN
Scientia Academy	Helen Bye	Mona Road, Burton-upon-Trent, DE13 OUF
Silkmore Primary Academy	Joanna Connolly	Exeter Street, Stafford ST17 4EG
Sir Martin Frobisher Academy	Simon Wood	Frobisher Drive, Jaywick, Clacton-on-Sea CO15 2QH
Springfield Primary Academy	Sasha Taylor	Springfield Road, Moseley, Birmingham B13 9NY
Springhill Primary Academy	Nikita Silvester-Grant	Mossbank Avenue, Burntwood, Chasetown WS7 4UN
Sprites Primary Academy	Motuir Rahman	Stonechat Road, Ipswich IP2 OSA
St Margaret's Primary Academy	Zara Lambert	Church Road, Lowestoft NR32 4JF
St Mark's Church of England Primary Academy	Taiwo Labinjo	Albert Road, London, South Norwood SE25 4JD
Summerside Primary Academy	Nadine Lewis	Crossway, Finchley, London N12 OQU
The Globe Primary Academy	Yvonne Kidd	Irene Avenue, Lancing BN15 9NZ
The Limes Primary Academy	Charlotte Thompson	Lime Avenue, Oulton, Lowestoft NR32 3BQ
The Palmer Primary Academy	Aaron Wanford (EHT) Libby Thomassen (Head of School)	70 Northumberland Avenue, Reading RG2 7PP
The Woodside Primary Academy	Shane Tewes	Wood Street, London E17 3JX
Tidemill Academy	Marion Drake	11 Giffin Street, London SE8 4RJ
Tymberwood Academy	Sarah Kelley-Day	Cerne Road, Gravesend DA12 4BN
Unity Primary Academy	Pieter Labuschagne	Hickory Avenue, Colchester, Greenstead CO4 3QJ
Veritas Primary Academy	Angela Didier	Weston Road, Stafford ST18 OFL
Water Lane Primary Academy	James Kenyon	Broadley Road, Harlow CM19 5RD
White Meadows Primary Academy	Luisa Gould (EHT) Rebecca Misselbrook (Head of School)	Whitelea Road, Littlehampton, Wick BN17 7JL
Wilshire-Dacre Junior Academy	Sarah Smith	Fishponds Road, Hitchin SG5 1NS

TRUSTEES' REPORT

For the Year ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Academy Trust operated 60 primary academies across the UK as at 31 August 2022. Its academies had a combined pupil capacity* of 21,093 and a roll of 18,197 as at the October 2021 Census date (based on 60 academies), with an additional 1,118 nursery children.

**Capacity is based on the actual number of children (in Reception to Year 6) that all academies within the Trust can accommodate during the year. This will include free schools with reduced year groups, academies who have bulge classes, temporary PAN (Published Admission Number) reductions etc. This figure will differ to the PAN shown on GIAS (Get Information About Schools Website).*

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of REAch2 Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as REAch2 Academy Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 4.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Trust purchased insurance to provide indemnity for Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

All academies within the Academy Trust have opted into the Department of Education's academies risk protection arrangement (RPA). RPA cover applies to the central infrastructure of the Trust as well as the individual academies. <https://www.gov.uk/guidance/academies-risk-protection-arrangement-rpa> The RPA provides indemnity for Trustees to a maximum aggregated value of £10 million during any one membership year.

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are appointed or co-opted under the terms of the articles of association and funding agreement. As both an exempt charity and a registered company, the Trust has both trustees and members. The members are listed on page 4. Members provide independent oversight of the governance of the Trust, they are also responsible for the appointment of up to five trustees in accordance with the Articles.

Trustees (unless ex-officio) hold office for four years. Subject to remaining eligible, any trustee may be re-appointed or re-elected. The Chief Executive Officer may be appointed as an ex-officio trustee. One trustee

may be appointed by the Southwark Diocese of Education, with remaining trustees being co-opted by the trustees.

The recruitment and succession planning of Trustees are aligned to the Trust's vision and strategic priorities and its governance needs.

The Board of Trustees keeps its diversity and range of representation under regular review, its aim is to ensure that the Board (and its committee) actively represent the stakeholders of the Trust. The Board's aim is to become more inclusive, and it is committed to reflecting the ambitions and aims of the Trust's Diversity & Inclusion Strategy across its own membership.

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

- Leadership and Policy
- Education Performance and Curriculum
- Finance
- Risk and Audit
- Risk management
- Constitutional Governance
- Strategic Partnerships, External Relationships and Public Relationships
- Engagements with Internal Stakeholders
- Human Resources
- Estates and Property
- Health, Safety and Safeguarding
- Change Management
- IT/Digital
- Equality, Diversity, and Inclusion
- Charity fundraising
- Social justice/social mobility/ community support & engagement

The current membership of the Board has a broad range of skills and significant experience gained from a range of sectors. To ensure this continues to be the case the Board carries out an annual skills audit of its Trustees to inform both the recruitment of new Trustees and the ongoing program of Trustee development. The categories above are utilised to inform decision-making. The process used when recruiting and appointing a new trustee is set out below:

Create and distribute a Trustee person specification

A person specification is developed for Trustees, this document is kept under regular review, it sets out the 'Roles and Responsibilities' and desired skills and experience required when appointing new Trustees – whether appointed by Members or co-opted by Trustees. The vacancy is advertised externally and widely promoted to create an open and transparent competition for trustee appointments.

Applying for the position

All applicants will be invited to submit a written application setting out their suitability for the role, their skills set, their CV and details of the contribution they could make to the governance of the Trust as part of the appointment process.

The Trust Board recognises that joining the Trust as a Trustee is a voluntary act and it is appreciative of the enormous contribution its Trustees make. To assist and enable individuals who are considering joining the Trust to gain a broad understanding of the Trust its operation, its strategy and the commitment required as a Trustee, the Trust Board recognise that as part of this process an informal discussion with the Chair and/or Chief Executive, Chief Operating Officer and/or the Secretary may be helpful to enable the individual applicants to familiarise themselves with the activities of the Trust. In such circumstances the Trust will

facilitate such discussion(s). Information about the Trust such as the Trust Strategy, will be provided to interested candidates.

Shortlisting and Interview

Applicants will be invited to submit their application to The Secretary.

If the role is a member appointment in accordance with the Articles, at least one Member and one Trustee will review applications jointly with The Secretary and shortlist to a preferred set of candidates. These shortlisted candidates will then be interviewed by at least one Members and one existing Trustee and The Secretary (*The Appointment Panel*).

In addition, an independent interview panel member may be invited to participate in the interview where this is considered necessary and appropriate. This interview will determine whether the candidates are suitable, against the selection criteria and whether they fit the identified skills gaps on the Board.

Candidates considered suitable for further consideration will then be invited to shadow a Trust Board meeting or relevant sub-committee meeting. If the role is a co-opted Trustee in accordance with the Articles, the Chair of the Trust Board, the Deputy Chair of the Trust Board and The Secretary shall form *The Appointment Panel* and follow the process set out above. Successful candidates will be invited to provide the Secretary with at least two personal references to support their application and to participate in the necessary DBS checking process required.

Final Selection

Prior to a formal decision on appointment to the Board, candidates may also attend a Trust board, or sub-committee meeting in an observer capacity.

Final Decision, Approval & Appointment

In the case of Trustees appointed by Members, the Trust Board will receive a recommendation to endorse the proposed Member Appointed Trustee from The Appointment Panel prior to that appointment being referred to the Members for the final ratification of the appointment. Members final ratification will then be obtained via an ordinary resolution.

In cases of co-opted Trustees, the Trust Board will be invited to approve the recommendation by The Appointment Panel.

All Trustees will be issued with a letter of appointment by The Secretary on behalf of the Trust which they are required to counter-sign and return to The Secretary.

Future Succession Planning

The Trust recognises that from time to time its recruitment program may identify individuals who are either not immediately available or whose skills are not immediately required but who have demonstrated a good fit for the Trust, in such instances and with the agreement of both parties, appointments will be progressed to the conclusion of the process set out above with a mutually agreed deferred starting date.

The Induction and Training of Trustees

The training and induction provided for new trustees' is tailored to their skills and experience. The induction process includes training on their duties and responsibilities as Trustees with a particular focus on charity, educational, legal, and financial matters. It also includes sessions to familiarize the new Trustees with the Trust's strategy, vision and mission and its values. Trustees are regularly invited and encouraged to participate in training events provided by the Trust itself and other training events provided by the Sector.

New trustees visit at least one of the academies in the group and are provided with the opportunity to meet staff and children. Ongoing interaction by Trustees with the academies within the Trust are encouraged throughout the Trustee's term of office. A range of documentation is also provided to all new trustees including copies of Trust policies, procedures, minutes, budgets, plans, strategy and risk frameworks and

other documents. New Trustees are also provided with a copy of the Trust's Code of Conduct which equally applies to them as members of the Trust community. All Trustees have access to the Company Secretary to support them in the conduct of their role and there is an open culture whereby regular discussion with and access to the Trust's Executive team is encouraged to ensure Trustees have every opportunity to engage fully with the Trust and to discharge their responsibilities as Trustees.

The Board, led by the Chair and the Chairs of each of the committees of the Board, supported by the Company Secretary, conducts an annual Governance Effectiveness Review. As part of the Effectiveness Review the Chair convenes an annual discussion with each Trustee to discuss their contribution to the governance and oversight of the Trust and to agree their own needs and priorities as Trustees. As a result of this annual review process an ongoing Trustee Training Program is developed and modified when necessary. All Trustees are encouraged to ensure they make an effective ongoing contribution to the Trust by staying up to date with developments in education, governance, changes in legislation and to identify areas of training they feel would benefit them in conducting their Trustee role.

Organisational Structure

The Trust Board has overall responsibility and ultimate decision-making authority for the work of the Academy Trust, including the establishment and maintenance of the Academies. The Members of the Academy Trust have a distinct and separate role as guardians of the constitution and governance of the Trust, holding the Trustees to account for the governance of the Trust and ensuring the purpose of the Trust is being met and its charitable purposes fulfilled.

The Members are also the guardians of the Trust's values (referred to as The Touchstones at REAch2) and ethics, and the development, embedding and promotion of the organisation's culture.

The Trust Board delegates authority to the following key groups in order to ensure the effective leadership and governance of the Academy Trust:

- Trust Board Committees populated entirely or largely by trustees (the main trustee sub-committees are detailed in the Governance Statement on page 31).
- Executive leadership and management team (the Executive Team).
- Cluster Boards – these committees provide an additional level of governance, supporting the Trust's governance structure.
- Local Governing Bodies for each Academy. The Clusters are split geographically, and the Directors of Education are each responsible five clusters. Each Cluster is led by a Deputy Director of Education.

The Executive Team works directly with the staff and headteacher of each Academy, Cluster Board and Local Governing Body. The relationship between the Trust Board and the Executive Team, the Cluster Boards and the Local Governing Bodies is characterised as a partnership to realise a common vision and a common purpose. In the case of the Cluster Boards and the Local Governing Bodies, the relationship between the three tiers of governance is also based on the principles of:

- No duplication of governance
- Governance should be as close as possible to the point of impact of decision-making.

The responsibility and oversight for risk management is retained by the Trust Board, risk management is integrated across all layers of governance and is a key responsibility of the Cluster Boards' and the Local Governing Bodies.

The Articles of Association, Scheme of Delegation and Terms of Reference for each board and committee provide clarity as to who the decision makers are for different levels of decisions. Effectiveness of both management and governance is supported through clarity over who holds the decision-making responsibility and who supports and advises the decision makers.

The Trust Board remains ultimately responsible for the Academy Trust and the conduct of the academies.

The operation of the various elements of governance are crucial to the success of the group. From time to time the Trustees may need to intervene to determine bespoke governance arrangements and individualised support for an academy to ensure the objectives and outcomes set for that academy are achieved.

In such circumstances, the Trust Board, along with the Executive Team, work closely with any academies concerned and those involved in their governance who would be expected to implement promptly any advice or recommendations made by the Trust Board and the Executive Team.

The Trust Board reserves the right to review or remove any power or responsibility which it has delegated, in particular, in circumstances where serious concerns in the running of an academy (or academies) are identified, including where:

- There are concerns about financial matters.
- Insufficient progress is being made against educational targets (including where intervention by the Secretary of State is being considered or carried out).
- There has been a breakdown in the way the academy is managed or governed; or
- The safety of children or staff is threatened, including a breakdown of discipline.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of REAch2 Academy Trust are the Trustees and the Executive Leadership team as shown on page 4. When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation it was proposed that job roles should be banded relative to the average newly qualified teachers starting salary. The highest paid role will not exceed ten times that of a newly qualified teacher. In the academic year 2021 – 2022 the average annual salary of a newly qualified teacher across the trust was £30,987.

A benchmarking exercise takes place every two years covering the more senior roles which is reviewed by the remuneration committee. The remuneration committee refers to three comparators to assess the proportionality of salary levels across the Trust at the executive level: comparison within the Trust; comparison within the education sector (in particular other multi-academy Trust's); and comparison with similar sectors. Any recommendation from the remuneration committee is taken to the Trust Board for final sign off. The remuneration committee is a sub-committee of the Trust Board and was chaired by Ralph Kugler.

Trade Union (Facility Time Publication Requirements) Regulations 2017

Report for year 1st April 2021 to 31st March 2022 (2021-22)

Table 1 – Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
14	6.5

Table 2 – Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent 0%, 1%-50%, 51%-99% or 100% of their working hours on facility time?

Percentage of time	Number of Employees
0%	11
1-50%	3
51-99%	0
100%	0

Table 3 – Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£25,595.51
Provide the total pay bill	£ 89,500,399.82
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Table 4 – Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.0 %
--	-------

Related Parties and other Connected Charities and Organisations

REACH2 Academy Trust has strong collaborative links with Reach South Academy Trust. This relationship is defined through a Memorandum of Understanding that both Trust's approved. While the Trust's are separate and independent legal entities, they share a common brand and set of values with a declared intent to work in collaboration to the mutual benefit of the MATs. The Memorandum of Understanding sets out how the Trust's would positively cooperate and how that cooperation would be governed. The strength of the partnership across both Trust's will enable a REACH2 education. Whilst REACH2 was incorporated as a primary only Trust, Reach South are sponsors of primary, secondary, special and all through education enabling a Reach education across the UK.

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

Engagement with Employees (including disabled persons)

REAch2 Academy Trust strives to ensure that no employee or potential employee will receive less favorable treatment due to their disability. The Trust's approach to selection and recruitment is designed to meet the standards set out within the context of the Equality Act 2010 as a minimum. Applicants are asked to complete and return an online Equal Opportunities Monitoring Form, separate to their application, within which applicants are encouraged to disclose any disability. REAch2 explores jointly with candidates whether there are any ways a job can be changed to meet specific requirements related to a disability.

Where adjustments are required for a disabled applicant to attend an interview, these are made in discussion with the applicant by a HR representative. As part of the post- recruitment process and following any pre-employment occupational health advice, reasonable and practical adjustments for employees with disabilities are made in discussions with the line Manager and/or a HR representative or and the employee. Where an employee becomes disabled, assessment is made of the requirements with advice from an occupational health assessment and reasonable adjustments are identified and adjusted where feasible. The Trust treats all employees equally and fairly in relation to pay and career development.

REAch2 is a Real Living Wage employer. Details of the latest Gender Pay Gap report can be found on the website at <https://www.reach2.org/wp-content/uploads/2022/01/GPG-Narrative-2021-22.pdf>

To ensure fair access to development we encourage every employee to have an active personal development plan. Further information in relation to the actions that the Trust have taken during the reporting period to introduce, maintain and develop arrangements with employees, can be found on page 22.

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

The Trust works with a range of suppliers both locally and centrally, whilst aiming to put control and responsibility as near as possible to the point of need of an Academy. REAch2 has policies and procedures in place to ensure the Trust can obtain works, goods and services based on the achievement of value for money through good procurement practice.

At the same time as seeking value for money from suppliers, the Trust seeks to manage risk appropriately and ensure acceptable quality of goods and services, whilst protecting the reputation of the Trust in its business relationships. The Trust additionally seeks to ensure fairness as a key objective within business relationships during tendering and procurement processes – ensuring all parties are treated in a fair and equitable manner.

The Trust requires all suppliers to comply with current legislation to ensure goods and services are free of exploitation, including Equality and Race Relations, the Modern Slavery Act and all other relevant legislation. Additionally, the environmental impact of the Trust's activities is monitored in order to reduce carbon emissions. Details of the Trust's Streamlined Energy and Carbon Reporting can be seen on page 28.

Trust Objectives and Activities

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

Objectives and Aims

Everything we do will be driven by the following goals:

Truly Exceptional Performance

To become an exemplary provider of primary education, creating and upholding our “above and beyond” performance standards. As a system leader we will continue to contribute to government policy and lead on sector improvement.

Distinctive Contribution

All academies have an educational offer defined by aspiration, enrichment and opportunity that provides social, personal and cultural capital. In REAch2 academies children develop distinctive characteristics which prepare them for a brighter future, equip them to tackle challenges and reach their potential.

Enduring Impact

We intend to be the destination of choice as the UK’s best provider of primary education. By becoming a dynamic part of the social fabric, we drive the transformation of socially disadvantaged communities and strive to attract the best talent into the organisation.

Objectives, Strategies and Activities

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

Education Provision – provide an education, which takes account of the needs and context of every child in every academy. Prioritisation will be given to:

- Inclusion: establish a Trust strategy and support network for children with SEND.
- REAch Forward: ensure catch-up funding is appropriately targeted, has impact and the framework is utilised.
- Cluster Development: enhance the effectiveness of the cluster model through collaboration, talent management and improved decision-making.

Cluster Optimisation – cluster optimisation enables more children to have access to a REAch2 Education. Clusters move towards maximum occupancy; financial sustainability is achieved.

Equality, Diversity, and Inclusion – champion and embody diversity for all, providing an inclusive environment for all to thrive.

Wellbeing – support REAch2 staff, their families and REAch2 children to achieve positive mental health and wellbeing through the Trust’s Wellbeing Strategy and REAch Forward Framework.

Branding – improve brand equity for REAch2 with all stakeholders and increase overall pupil occupancy through a Pupil Placement Strategy.

Public Benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission’s general guidance on public benefit and exercised their duties in applying the requirements of section 17 of the 2011 Charities Act and the requirements relating to annual reporting within the Charities (Protection and Social Investment) Act 2016. This has been considered when reviewing the Academy Trust’s aims and objectives (outlined earlier) and in planning any future activities.

The key public benefit delivered by the trust is the provision of continued high-quality education to its children, which will be evidenced from feedback received from external assessments.

Wellbeing

COVID-19 – The legacy impact

With the Living with COVID guidance now in place we have seen most schools steadily return to full opening. However, COVID does still continue to present an issue, with self-isolation cases still emerging in pockets across the Trust. All schools have been supported in migrating to a new risk management system, with infection control risk assessments in place across all schools. Matters related to emotional health and mental wellbeing have both being address as part of the ongoing school communication plan and via the staff counselling service.

Ukraine Invasion

In response to the Ukraine invasion, we took measures to increase staff counselling support, running an enhances EAP service until the end of June 2022. This provided all family members, across the globe, access to speak to a qualified counsellor. The service was well received and aside from matter directed related to Ukraine was accessed by a number of school family members.

Training & CPD

We have progressed training in wellbeing, with support from Flick a new mental health awareness training course has been delivered to all REAch2 staff, forming a core element of the Central Team induction program. This has supplemented to annual commitment to Mental Health First Aid training, ensuring we have a trained practitioner in each school. Training progression will be a core element of the wellbeing strategy as we move into its second phase. To support staff CPD session have been added to the programmed that target national awareness days, such as ergonomic health, mental health day and menopause / andropause awareness. Working with the Head of Brand and L&D this offer will be developed over the next c. 18 months.

We continue to use technology to improve service delivery, with the most recent HRIS project we have exploited new ways to automate the Shiny Mind account creation, ensuring that no staff miss out on the opportunity to enroll in the Trusts online mental health and resilience app. This methodology is being extended to e-learning to enhance the school experience and to remove any necessary administration tasks from schools.

Staff Survey

We have committed to delivering a further pulse survey to all staff in Autumn 2022, to build on the emerging data trends in wellbeing feedback, with tailored questioning to help discover and understand the impact of the financial crisis on staff.

From the staff survey data so far, we have identified the below key headlines:

- 89% said their wellbeing was values at work
- 96% said they know who to ask at work if they are struggling with their wellbeing
- 94% said that if they approached their line manager, they feel they would be supported
- 96% said there was good support for staff with wellbeing issues
- 94% said they can cope with the demands of their job

The survey data when compared with the initial pulse survey has shown an upward trend in responses, maybe as a result if COVID restriction easing, however the autumn data set will aid in establishing a firmer baseline.

Wellbeing – Next Steps

Over the next academic year, we will be focusing on improving health promotion, support services and the response to the cost-of-living crisis.

The core central wellbeing strategy group has been enhanced to expand its membership, with input now from learning and development, DDoE group and nominated mental health lead. Work will continue to embed and expand consultation within schools. As an ongoing project, schools will be provided the opportunity to showcase wellbeing projects undertaken by their schools. This project will provide an essential communication tool enabling all schools to learn and be inspired by others, additionally providing a valuable platform for school recognition.

Great School will play a decisive role in the next phase of the wellbeing strategy, looking at how wellbeing of both staff and children are to be interlinked into the Great Schools strategy. Work has commenced to define aspects of wellbeing and to agree an initial wellbeing measure. More information will be shared via the Great Schools working group and Finance & Resource Committee.

Safeguarding

In the Autumn and Spring terms, the programme of work already completed in the summer term with those schools' expecting inspection was completed with all remaining schools, in order to complete a clear picture of safeguarding practice across our 60 schools since the pandemic. This programme comprised SCR audit, pupil safety audit, interviews with DSL, HT, staff and pupils, safeguarding file audit and vulnerable pupil meeting / supervision. For those schools who were expecting inspection who completed this programme in the last academic year, checks for completion of any agreed required actions also took place, if this had not already been achieved at the end of the last year. Where required, additional support from the safeguarding team was deployed in school to assist leaders with this.

Feedback arising from this work Trust-wide identified further training needs in the areas of managing contractors and agency staff on site and the effective management of administration of medicine to pupils with medical needs. A series of workshops were held across the year, aimed at Headteachers, SBMs and other school leaders with responsibility in these areas, which discussed in detail the necessary steps to secure both effective practice and effective oversight in both areas of the school's practice.

In response to Ofsted's recommendations surrounding training and record keeping in their report on the rapid review of peer on peer (now child on child) sexual abuse in schools, work also took place in the first half of the year to roll out Trust-wide training in use of the Brook Sexual Behaviour Traffic Light Tool, which provides information and guidance to professionals about what constitutes appropriate and healthy sexual behaviour for children at different ages and stages of development using a 'traffic light' system. It promoted a consistent framework to our schools, within which DSLs can identify, understand and respond appropriately to any sexual behaviors in our pupils. Linked to another key priority arising from Ofsted's rapid review, during this time we also prioritised work with school leaders to better understand how to proactively speak to pupils about abuse from their peers, guidance for which was produced to support these pupil conversations, specifically designed for use with primary-aged pupils.

In summer term, we further focused on the risk of peer on peer (now child on child) sexual abuse in the form of a 'deep dive', which assessed the impact of leaders' work on this risk in their school. This comprised analysis of schools' risk assessments, and the extent to which these identify possible areas of risk and the effectiveness of control measures put in place, and included interviews with DSLs and HTs, interviews with staff, single sex pupil voice groups, observation of key 'hotspot' areas of the school building, and reviews of record keeping.

Throughout the year, a small number of schools caused concern related to their capacity to sustain effective safeguarding arrangements and required additional support from the safeguarding team to ensure ongoing

effectiveness. In the main, this was due to issues with leadership capacity, i.e. new Headteacher or DSL, or absence in the leadership team. Each of these schools was regularly reviewed with DDoEs, in combination with their risk register, to assess progress and agree any additional ongoing support.

Key Performance Indicators

2 Year Plan Priorities

Key performance indicators for each of the priority areas noted on page 14 were agreed and reported against over the year. The priorities and outcomes are set out below:

Education Provision

Provide an education, which takes account of the needs and context of every child in every academy. Prioritisation will be given to:

- Inclusion: establish a Trust strategy and support network for children with SEND.
- REAch Forward: ensure catch-up funding is appropriately targeted, has impact and the framework is utilised.
- Cluster Development: enhance the effectiveness of the cluster model through collaboration, talent management and improved decision-making.

Key Successes

- *Inclusion: establish a Trust strategy and support network for children with SEND.*
- *Every School has a SEND Governor with training taken place.*
- *Most schools have a fully trained and qualified SENDCO.*
- *Children with SEND achieve well, REAch Forward: ensure catch-up funding is appropriately targeted, has impact and the framework is utilised.*
- *The REAch Forward toolkit is used (where appropriate) to support educational recovery.*
- *Catch up funding is used effectively by all schools to enhance learning opportunities.*
- *Blended learning is planned for and embedded in the majority of schools.*
- *The Trusts Pupil Premium framework is embedded across all schools. Cluster Development: enhance the effectiveness of the cluster model through collaboration, talent management and improved decision-making.*
- *Collaborations across some clusters are embedded with Cluster Improvement partners supporting local REAch2 schools.*

Cluster Optimisation

Cluster Optimisation enables more children to have access to a REAch2 Education. Clusters move towards maximum occupancy, financial sustainability is achieved.

Key Successes

The Trust is working with schools keen to become academies, whilst no school converted / joined the trust during the academic year the Due Diligence paperwork and practices have been reviewed and updated inline with legislation.

Equality, Diversity, and Inclusion

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

Key Successes

- *The Trust has a named 'Inclusion' Champion.*
- *Stakeholders across R2 have contributed to the strategy.*
- *The New touchstones reflect 'Inclusion'.*
- *Leaders have a better understanding around what inclusion means for them in their role.*
- *Some staff have a better understanding of Inclusion, race, ethnicity, disability and LGBTQ.*

Wellbeing

Support REAch2 staff, their families and REAch2 children to achieve positive mental health and wellbeing through the Trust's Wellbeing Strategy and REAch Forward Framework.

Key Successes

- A wellbeing steering group has been established and has been in place throughout the year.
- All schools have at least one member of staff trained in MHFA.
- EAP service in place for all staff.
- Staff survey (and pulse survey) in place to monitor Wellbeing.
- Published Wellbeing strategy utilised across all schools.

Branding

Improve brand equity for REAch2 with all stakeholders and increase overall pupil occupancy through a Pupil Placement Strategy.

Key Successes

- Develop a Pupil recruitment strategy.
- Improve the Brand and presence of the Trust through social media and digital interaction.
- Content is consistently and regularly updated across all platforms and the Trusts external communication channels.
- Overhaul of the current website to reflect the REAch2 branding.

Ofsted

The current overall position of OFSTED ratings for Trust Schools is that 54 of the 60 school have now been inspected: with 92.6% of these graded as "good" or better. Following the resumption of routine inspection in September 2021, the following schools received an inspection during the previous academic year.

Ofsted Grade	Number of Schools	Percentage
Outstanding	6	11%
Good	44	81%
Requires Improvement	3	6%
Inadequate	1	2%

School	Previous Grade	Date of inspection	Type of inspection	Outcome
Oakfield	Good	22/9/21	Ungraded	Good
Heath Hayes	Good	9/11/21	Ungraded	Good
Purfleet	Good	16/11/21	Ungraded	Good
St Margaret's	Requires Improvement	30/11/21	Graded	Good
Green Ridge	NA	18/2/22	Graded	Good
Sprites	Inadequate	1/3/22	S8 Monitoring	Taking Effective Action
Tymberwood	Good	2/3/22	Ungraded	Good
Beccles	Requires Improvement	18/5/22	Graded	Good
Phoenix St Peter	Requires Improvement	8/6/22	Graded	Requires Improvement
White Meadows	Good	12/7/22	Ungraded	Good
Northfield St Nicholas	Requires Improvement	13/7/22	Graded	Good

OFSTED have received substantial additional funding from the DFE to accelerate the pace of inspection in the current academic year. Based on historical inspection dates and OFSTED's current approach to scheduling, around half of the schools in the Trust could potentially be within the inspection window within the next 12 months. Whilst it is unlikely that all of these schools will receive an inspection in this time, we should nevertheless be prepared for a large number of inspections.

Attendance

Attendance for the Trust between 1 September 2021 to 22 July 2022 was 93.1%. Nationally, for all Primary State funded primaries, the overall attendance rate for 2020/21 was 96.4%. COVID-19 continued to affect attendance during 2021-2022, with COVID-19 related illness 1.0%. Persistent absence continues to be higher within the Trust when compared to national rates, and this was exacerbated by COVID-19.

Below are the Attendance figures from 1 September 2021 to 22 July 2022.

Aerodrome Primary Academy	94.2%	Northfield St Nicholas Primary Academy	93.1%
Beccles Primary Academy	93.2%	Norton Canes Primary Academy	94.1%
Brampton Primary Academy	93.8%	Oakfield Primary Academy	91.0%
Burrsville Infant Academy	93.6%	Pemberley Academy	94.9%
Bushbury Lane Academy	92.9%	Phoenix St. Peter Academy	92.6%
Camulos Academy	94.3%	Purfleet Primary Academy	92.1%
Chapel End Junior Academy	93.7%	Racemeadow Primary Academy	92.2%
Chigwell Primary Academy	94.1%	Ranikhet Academy	91.7%
Civitas Academy	93.1%	Riverside Academy	93.6%
Concordia Academy	94.2%	Robert Fitzroy Academy	93.7%
Copperfield Academy	92.5%	Scientia Academy	93.3%
Dorothy Barley Junior Academy	92.6%	Silkmere Primary Academy	93.4%
Eastbrook Primary Academy	93.2%	Sir Martin Frobisher Academy	86.3%
Five Spires Academy	94.6%	Springfield Primary Academy	95.0%
Garden City Academy	91.5%	Springhill Primary Academy	91.4%
Green Park Village Primary Academy	93.3%	Sprites Primary Academy	93.2%
Green Ridge Primary Academy	95.0%	St Margaret's Primary Academy	92.6%
Gunton Primary Academy	93.4%	St Mark's Church of England Primary Academy	96.2%
Heath Hayes Primary Academy	94.0%	Summerside Primary Academy	94.3%
Henhurst Ridge Primary Academy	94.3%	The Globe Primary Academy	92.4%
Kemsley Primary Academy	92.6%	The Limes Primary Academy	92.1%
Kirby Primary Academy	91.0%	The Palmer Primary Academy	92.2%
Langtons Junior Academy	93.4%	The Woodside Primary Academy	93.6%
Lawley Village Academy	93.3%	Tidemill Academy	95.4%
Lower Farm Academy	93.9%	Tymberwood Academy	89.7%
Manor Park Primary Academy	93.1%	Unity Primary Academy	90.5%
Martlesham Primary Academy	94.9%	Veritas Primary Academy	93.4%
Milton Court Primary Academy	91.9%	Water Lane Primary Academy	93.0%
Moor Green Primary Academy	92.4%	White Meadows Primary Academy	92.0%
Newhall Primary Academy	94.4%	Wilshire-Dacre Junior Academy	94.4%

¹ Attendance code IO2

Suspensions and Exclusions

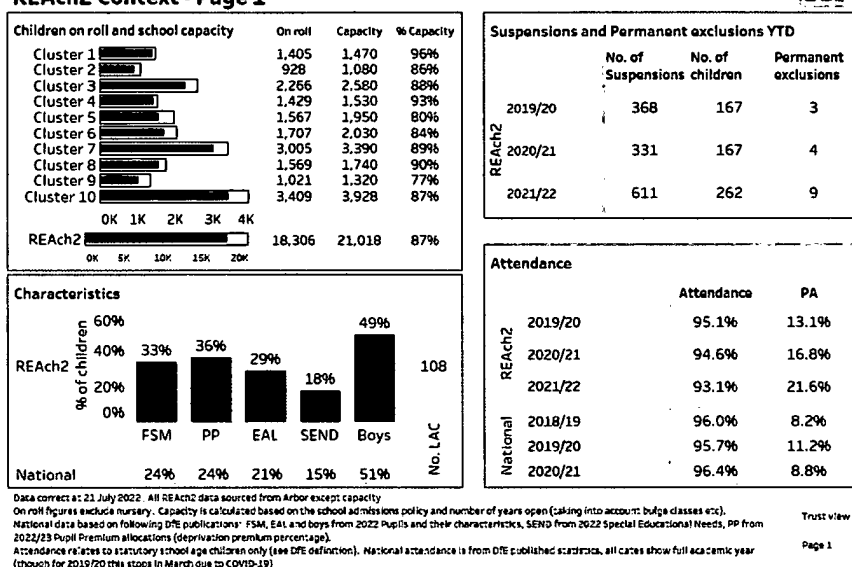
Suspensions and permanent exclusions increased compared to the previous academic year, partially due to schools being shut much of the previous year. The frequency of suspensions was comparable to pre-pandemic academic years.

Please see the below Trust Data Dashboard key context metrics (as at 21 July 2022).

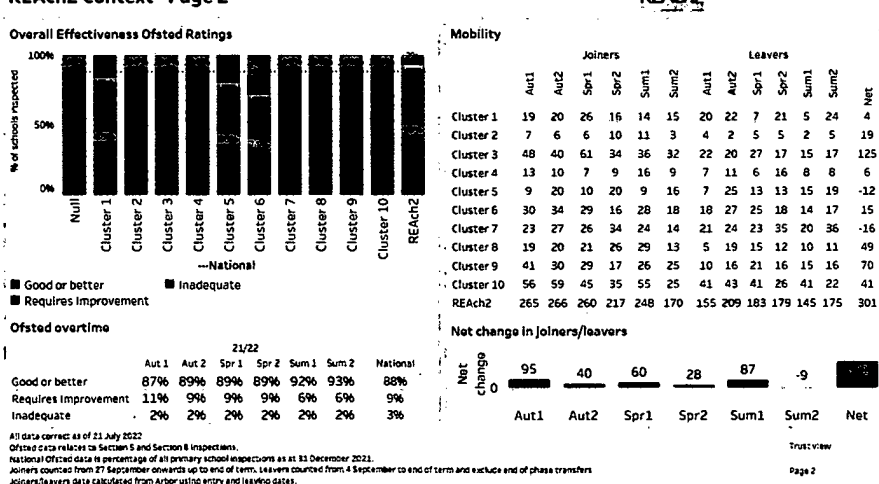
Capacity – Overall, 87% of school places within the Trust were filled. There was variation between clusters, but Cluster 9 saw the lowest capacity rate at 77% and Cluster 1 the highest at 96%. Between joiners and leavers, there was a gain of 302 children over the academic year.

Characteristics – The Trust continues to have higher than average rates of Free School Meals, Pupil Premium, and English as an additional language. Children with Special Educational Needs and/or Disabilities is increasing each year.

REAch2 Context - Page 1



REAch2 Context - Page 2



[FSM – Free School Meals, PP – Pupil Premium, EAL – English as an additional language, SEND – Special Educational Needs and Disabilities Aut 1/2 – Autumn Term 1/2 2020, Spr 1/2 – Spring Term 1/2 2021, Sum 1/2 – Summer Term 1/2 2021]

Risk Management Process

The Trust's termly risk management process is now embedded across the Trust. The process covers the full spectrum of areas in which academies might face possible risk (Health and Safety, Safeguarding, Education, People, Finance, Operations, Legal and Regulatory). The use of risk-related language is common within meetings and has helped guide activities and resource allocation. All academies' risk registers are reviewed at the Team around the cluster meetings allowing experts within the Trust to have full oversight on what is going on at academy level and to provide additional support / intervention as well as being able to spot trends that may affect multiple academies.

The Executive Team monitor risk on a half-termly basis with the Deputy Directors of Education to ensure risk mitigations are on-track and intervene where necessary. At each level of governance, risk registers are received and reviewed to enable oversight and scrutiny to take place.

Going Concern

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

Promoting the success of the Company

- Trustees have a duty to promote the success of the Trust to achieve its charitable purposes and in doing so, are required by Section 172 of the Companies Act 2006 to have regard to the following:
- The likely consequences of any decisions in the long-term
- The interests of Trust's employees
- The need to foster the Trust's business relationships with suppliers, customers and others
- The impact of the Trust's operations on the community and the environment
- The desirability of the Trust maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company.

The day-to-day management and decision-making of the Trust is delegated by the Trustees to the Chief Executive and Executive Team who act in furtherance of the Trust's strategy and in accordance with all policies and procedures approved by the Trustees or in accordance with the Trust's Scheme of Delegation.

Policies and procedures are reviewed on a rolling cycle and trustees receive updates on performance, KPIs and strategic objectives at trustee meetings in the light of the strategic plan.

An active trust board and staff succession planning ensures the Trust continues to have the people and leadership it needs to remain effective and provide sufficient diversity of perspectives to enable robust decision-making.

Strategic agendas are embedded within the governance framework with an emphasis on the Trust's vision and ethos at Trustee, committee and member meetings. In addition, Trust board sub-committees review performance with regard to the terms of reference outlining the oversight activities for each committee. The review of board effectiveness continued, utilising the principles set out in The Charity Governance Code to improve the quality and impact of governance.

The Trustees have access to legal advisors and a Company Secretary for advice on legal and compliance matters, and governance structures reinforce clearly defined roles and responsibilities. By ensuring clarity of vision, ethos and strategic direction and ensuring monitoring and accountability that drives up educational standards and financial performance, the Trustees obtain assurance that in promoting the success of the Trust, due regard has been given to the factors set out in section 172 of The Companies Act.

The likely consequence of any decisions in the long-term

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

During this academic year and with the appointment of the new CEO, the development of the five-year strategic plan commenced, which was signed off at the final board meeting of the academic year. The exercise took feedback from all stakeholder groups and identified four priorities that will be worked on over the next five years, these are: –

- Great Schools – We will make sure that every one of our schools sets the highest aspirations for children and makes an exceptional contribution to their communities.
- Social Justice – We will be relentless in breaking down the barriers which prevent primary children from fulfilling their potential and so, enable them to face life's challenges with confidence.
- Sustainability – We will transform our approach to sustainability across REAch2 by inspiring our children to become environmental ambassadors, unlocking their potential to make positive change.
- Digital Transformation – We will construct a digital infrastructure fit for the 21st Century, leveraging technology to unlock teaching and learning.
- Furthermore, work was undertaken to review the Touchstones and also the vision statement for the trust.
- The Trustees have approved a new vision Statement 'Always Aiming Higher'.

The Board of Trustees will continue to monitor the risks which might threaten delivery of the overall aims and goals of the strategic plan and the actions that are being taken to mitigate or contain the exposure.

The Interests of Employees

The Trust established a practice of consulting regularly with employees during 2019–2020, delivering monthly briefings for Headteachers and School Business Managers where key topics were discussed, initiatives were updated and an opportunity to ask questions was provided. These briefings have continued to take place regularly via zoom along with conference twice a year for Headteacher. As well as this, the Trust runs Success Workshop for SBMs.

REAch2 met half termly with the National Joint Consultative Council (NJCC) which represents staff on matters such as policy, organizational initiatives and risk management. The NJCC comprises representatives from NEU, NASUWT, NAHT, ASCL, UNISON and GMB.

The Trust has in place detailed personnel policies and is continually in the process of developing these further through engagement and consultation with unions and stakeholders. A National Recognition agreement is in place with trade unions. Policies are approved by the Trust Board, promoted via headteachers and school business managers and available on the intranet.

One strand of the Trust's ongoing work is to 'champion and embody diversity for all, providing an inclusive environment for all to thrive'. The Trust has set an objective to carry out further work to build a diverse and inclusive workforce. During the 2021–2022 academic year, we focused on improving our approach to recruitment and to ensuring that agencies we work with actively promote opportunities widely. The annual survey has provided some data on Inclusion, and this will be a focus of surveys in years to come.

The need to foster the Trust's business relationships with suppliers, customers and others

As explained in the statement on engagement with suppliers on page 13, the Trust seeks to ensure fairness in all business relationships, and this applies to all relationships and stakeholders throughout the Trust.

As part of the statement and intent for the Trust's strategic plan, there is a focus on continuing the work on communicating and consulting with stakeholders, in a structured and supportive way to ensure all stakeholders are able to contribute meaningfully to the work and development of the Trust.

The impact of the Trust's operations on the community and the environment

The Trust is committed to outreach and engagement within each local community where it operates and decision-making processes within the Trust consider the impact of decision-making on relevant stakeholders. REAch2 academies are each at the centre of their own local communities. Each academy has the opportunity and freedom to respond to the needs of parents and children and create their own local solutions. The Trust proactively engages with parents and the local communities.

The Trust monitors the environmental impact of its activities, and the streamlined energy and carbon report can be found on page 26.

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

The Trust has implemented, and keeps under regular review, a suite of policies and procedures to promote its values, ethical behaviour and corporate compliance and responsibility including (not exclusively) policies on safeguarding, health and safety, whistleblowing, speak up, procurement, conflicts of interest, related party transactions, code of conduct, modern slavery statement, dignity at work and executive pay policies.

The Trust employs a dedicated Head of Safeguarding who manages the central safeguarding team with safeguarding considered in trust committees as well as being a standing item on the Trust board agenda. The Trust has a named Safeguarding Trustee. All staff and local governors undertake regular safeguarding training and the Trust has strict safer recruitment processes in place. Every school has a DSL (Designated Safeguarding Lead) who is responsible for Safeguarding at the school.

The need to act fairly as between members of the company

The shared vision and values of REAch2 and all the Academies underpins the governance and activities of the Trust. The Trust is committed to creating a culture that strongly reflects the 7 core values and principles that make the Academies unique; these are described in the Trust's 'Touchstones': inclusion, learning, leadership, enjoyment, responsibility, inspiration and integrity.

The Local Governing Bodies are the champions of these values in the Academies. The Academy Trust Members uphold these values as part of each AGM and a discussion on the embedding of the values within the Trust forms part of the AGM agenda.

Financial Review

During the period, ESFA\LA grants totaled to £112,199k (2021: £106,456k). Other income included within the restricted funds totaled to £2,422k (2021: £946k). The restricted fund expenditure totaled to £126,024k (2021: £113,910k). Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to a particular purpose. The grants received from the ESFA during the 12-month period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions continue to increase for the foreseeable future. The Trust balance sheet and cash flow are in line with budgeted outcomes.

The Trust has appointed a Chief Operating Officer (COO) who also acts as the Trust's Chief Finance Officer

(CFO); the Trust employs a Head of Finance.

The CFO has been reviewing the financial policies, processes and controls with an ongoing review of systems used in supporting financial management. All academies are required to produce monthly financial reports that are reviewed at all levels of Governance. These are compared against the budget submitted to the ESFA and reforecasts undertaken when required.

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

On an annual basis the Finance & Resources Committee receive, and review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the strategic aims of the Trust. The assets were used exclusively for providing education and the associated services to the children of the academies. The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provision of FRS102.

Reserves Policy

Reserves form part of the cash balance for each school. The total cash balance across all academies is managed centrally and invested prudently in interest earning bank accounts.

A new reserves policy was implemented from September 2019. The new policy was developed within a culture of financial management that aimed to be open, fostering positive relationships and ensuring the Trust's aims into the future are delivered. Reserves are split into three categories: Core reserves to include the minimum reserve of money that the Trust requires as a financially sustainable organization; contingency reserves to cover unforeseen operational costs; and investment reserves for longer-term strategic planning purposes as part of the Trust's resilience and continued ability to deliver exceptional opportunities for all children within the Trust.

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

The reserves policy was reviewed by Trustees during the year to ensure it was achieving its goals and was re-approved without any material change.

In relation to core reserves, and after a period of consultation the Trust has proposed that the amount is set at 7% of GAG income (this equates to just over 2 weeks of operating expenditure). Core reserves are calculated on a school-by-school basis. In relation to contingency reserve, it is recommended that academies account for at least 1.5% of a school's income. In relation to investment reserve, this will be linked closely to each school's development plan with academies expected to plan for the replacement of old equipment, and installation of new facilities as appropriate.

Total reserves at the end of the period amounted to £264,840k. This balance includes unrestrictive funds (free reserves) of £3,574k which is considered sufficient for the academy trust, and restricted funds excluding pension and fixed assets of £3,538k

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 totaling £17,832k. This deficit is included in restricted funds.

As at 31 August 2022 scheme actuaries have reported that some schools have an asset position on the fund. Where a pension fund valuation has resulted in an overall asset position, these assets have not been recognised as at the time of approving the accounts, the trustees have no indication that this will result in either a refund of contributions or a reduction in future contributions

This does not lead to an immediate liability for this amount. Similarly, if there was a pension surplus included in the restricted funds, this would not create an immediately realisable asset that can be released straightaway and expended for the specific purpose of that fund.

Users should note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect of the Trust in the form of an increase or decrease in employers' pension contributions over a period of years.

The Trust thus takes this fact into account when reviewing current business plans and budgets and ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit may not be eliminated there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

Investment Policy

The Trust agreed during 2019 to invest surplus balances in a new bank deposit account with a view to improving the rate of return in a risk averse manner. The fall in available interest rates during the COVID-19 pandemic meant that the Trust held more funds as readily accessible cash rather than being held on deposit. During 2021-22 the balance on deposit increased from £1m to just over £3.5m, held in a short-term notice account, as the risks around funding and costs associated with the pandemic receded.

During summer 2022, with available interest rates increasing, the Trust updated its Investment Policy to allow Executives a broader scope to invest available funds to achieve a better return, albeit on short term and risk averse basis, limited to institutions with a UK banking license and regulated by the FCA. Any deposits with a notice period greater than 35-days, must be approved by Trustees.

Principal Risks and Uncertainties

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

Systems and procedures have been established to mitigate the risks each academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances.

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

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

Details of the Trust's Risk Management Process can be found on page 20.

Fundraising Practices

The Trust expects academies to carry out effective fundraising activities, including raising money through voluntary PTA events. To ensure compliance with the Charities Act 2016 fundraising rules in the Charities (Protection and Social Investment) Act 2016 the Trust follows Institute of Fundraising guidelines and the Code of Fundraising Practice and ensures that academies follow the standards, particularly in relation to fundraising activities requiring closer safeguarding and the Institute of Fundraising guidance on fundraising with children.

During the summer term of 2020, the Trust revised its Donation policy, which was approved by Trustees and implemented in October 2020, with training on the updated policy being made available to academies in January 2021.

In order to assist academies with income generation the Trust engaged with a commercial partner during the year to focus on securing commercial partnerships, and to identify potential grants and assist with applications. The Trust and individual academies retain full control of these processes, which are subject to ongoing scrutiny and review. To date, no complaints have been received about fundraising practices. This work remains under constant review.

Streamlined Energy and Carbon Reporting

The Trust is reporting its third disclosure of energy and carbon emissions. A consistent methodology has been applied to allow for meaningful comparisons each year, while mandatory requirements have been exceeded to provide an accurate and complete emissions profile.

Compared to last year, this year's report shows a reduction in gross absolute emissions (-546.7 tCO₂e) and a reduction across all intensity ratios. The largest intensity ratio reduction is reported for tonnes of CO₂e per pupil, which reduced by 12.9% compared to 2020/21 levels (for mandatory and voluntary emissions combined).

This reporting period is the first to have not been significantly affected by COVID-19 since the Trust started reporting energy and emissions in the 2019-20 Trustees' Report. To provide a like for like comparison with this year that is not impacted by COVID-19, the electricity and gas consumption in the 2019-20 SECR disclosure has been adjusted for the period April to August 2020 to reflect typical expected usage. This adjustment gives expected typical gross emissions (for electricity and gas only) in 2019-20 of 4,308.2 tCO₂e compared to 4,140.9 tCO₂e this year (a 3.88% reduction). The intensity ratio is calculated as 0.244 tCO₂e per pupil in the adjusted 2019-20 figures, compared to 0.227 this year for electricity and gas emissions only.

The reduction in gross emissions and intensity ratios reflects predominantly a combination of national grid electricity decarbonisation and the implementation of energy efficiency actions undertaken by the Trust over the last 2 or 3 years.

UK energy use and associated greenhouse gas emissions.

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 60 schools controlled during the reporting period along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet).

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil, solar PV and grey fleet fuel consumption was compiled from invoices, meter readings and mileage records. Where invoices or meter readings were not available, estimations have been made using the pro-rata or direct comparison method. On-site generated electricity from solar photovoltaic panels is reported under scope 2 as the Trust do not own the panels and no adjustment is made for any exported energy. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

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

Energy type	2020/21	2021/22
Mandatory requirements:		
Gas	18,882,301	16,728,365
Purchased electricity from the grid	5,500,251	5,622,630
Transport fuel	102,253	239,997
Total energy (mandatory)	24,484,806	22,590,992
Voluntary requirements:		
Oil	690,279	316,595
Consumed electricity from on-site renewable sources	878,938	1,077,106
Total energy (voluntary)	1,569,217	1,393,701
Total energy (mandatory & voluntary)	26,054,023	23,984,693

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2020/21	2021/22
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	3,458.5	3,053.6
<u>Scope 2</u>		
Purchased electricity (location-based)	1,167.9	1,087.3
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	25.2	59.6
Total gross emissions (mandatory)	4,651.5	4,200.5
Voluntary requirements:		
<u>Scope 1</u>		
Oil	177.3	81.6
<u>Scope 2</u>		
Consumed electricity from on-site renewable sources	0.0	0.0
Total gross emissions (voluntary)	177.3	81.6
Total gross emissions (mandatory & voluntary)	4,828.8	4,282.1

Intensity ratio

Two types of intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Intensity ratios	2020/21	2021/22
<u>Mandatory emissions:</u>		
Tonnes of CO ₂ e per pupil	0.260	0.231
Tonnes of CO ₂ e per square meter floor area	0.033	0.030
<u>Mandatory and voluntary emissions:</u>		
Tonnes of CO ₂ e per pupil	0.270	0.235
Tonnes of CO ₂ e per square meter floor area	0.035	0.031

Energy efficiency action during current financial year

During the reporting year, the Trust has undertaken roofing and heating projects at several of its schools that improve energy efficiency and reduce overall carbon emissions. The roofing projects resulted in improved insulation and waterproofing, and in the case of Sprites and Racemeadow, old windows were upgraded to more thermally efficient versions as well. The Academies which had roofing work during the reporting year were:

- Copperfield Academy
- Kirby Primary Academy
- Riverside Academy
- Sprites Primary Academy
- The Globe Primary Academy
- Racemeadow Primary Academy

For the heating projects, Dorothy Barley had replacement iron radiators and pipework and George Palmer and Oakfield had new, more efficient boilers installed. Although estimated energy savings have not been quantified for these specific actions, gas consumption at these two academies reduced by 13.3% and 7.0% respectively during this reporting year compared to last.

This year the Trust have broadened the scope of their environmentally related decision making to include the selection of contractors, adding more weight to those contractors with strong environmental credentials. For example, this year the Trust procured the services of IKO for roofing works, who are a carbon neutral business, demonstrate responsibly and locally sourced raw materials, and currently divert 98% of their waste away from landfill. Procurement of supply chain partners with good environmental credentials will be reflected in a reduction of upstream scope 3 emissions, which are not currently quantified within scope of this report.

TRUST PLAN FOR FUTURE PERIODS

The return to school in the Autumn went smoothly with attendance starting off positively. The Trust continues to prioritise (for children and staff) their wellbeing through a number of initiatives that commenced in the last academic year. To support with the delivery of the Trust's commitment, new priorities have been approved for the next five years these are set out below:

- Great Schools – We will make sure that every one of our schools sets the highest aspirations for children and makes an exceptional contribution to their communities.
- Social Justice – We will be relentless in breaking down the barriers which prevent primary children from fulfilling their potential and so, enable them to face life's challenges with confidence.
- Sustainability – We will transform our approach to sustainability across REACh2 by inspiring our children to become environmental ambassadors, unlocking their potential to make positive change.
- Digital Transformation – We will construct a digital infrastructure fit for the 21st Century, leveraging technology to unlock teaching and learning.

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

The Board of Trustees will hold REACh2 Executives and Directors to account for the outcomes described within each of the statements above, with committees monitoring the progress of each statement and the full board receiving a progress update on each throughout the year.

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

Funds held as custodian trustee on behalf of others

The Academy Trust and its Trustees did not act as a custodian trustee during the current or previous period. Trustees do not anticipate that the Trust will in the future hold any funds as custodian for any third party.

Auditor

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2022 and signed on the board's behalf by:



Gavin Robert Chair of Trustees

Date: 13 December 2022

GOVERNANCE STATEMENT For the Year Ended 31 August 2022

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that REAch2 Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. As trustees, we have reviewed and taken account of guidance in DfE's Governance Handbook and competency framework for governance ([Governance handbook and competency framework – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/governance-handbook-and-competency-framework-for-governance))

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees normally meet six times during the year however this year it held an additional meeting (to appoint the new CEO). Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Gavin Robert – Chair	7	7
Teresa Beach – Vice Chair	6	7
Catherine Paine – CEO & Trustee	2	2
David Walker	5	7
Ralph Kugler	7	7
Wade Newmark	4	7
Jonathan Lewis	6	7
Marc Doyle	7	7
Rosalind Cordner	6	7
Adanna Welch-Charles	5	7
Tracey Harrison **	0	1
Michael Peters *	4	7
Tony Gilbey *	2	3
Victoria Pigott *	5	7
Jeremy King *	7	7
Sir Steve Lancashire (ex-officio) *	5	5

(* denotes trustees who left during the reporting year)

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

Reviewing the Effectiveness of Governance at REAch2 Academy Trust

In July 2020, Trustees undertook their first annual review of the effectiveness of Trust Board governance, the purpose of this initial review was to inform the continual process of Board improvement. This initial review focused on the Board itself and its operation as a collective. In 2021, the Board expanded its effectiveness assessments to include an assessment of the Trust Board and its committees.

The Board and the committees considered the feedback obtained and developed plans to conduct further work on committee composition and structure, equality, diversity and inclusion, trustee induction design and trustee development plans and priorities, trustee succession planning and updating the scheme of delegation for the

Trust.

The areas identified and agreed by Trustees for further action were as follows:

- Training, induction, and trustee development
- The number and scope of committees including refreshed membership
- The sequencing and timing of board committees including input into the main Trust Board
- Improving diversity, equality, and inclusion on the Trust Board and throughout the Trust
- Ensuring agendas remain strategic with clarity on future direction and long-term strategy
- Improving communication across the governance tiers.

The Board is pleased to report progress in embedding and advancing all the above-mentioned objectives. Following agreement by the Board it was agreed to alter the committee structure for academic year 2021-22. This revised structure amalgamated the Finance & Estates & Resources Committee to form the new Finance & Resources Committee. The HR Committee was also disbanded and work undertaken to ensure that HR matters were considered in the other committees of the Board (via committee programs of work and strategic agenda drafting). The Board recognizes that these arrangements are still relatively new and will need time to fully embed, the Board is committed to keeping them under review.

In summer 2022 and building on the overall effectiveness and efficiency of existing Trust governance arrangements, a further assessment of Trust Board Effectiveness was conducted for the Board and its committees. The feedback and outcomes of that review are currently being considered and an action plan will be devised, discussed, agreed, and implemented with a further review being planned for Summer 2023. The primary actions identified by that most recent review were as follows:

- The need to appoint additional Trustees to fill existing gaps and to address where possible recruitment to the additional skills added to the skill matrix for the Trust Board and its committees.
- To keep under regular review the Terms of Reference and rolling programs of Committee business to ensure no duplication of debate, delivery of full assurance to the Trust Board and to permit adequate time for strategic debate.

Conflicts of Interest

Every person involved in board governance throughout the Trust (Trustees, cluster board non-executive representatives and local governors) are required to disclose potential or actual conflicts of interest for inclusion in the register of interests and relevant pecuniary interests are published on the Trust/academies website. Each year trustees are required to declare their ongoing eligibility to serve as a trustee. The Trustees support the principles of good governance set out in the Charity Governance Code.

Trustee Succession Planning

During the previous reporting year, three long standing Trustees terms of office expired and were not renewed. In response to this Trustees undertook a recruitment drive, considering future priorities, skills gaps and diversity, to recruit a number of new Trustees. Applications were received and following a robust shortlisting and interview process three new Trustees were appointed as co-opted Trustees at the end of the summer term 2021. The Board continues its drive to attract and appoint new Trustees and is currently in the process of recruiting additional Trustees to both add the newly identified skills sets now required by the Board and to replace those Trustees who have most recently resigned.

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

In addition to the trust board self-evaluation review, trustee recruitment and reviewing and restructuring the Trust Board committees, other key strands of work carried out during the year included (not exhaustive):

- Review of the terms of reference for each Trust Board Committee to ensure governance is effective across the Trust

- The ongoing development of detailed annual schedules of business and meeting cycles
- A review of governance policies including Conflicts of Interest and Related Party Transactions, along with a review of trustee declaration forms (including trustee eligibility declarations) to ensure forms in use within the trust are up-to-date and reflect current legislation and governance practice
- Further development of communication to other layers of the governance structure including weekly newsletters and half termly template meeting agendas
- Further development of a comprehensive training programme, accessible to all layers of governance
- Continuing recruitment of non-executive representatives for cluster boards
- The embedding of the Trust's staff wellbeing strategy
- Continuous review and development of marketing practices across the Trust to drive an increase in pupil numbers
- The Trust remains committed to responding tackling underperformance and any lost learning, coming out of Covid. The REACH Forward Framework will continue to support academies to plan their curriculum and development to best serve the schools needs.
- Monitoring the financial performance of the Trust and considering options for cluster optimisation in the future
- The embedding of REACH Teach, the Trust's academy-led initial teacher training pathway.

During the year 2021–2022, the Academy Trust had five sub committees reporting into the Board of Trustees:

- Finance & Resources
- Risk and Audit
- Educational Standards & Performance
- Remuneration
- Executive Nominations

Each sub-committee comprises at least three trustees, one of whom is the committee chair. Each committee meets at least termly, except that Executive Nominations Committee which only meets when required and presents a report of key findings and actions to take to the Board of Trustees.

The **Finance & Resources Committee** is a sub-committee of the main Board of Trustees. Its duties include:

- To develop a financial strategy for the Academy Trust and consider policies, procedures or plans required to realise such strategy,
- To receive financial monitoring reports for each academy,
- To consider individual academy budget proposals for authorisation,
- To consider exceptional requests for expenditure,
- To oversee significant investment and capital financing decisions
- To oversee the financial position of the trust
- Ensure that the operation and asset management of the Trust's estate, is delivered appropriately
- Ensure that the Free Schools programme is delivered appropriately
- Ensure that effective processes are in place for the quality assurance of the Executive's work on Estates and capital management and on overall project management of the Free Schools programme
- Ensure that capital requirements are taken into account in the development, implementation and review of any Trust policies, programmes for reserves and investment and funding decisions
- Identify, initiate, consider and keep under review the fullest range of external sources and avenues for capital funding and to ensure an appropriate pursuit by the executive of options with the best potential
- Scrutinise and review the estates teams' role in terms of reporting into the Health, Safety and Wellbeing function along with the expedient resolution of estates related health and safety defects and/or implementation of appropriate risk control measures
- To monitor pensions arrangements and contributions across the Trust
- Consider the details of restructuring programmes of the central team
- Monitor the effectiveness of health, safety and wellbeing policy and procedure in ensuring that children and staff are safeguarding

- To ensure process and procedures are in place to achieve compliance with health & safety, HR and financial regulation and reporting
- Review and monitor strategies for development, procurement, implementation of ICT across the Trust

Attendance at **Finance & Resources Committee** meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Gilbey	2	2
Jonathan Lewis	5	5
Jeremy King	4	5
Wade Newmark (Chair)	5	5
David Walker	4	5
Adanna Welch-Charles	3	5
Cathie Paine	2	2
Sir Steve Lancashire	3	3

The **Risk & Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- To ensure that the Trust has procedures in place to manage risk appetite and tolerance
- To ensure that risks are aligned with strategic priorities and improvement plans
- To ensure that appropriate interventions and strategies are in place and risk management is embedded at every level
- To provide assurance to the board that the Trust is managing risk effectively

Attendance at **Risk & Audit Committee** meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Gavin Robert	7	7
Jeremy King	5	6
Teresa Beach (Chair)	6	6
Michael Peters	2	4
Jonathan Lewis	1	1
Marc Doyle	2	4
Victoria Pigott	4	6
Tracey Harrison	1	1
Cathie Paine	2	2
Sir Steve Lancashire (ex-officio)	4	4

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

- Ensure that the highest possible standards are set and maintained across the Academy Trust
- Receive a termly report from the Executive Team regarding standards and performance of the Academy Trust against key performance indicators
- Identify any areas of concern in respect of standards and performance and to implement an action plan with the Executive Team
- Ensure that the Academy Trust's curriculum is balanced and broadly based
- Scrutinise and review Academy Trust policies for recommendation to the Trust Board
- Ensure that effective processes are in place for the quality assurance and self-evaluation of teaching and learning, the curriculum, inclusion and the sharing of good practice across the Academy Trust
- Support the Chief Executive Officer in the creation, implementation and monitoring of the Academy Trust's self-evaluation development plan and any post-Ofsted action plan
- Advise the Trust Board with respect to targets for student achievement across the Academy Trust
- Ensure that effective arrangements are in place across the Academy Trust for pupil support and representation, for monitoring pupil attendance and for pupil discipline.

Attendance at the **Education, Standard and Performance** meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michael Peters	3	4
Jonathan Lewis (Chair)	3	4
Ralph Kugler	4	4
Rosalind Cordner	4	4
Marc Doyle	3	4
Cathie Paine	0	1
Sir Steve Lancashire (ex-officio)	2	3

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

- Consider, determine and keep under review a framework or policy for the remuneration, benefits and incentives of the Chief Executive Officer and such other members of the Senior Executive Team as the Trust Board shall from time to time direct
- In determining that framework, to seek evidence of the remuneration, benefits and incentives paid to senior executives in comparable employment within the commercial and voluntary sectors
- To consider the outcome of every appraisal of the performance of the Chief Executive Officer and such other senior executives as the Board shall from time to time direct
- To make recommendations to the Trust Board as to the remuneration, benefit and incentives that should be paid to the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct with a view to ensuring that they are encouraged to enhance their performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Academy Trust and its progress towards fulfilling its objectives
- To make recommendations to the Trust Board as to the remuneration, benefits and incentives of newly appointed senior executives
- To determine the policy for and scope of pension arrangements, service agreements, termination payments and compensation commitments for the Chief Executive Officer and such other senior executives as the Trust Board shall from time to time direct
- To consider other topics, as defined by the Trust Board from time to time.

Attendance at the **Remuneration Committee** meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ralph Kugler (Chair)	2	2
Gavin Robert	2	2
Jeremy King	2	2
Tony Gilbey	1	2
Wade Newmark	2	2
Sir Steve Lancashire	2	2

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

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

Attendance at the Executive Nominations Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Teresa Beach (Chair)	2	2
Jeremy King	2	2
Gavin Robert	2	2
Victoria Pigott	2	2
Jonathan Lewis	1	2
Stephen Posey* (co-opted member)	2	2

*Stephen Posey joined the committee for two meetings as an independent co-opted member of the Executive Nominations Committee.

Review of Value for Money

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

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

The Accounting Officer considered how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to support close working relationship within clusters to enable proactive support and challenge across our academies, including the identification of synergies. Transparency and clarity of spending academies' budgets is scrutinised and ratified across all tiers of governance, with academy budget submissions subject to deep-dive reviews by the central finance team, and Trust Execs. Academies are also able to challenge the Trust in how it spends money.
- Providing a greater level of transparency and challenge on academy budgets, including longer term planning around academies with investment needs, and those with financial challenges, using benchmarks from other academies as a model for improvement. During the year, this transparency and challenge was extended to all of the services provided by the central Trust departments.
- Ongoing review of the procurement of services across our academies to achieve better quality, economies of scale and consistent outcomes across the academies, including a better understanding of the benefits of in-house service provision, vs outsourcing key deliverables, such as cleaning and catering. The Trust also increased the number of centrally procured services in the year to achieve better outcomes, in particular around IT infrastructure, software, and estates compliance checks, as well as making better use of Public Sector Buying Organisations, and the support services which are available from them.
- Secure strong educational outcomes has continued by ongoing support from the Trust including receiving regular data reviews and moderation of the academies self-evaluation and school development plans. These are reviewed and challenged at all levels of Governance across the Trust.
- Ongoing review both external and internal of our academies to ensure that the expected outcome of the academies during Ofsted are in line with Trust expectations. Intervention is delivered where required.

The Purpose of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute

assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in REAch2 Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risks

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees considered the need for a specific internal audit function and decided to appoint an inhouse internal Auditor. Given the large size of the trust and the scale of the internal audit function, it was felt that an in-house function was the most effective way of delivering the Trust's internal audit scrutiny. The work plan for the Internal Auditor is driven and agreed by the Audit and Risk Committee and is informed by risk.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems and undertaking Responsible Officer visits. In particular, the checks carried out in the current period included:

- Testing of the safeguarding systems and processes
- Testing of financial controls at school level
- Testing of the program of work for planned maintenance
- Testing of the Governance within the Trust
- On a termly basis, the internal auditor reports to the Board of Trustees, through the risk and audit committee on the operation of the system of control and on the discharge of the board of trustee's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.
- The work completed in the plan was sufficient to confirm that there were no material control issues and thus no remedial action was required to be taken.

Review of Effectiveness

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

- The work of the internal auditor
- The work of the external auditor

- The School Resource Management Self-Assessment Tool

The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2022 and signed on its behalf.

Signed:



Gavin Robert
Chair of Trustees

Signed:



Catherine Paine
Chief Executive Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
For the Year Ended 31 August 2022

As Accounting Officer of REAch2 Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



Catherine Paine, Chief Executive Officer & Accounting Officer
13 December 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 August 2022

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 13 December 2022



Gavin Robert Chair of Trustees'
13 December 2022

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

For The Year Ended 31 August 2022

Opinion

We have audited the accounts of REACh2 Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws

and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

**Chartered Accountants
Statutory Auditor**

16 December 2022

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

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

For The Year Ended 31 August 2022

In accordance with the terms of our engagement letter dated 4 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by REAch2 Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to REAch2 Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the REAch2 Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than REAch2 Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of REAch2 Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of REAch2 Academy Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the period 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of trustees' meetings.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets

Reporting Accountant
Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Dated:16 December 2022.....

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted	Restricted	Restricted	Total	Total
			General	Fixed	2022	2021
		Funds	Funds	Asset Funds		
	Note	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	2	-	-	4,145	4,145	4,326
Transfer of donated fixed assets	2	-	-	7,257	7,257	9,232
<i>Charitable activities:</i>						
- Funding for educational operations	3	2,760	114,621	-	117,381	111,128
- Teaching Schools	30	-	-	-	-	331
Other trading activities	4	743	-	-	743	721
Investment income	5	8	-	-	8	-
Total income		3,511	114,621	11,402	129,534	125,738
Expenditure on:						
<i>Charitable activities:</i>						
- Trust's educational operations	6, 7	3,428	126,024	12,358	141,810	128,480
- Teaching Schools	30	-	-	-	-	331
Total resources expended	6, 7	3,428	126,024	12,358	141,810	128,811
Net income / (expenditure) before transfers		83	(11,403)	(956)	(12,276)	(3,073)
Transfers						
Transfers between funds	18	531	(1,737)	1,206	-	-
Net income / (expenditure) before other recognised gains and losses		614	(13,140)	250	(12,276)	(3,073)
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	20	-	75,099	-	75,099	(13,037)
Net movement in funds		614	61,959	250	62,823	(16,110)
Reconciliation of funds						
Total funds brought forward	18	2,960	(76,253)	275,310	202,017	218,127
Total funds carried forward		3,574	(14,294)	275,560	264,840	202,017

The deficit restricted general reserve includes surplus restricted general funds of £3,538,000 offset by deficit pension reserves of £17,832,000 (See Note 18)

BALANCE SHEET AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		279,155		279,627
Total fixed assets			<u>279,155</u>		<u>279,627</u>
Current assets					
Stock	13	11		11	
Debtors	14	4,371		4,120	
Cash at bank and in hand		<u>16,979</u>		<u>15,538</u>	
Total current assets		<u>21,361</u>		<u>19,669</u>	
Liabilities:					
Creditors: Amounts falling due within one year	15	<u>(14,776)</u>		<u>(11,508)</u>	
Net current assets			<u>6,585</u>		<u>8,161</u>
Total assets less current liabilities			<u>285,740</u>		<u>287,788</u>
Creditors: Amounts falling due after more than one year	17		<u>(3,068)</u>		<u>(3,652)</u>
Net assets excluding pension liability			<u>282,672</u>		<u>284,136</u>
Defined benefit pension scheme liability	20		<u>(17,832)</u>		<u>(82,119)</u>
Total net assets			<u>264,840</u>		<u>202,017</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18		275,560		275,310
Restricted income fund	18		3,538		5,866
Pension reserve	18, 20		<u>(17,832)</u>		<u>(82,119)</u>
Total restricted funds			<u>261,266</u>		<u>199,057</u>
Unrestricted funds					
Unrestricted income fund(s)	18		<u>3,574</u>		<u>2,960</u>
Total unrestricted funds			<u>3,574</u>		<u>2,960</u>
Total Funds			<u>264,840</u>		<u>202,017</u>

The financial statements set out on pages 46 to 73 were approved and authorised for issue by the Board of Trustees and authorised for issue on 13 December 2022 and signed on its behalf by:


 Gavin Robert
 Chair of Trustees – REAch2 Academy Trust (Company Reg: 08452281)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 Total £'000	2021 Total £'000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	21	<u>2,583</u> 2,583	<u>2,905</u> 2,905
Cash flows from investing activities			
Dividends, interest and rents from investments		8	-
Capital funding from sponsors and others		4,145	4,326
Payments to acquire fixed assets		<u>(4,629)</u> (476)	<u>(2,757)</u> 1,569
Cash flows from financing activities			
Cash net inflows/(outflows) from borrowing	22	<u>(666)</u> (666)	<u>(600)</u> (600)
Change in cash and cash equivalents in the reporting period		<u>1,441</u>	<u>3,874</u>
Cash and cash equivalents at 1 September 2021		15,538	11,664
Cash and cash equivalents at 31 August 2022		<u>16,979</u>	<u>15,538</u>

**Notes to the Financial Statements
For the year ended 31 August 2022**

1 Accounting policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

REAch2 Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of a grant towards the normal running costs and capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the Trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted

**Notes to the Financial Statements
For the year ended 31 August 2022**

from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

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

- **Expenditure on raising funds** This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising

**Notes to the Financial Statements
For the year ended 31 August 2022**

activities events and non-charitable trading.

• **Charitable activities** These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

Freehold buildings	50 Years
Leasehold land and buildings	50 Years or Useful Economical Life which ever is lower
Leasehold improvements	50 Years
Furniture and equipment	4 Years
Plant and machinery	4 Years
Computer equipment	3 Years
Motor vehicles	4 Years

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

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

1.6 Liabilities

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

**Notes to the Financial Statements
For the year ended 31 August 2022**

1 Accounting policies (Continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.7 Leasing and hire purchase commitments

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

1 Accounting policies (Continued)

1.8 Stock

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

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are

Notes to the Financial Statements
For the year ended 31 August 2022

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

1.11 Fund accounting

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

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

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

1.12 Financial instruments

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

Trade and other debtors / creditors

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

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

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

Interest-bearing borrowings classified as basic financial instruments

**Notes to the Financial Statements
For the year ended 31 August 2022**

1 Accounting policies (Continued)

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

Cash and cash equivalents

Is classified as a basis financial instrument and is measured at face value. Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Notes to the Financial Statements
For the year ended 31 August 2022

2 Donations and Capital Grants	Unrestricted	Restricted	2022	2021
	Funds £'000	Funds £'000	Total £'000	Total £'000
Donated Fixed Assets	-	7,257	7,257	9,232
Capital Grants - DfE / EFA	-	4,094	4,094	4,267
Capital Grants - Non Government	-	51	51	59
	<u>-</u>	<u>11,402</u>	<u>11,402</u>	<u>13,558</u>

Capital grants relate to ESFA Devolved Capital and School Conditioning Funding

Included within Donated Fixed Assets is 1 Freeschool (Lower Farm Academy) which opened on the 1st September 2019 (£7,257k). Due to circumstances beyond the control of the trust the permanent building was delayed and was officially handed over to the trust on 01.09.2021

3 Funding For Educational Operations	Unrestricted	Restricted	2022	2021
	Funds £'000	Funds £'000	Total £'000	Total £'000
DfE / ESFA Grants				
General Annual Grant (GAG)	-	87,256	87,256	81,318
Other ESFA Grants				
-Universal Infant Free School Meals (UIFSM)	-	2,301	2,301	2,665
-Pupil Premium	-	8,339	8,339	7,962
-Other	-	4,827	4,827	5,904
	<u>-</u>	<u>102,723</u>	<u>102,723</u>	<u>97,849</u>
Other Government Grants				
Local authority grants		9,476	9,476	8,607
	<u>-</u>	<u>9,476</u>	<u>9,476</u>	<u>8,607</u>
COVID-19 Additional funding (DfE/ESFA)				
Catch-up Premium		-	-	1,441
Other DfE/ESFA COVID-19 funding		-	-	136
	<u>-</u>	<u>0</u>	<u>0</u>	<u>1,577</u>
COVID-19 Additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme Grant		-	-	33
Other COVID-19 funding		-	-	59
	<u>-</u>	<u>0</u>	<u>0</u>	<u>92</u>
Other Income				
School Trips	-	747	747	71
Catering Income	1,023	-	1,023	730
Music Lessons	-	59	59	31
Clubs	-	1,616	1,616	844
Other	1,706	-	1,706	1,290
Uniform Sales	31	-	31	37
	<u>2,760</u>	<u>2,422</u>	<u>5,182</u>	<u>3,003</u>
	<u>2,760</u>	<u>114,621</u>	<u>117,381</u>	<u>111,128</u>

The master funding agreement of the Trust is not subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

Other government revenue grants includes £3,985,178 of Early Years Foundation funding and £4,377,768 of SEN funding.

4 Other Trading Activities	Unrestricted	Restricted	2022	2021
	Funds £'000	Funds £'000	Total £'000	Total £'000
Lettings	427	-	427	266
Other income	316	-	316	455
	<u>743</u>	<u>-</u>	<u>743</u>	<u>721</u>

5 Investment Income	Unrestricted	Restricted	2022	2021
	Funds £'000	Funds £'000	Total £'000	Total £'000
Bank interest	8	-	8	-
	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 August 2022

6 Other trading expenses

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other Costs	2022	2021
	£'000	£'000	£'000	£'000	£'000
Educational operations					
. Direct costs (note 7)	89,747	1,839	12,232	103,818	93,600
. Allocated support costs (note 7)	16,441	8,371	13,180	37,992	34,880
				-	
	<u>106,188</u>	<u>10,210</u>	<u>25,412</u>	<u>141,810</u>	<u>128,480</u>

No unrestricted reserves have been expended in the year.

Net income / (expenditure) for the period includes:	2022	2021
	£'000	£'000
Fees payable to auditor – audit	60	80
– other services	37	57
Operating lease rentals – plant, machinery and equipment	472	483
Depreciation	12,358	11,792

Notes to the Financial Statements
For the year ended 31 August 2022

7 Charitable Activities – Educational Operations

	Total 2022 £'000	Total 2021 £'000
Direct costs		
Teaching staff costs	55,339	53,988
Other direct staff costs	19,739	18,573
Direct supply costs	3,196	2,152
Pension costs – deficit repayment contributions & net service costs	10,986	7,350
Educational supplies	2,831	2,108
Technology costs	1,298	1,623
Staff development	487	278
Recruitment	238	101
School uniform	65	58
Free school meals	832	872
Catering	3,459	2,407
Staff transport and travel	224	151
Telephones	181	195
Printing, postage and stationary	268	206
Legal costs – conversion	-	2
Legal costs – other	102	113
Professional fees	149	144
Insurance	178	183
Licences and subscriptions	57	103
Marketing and advertising	122	68
Educational visits	1,027	116
Educational consultancy	729	475
Music services	270	161
Hire of equipment	541	527
Other educational services	764	749
Government Loan Interest	82	95
Other direct costs	654	802
	<u>103,818</u>	<u>93,600</u>
Support costs		
Support staff costs	16,441	15,313
Depreciation & impairment	12,358	11,792
Maintenance of premises and equipment	3,338	2,734
Cleaning	1,669	1,583
Insurance	374	341
Utilities	1,738	1,531
Security	126	104
Rent and rates	748	541
Health and safety	99	82
Other occupancy costs	279	254
Other support costs	725	468
	<u>37,895</u>	<u>34,743</u>
Audit		
– audit of financial statements	60	80
– other	37	57
	<u>97</u>	<u>137</u>
Total Support Costs	<u>37,992</u>	<u>34,880</u>
Total Costs	<u>141,810</u>	<u>128,480</u>

Notes to the Financial Statements
For the year ended 31 August 2022

8 Staff Costs

a) Staff costs

Staff costs during the year were:

	Total 2022 £'000	Total 2021 £'000
Wages and salaries	69,938	67,488
Social security costs	6,062	5,566
Pension costs	15,298	14,682
Apprenticeship levy	326	324
	<u>91,624</u>	<u>88,060</u>
Supply staff costs	3,196	2,152
Staff development and other staff costs	487	278
Pension liability inherited on transfers	-	-
	<u>95,307</u>	<u>90,490</u>

Staff restructuring costs comprise:

- Redundancy Payments	60	224
- Severance Payments costs	36	44
- Other restructuring costs	-	-
	<u>96</u>	<u>268</u>

b) Staff severance payments

The Trust paid 10 severance payments in the year, disclosed in the following bands:

0 - £25,000	10
£25,001 - £50,000	0
£50,001 - £100,000	0
£100,001 - £150,000	0
£150,000+	0

Included within the staff restructuring costs are special severance payments totalling £36,193 (2021: £44,038). Individually, the payments were £17,678, £6,066, £5,000, £4,855, £1,329, £1,264, £1.

c) Staff numbers

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

	2022 No.	2021 No.
Charitable Activities		
Teachers	811	817
Admin and support	1,174	1,113
Management and central team	215	219
	<u>2,200</u>	<u>2,149</u>

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

	2022 No.	2021 No.
Charitable Activities		
Teachers	887	875
Admin and support	1,880	1,863
Management and central team	230	233
	<u>2,997</u>	<u>2,971</u>

Notes to the Financial Statements
For the year ended 31 August 2022

d) Higher paid staff

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

	2022 No.	2021 No.
£60,001 – £70,000	50	57
£70,001 – £80,000	16	16
£80,001 – £90,000	17	16
£90,001 – £100,000	6	6
£100,001 – £110,000	4	3
£110,001 – £120,000	3	2
£120,001 – £130,000	2	1
£130,001 – £140,000	0	1
£140,001 – £150,000	1	0
£150,001 – £160,000	0	0
£160,001 – £170,000	0	1
£180,001 – £190,000	1	0
£210,001 – £220,000	1	0
£220,001 – £230,000	0	1

e) Key management personnel

The key management personnel of REAch2 Academy Trust comprise the Trustees and the Senior Management Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £650,169 (2021:£744,900).

9 Trustees' remuneration and expenses

During the year there was a change in the Chief Executive and Accounting officer role, therefore during the period two trustee have been paid remuneration or have received other benefits from employment with the academy trust. The Chief Executive Officer only receives remuneration in the respect of services they provide undertaking the role of the Chief Executive under their contract of employment, and not in respect of their services as Trustees.

Sir Steve Lancashire (Chief Executive Officer and Accounting Officer) – until 18.04.2022 £150,000 – £160,000 (2021:£220,000 – £230,000)

The above employee participated in the Teachers' Pension Scheme this year. During the year ended 31 August 2022 pension contributions paid £30,000 – £40,000 (2021: £50,000 – £60,000)

Catherine Paine (Chief Executive Officer and Accounting Officer) – effective from 19.04.2022 £70,000 – £80,000 (2021:£nil)

The above employees participated in the LGPS Pension Scheme this year. During the year ended 31 August 2022 pension contributions amounted to £20,000 – £30,000 (2021:£nil).

Payments made to Trustees of The Board relating to travel and subsistence were £568 (2021: £nil).

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

Notes to the Financial Statements
For the year ended 31 August 2022

10 Trustees' and Officers' Insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustee and officers indemnity element from the overall cost of the RPA scheme membership.

11 Central Services

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

- Accountancy and financial planning systems;
- Accountancy support;
- HR support;
- Payroll;
- Estates strategic management and capital improvement;
- Governance support;
- Policy development;
- Executive Principals and Associate School Leaders;
- School Performance Management;
- Risk Management;
- School leadership development and training;
- School leadership performance management;
- Trust leadership and networking;
- Liaison with regulators and policy makers (DfE, ESFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House)
- Media and publicity management;
- Crisis management.

The Trust charges for these services based on a percentage of GAG income excluding grants received towards rates and insurance. In 2022 this was 6.5% (2021: 6.5%).

Notes to the Financial Statements
For the year ended 31 August 2022

11 Central Services (continued)

The amounts charged during the year were as follows:

	2022	2021
	£'000	£'000
Aerodrome Primary Academy	156	148
Beccles Primary Academy	58	61
Brampton Primary Academy	96	93
Burrsville Infant Academy	56	52
Bushbury Lane Primary Academy	66	64
Camulos Primary Academy	108	87
Chapel End Junior Academy	106	100
Chigwell Primary Academy	67	62
Civitas Academy	103	83
Concordia Primary Academy	104	76
Copperfield Academy	116	110
Dorothy Barley Junior Academy	141	137
Eastbrook Primary Academy	114	107
Five Spires Academy	56	44
Garden City Academy	68	69
Greenridge Primary Academy	103	83
Green Park Village Primary Academy	37	28
Gunton Primary Academy	83	78
Heath Hayes Primary Academy	53	51
Henhurst Ridge Primary Academy	42	31
Kemsley Primary Academy	59	56
Kirby Primary Academy	62	56
Langtons Junior Academy	76	68
Lawley Village Academy	55	49
Lower Farm Academy	30	22
Manor Park Primary Academy	120	125
Martlesham Primary Academy	33	29
Phoenix St Peter	53	54
Milton Court Primary Academy	62	57
Moor Green Primary Academy	133	122
Newhall Primary Academy	63	50
Northfield St Nicholas Primary Academy	116	114
Norton Canes Primary Academy	62	58
Oakfield Primary Academy	105	99
Pemberley Academy	62	58
Purfleet Primary Academy	160	149
Racemeadow Primary Academy	90	78
Ranikhet Academy	59	61
Riverside Academy	63	58
Robert Fitzroy Academy	190	185
Scientia Academy	119	111
Silkmore Primary Academy	73	70
Sir Martin Frobisher Primary Academy	72	75
Springfield Primary Academy	142	148
Springhill Primary Academy	47	47
Sprites Primary Academy	100	91
St Margaret's Primary Academy	122	112
St Mark's Church of England Primary Academy	52	54
Summerside Primary Academy	121	118
The Globe Primary Academy	123	122
The Limes Primary Academy	51	36
The Palmer Primary Academy	113	108
The Woodside Primary Academy	358	337
Tidemill Academy	178	172
Tymberwood Academy	106	102
Unity Primary Academy	99	100
Veritas Primary Academy	111	93
Water Lane Primary Academy	57	55
White Meadows Primary Academy	162	152
Wilshire-Dacre Junior Academy	67	69
	<u>5,659</u>	<u>5,284</u>

**Notes to the Financial Statements
For the year ended 31 August 2022**

12 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Plant and Machinery	Computer Equipment	Assets under construction	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation									
At 1 September 2021	5,719	313,800	16,580	5,022	3,301	7,307	935	31	352,695
Additions	-	-	1,803	760	117	1,482	459	8	4,629
Disposals						(3)			(3)
Reclassification			125		1,269		(1,394)		-
Acquisitions		7,257							7,257
At 31 August 2022	5,719	321,057	18,508	5,782	4,687	8,786	-	39	364,578
Depreciation									
At 1 September 2021	522	58,199	1,321	4,191	2,798	6,006	-	31	73,068
Charged in year	88	9,302	369	624	672	1,301	-	2	12,358
Disposals						(3)			(3)
Impairment									-
At 31 August 2022	610	67,501	1,690	4,815	3,470	7,304	-	33	85,423
Net book values									
At 31 August 2022	5,109	253,556	16,818	967	1,217	1,482	-	6	279,155
At 31 August 2021	5,197	255,601	15,259	831	503	1,301	935	-	279,627

Included in Freehold Land & Buildings is an amount of £1,367,500 in respect of land which is not depreciated.

Included within Acquisitions is 1 Freeschool (Lower Farm Academy) which opened on the 1st September 2019 (£7,257). Due to circumstances beyond the control of the trust the permanent building was delayed and was officially handed over to the trust on 01.09.2021

Where fixed assets have transferred upon merger from existing Academy Trusts or from Local Authorities, the cost recognised in fixed asset additions is equal to the market value of fixed assets on the date of transfer. Upon transfer, management have considered the useful economic life of each asset at both the date of its initial recognition, when it was originally purchased, and at the date of transfer to the Trust. Accordingly depreciation has been charged over the reassessed useful economic life of the asset. Where the year ended 31 August 2021 would have represented the final year of an assets useful economic life prior to transferring to the Trust, should the assessment by management have identified no extension of useful economic life, the entire cost recognised in additions in year was depreciated in the year ended 31 August 2022. This will also have affected the charge made against assets with useful economic lives due to expire in 2022 and 2023.

Notes to the Financial Statements
For the year ended 31 August 2022

13 Stock

	2022	2021
	£'000	£'000
Clothing (Pupil Uniform for resale)	11	11
	<u>11</u>	<u>11</u>

14 Debtors: amounts owed within one year

	2022	2021
	£'000	£'000
Trade debtors	264	481
Prepayments & accrued income	2,887	2,772
Other debtors	73	56
VAT recoverable	1,147	811 (i)
	<u>4,371</u>	<u>4,120</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	5,692	3,432
Taxation and social security	1,783	1,367
Other creditors	1,105	996
Accruals and deferred income	5,409	5,024
ESFA Creditor: Abatement of GAG	122	24 (iii)
Loan	665	665 (ii)
	<u>14,776</u>	<u>11,508</u>

16 Deferred income

	2022	2021
	£'000	£'000
(Included in Accruals and deferred income above)		
Deferred Income brought forward	2,529	3,150
Amounts released from previous years	(2,529)	(3,150)
Resources deferred in the year	2,163	2,529
Deferred Income carried forward	<u>2,163</u>	<u>2,529</u>

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

17 Creditors: amounts falling due after more than one year

	2022	2021 (ii)
	£'000	£'000
Loan		
Due 1 – 2 years	665	665
Due 2 – 5 years	2,403	2,400
Due over 5 years	-	587
	<u>3,068</u>	<u>3,652</u>

Included within creditors is a loan with a balance of £3,733,000 (of which £665k is due within one year) from the Education and Skills Funding Agency, as part of the MAT Loan Pilot scheme. Interest is charged on the loan at 1.91%, and repayable in equal instalments over the next 6 years

(i) VAT recoverable has been restated as a debtor due to the trust, originally it was included within the taxation and social security creditor

(ii) The loan creditor has been restated, so that it better reflects the nature of the loan repayments made by the trust to the Department for Education

(iii) Abatement of GAG has been split out from Accrued/Deferred income to align with the academies accounts direction 2021-22

Notes to the Financial Statements
For the year ended 31 August 2022

18 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	4,444	87,256	(87,847)	(1,208)	2,647
UFSM	-	2,301	(2,301)	-	-
Pupil Premium	53	8,339	(8,339)	-	53
Catch-up Premium	480	-	-	-	480
Other ESFA Grants	326	4,827	(4,827)	-	326
Other DIE/ESFA COVID-19 funding	-	-	-	-	-
Other Government Grants	32	9,476	(9,476)	-	32
Coronavirus Job Retention Scheme Grant	-	-	-	-	-
Other COVID-19 funding	-	-	-	-	-
Other restricted income	-	2,422	(2,422)	-	-
Funds inherited on transfers from LA and mergers	531	-	-	(531)	-
	5,866	114,621	(115,212)	(1,737)	3,538
Pension reserve	(82,119)	-	(10,812)	75,099	(17,832)
	(76,253)	114,621	(126,024)	73,362	(14,294)
Restricted fixed asset funds					
Donated Assets	248,607	7,257	(9,889)	-	245,975
Capital Expenditure from GAG/DIE	30,861	-	(2,387)	4,606	33,180
	279,568	7,257	(12,276)	4,606	279,155
Government Loan	(4,317)	-	(82)	666	(3,733)
Capital Grants - DIE/ESFA	-	4,094	-	(4,066)	28
Capital Grants - Non Government	59	51	-	-	110
	275,310	11,402	(12,358)	1,206	275,560
Total restricted funds	199,057	126,023	(138,382)	74,568	261,266
Unrestricted funds					
General Funds	2,960	3,511	(3,428)	-	3,043
Funds inherited on transfers from LA and mergers	-	-	-	531	531
Total unrestricted funds	2,960	3,511	(3,428)	531	3,574
Total funds	202,017	129,534	(141,810)	75,099	264,840

The academy trust transferred £531k from restricted to unrestricted funds which related to funds inherited from transfers of LA schools into the trust, as this better reflects the nature of the funds received.

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

	Balance at 1 September 2020 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
General Annual Grant (GAG)	2,002	81,318	(79,877)	1,001	4,444
UFSM	-	2,665	(2,665)	-	-
Pupil Premium	-	7,962	(7,909)	-	53
Catch-up Premium	-	1,441	(961)	-	480
Other ESFA Grants	-	6,235	(5,909)	-	326
Other DIE/ESFA COVID-19 funding	-	136	(136)	-	-
Other Government Grants	-	8,607	(8,575)	-	32
Coronavirus Job Retention Scheme Grant	-	33	(33)	-	-
Other COVID-19 funding	-	59	(59)	-	-
Other restricted income	-	946	(946)	-	-
Funds inherited on transfers from LA and mergers	531	-	-	-	531
	2,533	109,402	(107,070)	1,001	5,866
Pension reserve	(61,911)	-	(7,171)	(13,037)	(82,119)
	(59,378)	109,402	(114,241)	(12,036)	(76,253)
Restricted fixed asset funds					
DIE/ESFA capital grants and expenditure from GAG	25,744	4,267	(2,366)	(1,001)	26,644
Government Loan	-	59	-	-	59
Donated assets	248,801	9,232	(9,426)	-	248,607
	274,545	13,558	(11,792)	(1,001)	275,310
Total restricted funds	224,637	122,960	(126,033)	(13,037)	199,057
Unrestricted funds					
General Funds	2,960	2,778	(2,778)	-	2,960
Total unrestricted funds	2,960	2,778	(2,778)	-	2,960
Total funds	227,597	125,738	(128,811)	(13,037)	202,017

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

Restricted general funds must be used for the normal running costs of the Trust. In line with the Master Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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

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

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

Notes to the Financial Statements
For the year ended 31 August 2022

18 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2022 £'000	2021 £'000
Aerodrome Primary Academy	363	408
Beccles Primary Academy	(53)	54
Brampton Primary Academy	(407)	(487)
Burrsville Infant Academy	107	131
Bushbury Lane Primary Academy	217	233
Camulos Primary Academy	383	340
Chapel End Junior Academy	359	372
Chigwell Primary Academy	221	207
Civitas Academy	535	396
Concordia Primary Academy	321	273
Copperfield Academy	(719)	(595)
Dorothy Barley Junior Academy	744	667
Eastbrook Primary Academy	183	164
Five Spires Academy	142	85
Garden City Academy	216	285
Greenridge Primary Academy	339	338
Green Park Village Primary Academy	179	123
Gunton Primary Academy	246	214
Heath Hayes Primary Academy	121	189
Henhurst Ridge Primary Academy	99	64
Kemsley Primary Academy	374	378
Kirby Primary Academy	308	313
Langtons Junior Academy	454	508
Lawley Village Academy	92	105
Lower Farm Academy	149	172
Manor Park Primary Academy	434	570
Martlesham Primary Academy	(153)	(110)
Milton Court Primary Academy	298	255
Moor Green Primary Academy	704	571
Newhall Primary Academy	1	39
Northfield St Nicholas Primary Academy	(204)	(242)
Norton Canes Primary Academy	197	209
Oakfield Primary Academy	772	856
Pemberley Academy	276	422
Phoenix St Peter Academy	(281)	(230)
Purfleet Primary Academy	510	413
Racemeadow Primary Academy	312	255
Ranikhet Academy	262	204
Reach2 Head Office	(7,455)	(5,783)
Riverside Academy	405	431
Robert Fitzroy Academy	440	507
Scientia Academy	592	714
Silkmore Primary Academy	487	371
Sir Martin Frobisher Primary Academy	(160)	42
Springfield Primary Academy	489	502
Springhill Primary Academy	(136)	(77)
Sprites Primary Academy	(104)	(24)
St Margaret's Primary Academy	249	280
St Mark's Church of England Primary Academy	20	85
Summerside Primary Academy	68	20
The Globe Primary Academy	146	87
The Limes Primary Academy	188	152
The Palmer Primary Academy	307	359
The Woodside Primary Academy	760	536
Tidemill Academy	891	899
Tymberwood Academy	174	146
Unity Primary Academy	381	296
Veritas Primary Academy	358	340
Water Lane Primary Academy	256	286
White Meadows Primary Academy	290	251
Wilshire-Dacre Junior Academy	365	257
	7,112	8,826
Fixed asset reserves	275,560	275,310
Pension reserve	(17,832)	(82,119)
	264,840	202,017

Notes to the Financial Statements
For the year ended 31 August 2022

19 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted General Fund £'000	Restricted General Fund £'000	Restricted Fixed Asset Fund £'000	Total 2022 £'000
At 1 September 2021				
Tangible fixed assets	-	-	279,155	279,155
Current assets	3,043	18,180	138	21,361
Current liabilities	-	(14,043)	(733)	(14,776)
Non-Current liabilities	-	-	(3,000)	(3,000)
Pension scheme liability	-	(17,832)	-	(17,832)
Total net assets	3,043	(13,695)	275,560	264,908

20 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £949k (2021: £890k) were payable to the Teachers Pension Scheme at 31 August 2022 and are included within creditors.

Contributions amounting to £127k (2021: £73k) were payable to the Local Government Pension Scheme at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year ended 31 August 2022 amounted to £11,902,000 (2021: £11,506,000)

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

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

Notes to the Financial Statements
For the year ended 31 August 2022

20 Pension and Similar Obligations (continued)

Local Government Pension Schemes

REAch2 is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

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

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

Where a pension fund valuation has resulted in an overall asset position, these assets have not been recognised as at the time of approving the accounts, the trustees have no indication that this will result in either a refund of contributions or a reduction in future contributions.

Principal actuarial assumptions (average)	2022	2021
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment / inflation	3.0	2.8
Discount rate for scheme liabilities	4.2	1.7
Inflation assumption (CPI)	3.0	2.6

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

	2022	2021
<i>Retiring today</i>		
Males	21.7	21.9
Females	24.2	24.2

<i>Retiring in 20 years</i>		
Males	23.0	23.2
Females	25.9	25.8

Sensitivity analysis	£'000	£'000
Discount rate +0.1%	2,251	4,194
Discount rate -0.1%	(2,267)	(4,228)
Mortality assumption - 1 year increase	(2,927)	(6,124)
Mortality assumption - 1 year decrease	2,911	6,067
CPI rate +0.1%	(2,171)	(3,817)
CPI rate -0.1%	2,158	3,790

Notes to the Financial Statements
For the year ended 31 August 2022

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

	2022 £'000	2021 £'000
Equities	44,805	46,023
Gilts	467	1,749
Corporate bonds	12,970	11,591
Property	8,247	6,099
Cash and other liquid assets	1,969	2,315
Other	4,040	4,363
Assets relating to unrecognised surplus	(1,528)	-
Total market value of assets	<u>70,969</u>	<u>72,140</u>

The return on scheme assets was (£3,269,000) (2021: £18,570,000)

Amount recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Current service cost (net of employer contributions)	9,371	6,080
Past service cost	10	2
Net interest cost	1,380	1,047
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	51	42
Total amount recognised in the SOFA	<u>10,812</u>	<u>7,171</u>

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

	2022 £'000	2021 £'000
At 1 September 2021	149,164	112,258
Current service cost	16,122	12,317
Past service cost	10	2
Interest cost	2,544	1,952
Employee contributions	1,658	1,586
Actuarial (gain)/loss	(79,532)	21,702
Benefits paid	(1,165)	(653)
At 31 August 2022	<u>88,801</u>	<u>149,164</u>

**Notes to the Financial Statements
For the year ended 31 August 2022**

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

	2022	2021
	£'000	£'000
At 1 September 2021	67,045	50,347
Interest on assets	1,164	905
Actuarial (loss)/gain	(2,905)	8,665
Employer contributions	6,751	6,237
Employee contributions	1,658	1,586
Benefits paid	(1,165)	(653)
Admin expenses	(51)	(42)
Assets relating to unrecognised surplus	(1,528)	
At 31 August 2022	<u>70,969</u>	<u>67,045</u>
 Net defined benefit liability / (asset)	 <u>17,832</u>	 <u>82,119</u>

The estimated value of employer contributions for the year ended 31 August 2023 is £6,680,000

Notes to the Financial Statements
For the year ended 31 August 2022

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities	2022	2021
	Total	Total
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(12,276)	(3,073)
Adjusted for:		
Depreciation and impairment charges (note 12)	12,358	11,792
Donated Fixed Assets	(7,257)	(9,232)
Capital grants from DfE and other capital income	(4,145)	(4,326)
Interest receivable (note 5)	(8)	-
Interest payable on Government loan	82	-
Defined benefit pension scheme net finance cost/ (income)	10,812	7,172
Defined benefit pension scheme cost less contributions payable	-	-
(Increase) / decrease in stock	-	2
Decrease / (increase) in debtors	(251)	32
Increase / (decrease) in creditors	3,268	538
Loss on disposal of tangible fixed assets	-	-
Net cash provided by / (used in) operating activities	<u>2,583</u>	<u>2,905</u>

22 Cashflow from financing activities	2022	2021
	Total	Total
	£'000	£'000
Repayment of borrowing	(600)	(600)
Repayment of interest	(66)	(64)
Net cash provided by/(used in) financing activities	<u>(666)</u>	<u>(664)</u>

23 Analysis of changes in net debt

	As at 1 September 2021 £'000	Cashflow £'000	Acquisition / disposal of subsidiary £'000	New finance leases £'000	Other non- cash changes £'000	As at 31 August 2022 £'000
Cash	15,538	1,441	-	-	-	16,979
	15,538	1,441	-	-	-	16,979
Loans falling due within one year	(665)	-	-	-	-	(665)
Loans falling due after more than one year	(3,652)	-	-	-	584	(3,068)
	(4,317)	-	-	-	584	(3,733)
TOTAL	<u>11,221</u>	<u>1,441</u>	<u>-</u>	<u>-</u>	<u>584</u>	<u>13,246</u>

24 Capital Commitments	2022	2021
	£'000	£'000
Contracted for, but not provided in the financial statements	<u>196</u>	<u>167</u>

25 Commitments under operating leases

At 31 August 2022 the total of the Trust's future minimum lease payments under non-cancellable operating leases were:

	2022	2021
	£'000	£'000
Amounts due within one year	308	329
Amounts due within two and five years	845	936
Amounts due after five years	12	148
	<u>1,165</u>	<u>1,413</u>

26 Related party transactions

Owing to the nature of the organisation's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which someone may have an interest. All transactions involving such organisations are conducted at arm's-length and in accordance with the organisations financial regulations and normal procurement procedures. The following related party transactions took place in the period of the accounts.

Income relating to services provided to Reach2 Inspiration Limited, a whole owned subsidiary of REAch2 Academy Trust amounted to £nil in the year, with a debtor balance of £1k and costs of £nil during the year with a creditor balance of £nil at the year end.

During the year the MAT purchased goods and services from Everything ICT which is part of an approved government framework. Jonathan Lewis, a Director, is also a Director of East of England Broadband Network which is an available supplier via that framework.

In entering into the transactions the trust has complied with the requirements of the Academies Trust Handbook 2021.

Notes to the Financial Statements
For the year ended 31 August 2022

27 Post balance sheet events

There are no post balance sheet events

28 Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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

29 Investments

REAch2 Academy Trust owns 100% of the issued ordinary share capital of Reach2 Inspiration Limited, a company incorporated in England and Wales (Company Registration Number 08910718). The subsidiary is engaged in the supply of services to education. Its financial year ends on 24 August 2022.

The accounts of the subsidiary do not justify consolidation, as Reach2 Inspiration Limited is not deemed to be material to the organisation as a whole. The materiality of the trading company will be reviewed on an annual basis, thus ensuring that the financial statements continue to be prepared using best accounting practice.

30 Teaching School Trading Account

	2022 Total £'000	2022 Total £'000	2022 Total £'000	2021 Total £'000	2021 Total £'000	2021 Total £'000
Income						
Direct Income						
Other income		-			189	
Other Income						
Fundraising and other trading activities		-			142	
Total Income			-			331
Expenditure						
Direct Costs						
Direct staff costs	-			106		
Staff development	-			165		
Other direct costs	-			-		
Total direct costs		-			271	
Other costs						
Support staff costs	-			48		
Depreciation	-			-		
Technology costs	-			-		
Recruitment	-			-		
Security	-			-		
Other support costs	-			12		
Governance costs	-			-		
Total other costs		-			60	
Total Expenditure			-			331
Transfer between funds excluding depreciation						-
Surplus/(Deficit) from all sources			-			-
Teaching School Balance as at 1 September 2021			-			-
Teaching School Balance as at 31 August 2022			-			-

Teaching school activities ceased on the 31st August 2021