

Company Registration No. 09791051 (England and Wales)

**ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Prof Simon Gregory  
Naleena Gururani (Appointed 26 October 2016 and resigned 24 April 2017)  
Valerie Dunsford  
Ross Hall (Resigned 31 March 2017)  
Sir Steve Lancashire (Resigned 31 March 2017)  
Peter Little (Chair of Trustees) (Resigned 31 March 2017)  
James Muir (Chair of Trustees)  
Matthew Robb  
Jonathan Simons  
Prof John West-Burnham (Resigned 28 April 2017)  
Glendon Fendley (Appointed 28 April 2017)  
Prof Sam Twiselton (Appointed 28 April 2017)

### Members

Roger Michael Pryce (Resigned 31 March 2017)  
Ross Hall (Resigned 31 March 2017)  
Bob Carlton (Resigned 31 March 2017)  
Stephen Chamberlain (Appointed 31 March 2017)  
Dame Pat Collarbone (Appointed 31 March 2017)  
Jonathan Simons (Appointed 31 March 2017)

### Senior management team

- CEO and Accounting Officer	Elisabeth Nicholas
- Executive Director of Operations	Adam Goldstein
- Finance Director (Appointed April 2017)	Judith Mouldsdale
- Director of Education (Secondary)	Dean Anderson (Resigned 31 August 2017)
- Director of Education (Primary)	Benedick Ashmore-Short
- Director of Inclusion	Nicola Crossley
- Deputy Director of Education	Andrew Redfern

### Company registration number

09791051 (England and Wales)

### Principal and Registered office

28 Leman Street  
London  
E1 8ER  
United Kingdom

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Hatfield Primary Academy  
Hartley Brook Primary Academy  
Gooseacre Primary Academy  
The Hill Primary Academy  
Highgate Primary Academy  
Carrfield Primary Academy  
Castle Academy  
Greengate Lane Academy  
Lower Meadow Primary Academy  
Edenthorpe Hall Academy  
Hillside Academy  
Byron Wood Primary Academy  
Cottenham Village College  
Denaby Main Primary Academy  
Hexthorpe Primary Academy  
Kingfisher Primary Academy  
Netherwood Academy  
The Centre School  
Intake Primary Academy  
Atlas Academy

### Location

Sheffield  
Sheffield  
Rotherham  
Rotherham  
Rotherham  
Rotherham  
Doncaster  
Sheffield  
Sheffield  
Doncaster  
Doncaster  
Sheffield  
Cambridge  
Doncaster  
Doncaster  
Doncaster  
Doncaster  
Barnsley  
Cambridge  
Doncaster  
Doncaster

### Principal

Ms C Blencowe  
Mr Jim Garbutt  
Mrs K Godfrey  
Mr Sean Woolley  
Ms Jo Leishman  
Mr A Crossley  
Mr C Campbell  
Mr P Cross  
Ms Angela Clarke  
Mr J Moody  
Miss M Walton  
Mrs S Ashton  
Mrs J Hadley  
Miss V Gorton  
Mrs N Parker-Watts  
Mrs E Breckenridge  
Mr A Redfern  
Mrs S Raven

### Independent auditor

RSM UK Audit LLP  
St Philips Point  
Temple Row  
Birmingham  
West Midlands  
B2 5AF

# **ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)**

## **TRUSTEES' REPORT**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2017. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

The Trust was incorporated on 23 September 2015 and commenced trading activity from 1 May 2016.

The Trust operates fifteen primary academies in the South Yorkshire area for pupils aged 2 to 11 and two secondaries in Barnsley and Cambridge for pupils aged 11 to 16. The Trust also operates one school as specialist provision in Cambridge. Its academies have a combined pupil capacity of 5,500 and had a roll of 4,728 in July 2017.

### **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 Astrea Academy Trust are also the directors of the charitable company for the purpose of company law. The Charitable Company is known as Astrea Academy Trust.

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

The principle activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of its Master Funding Agreement in place with the Education and Skills Funding Agency, in Primary, Secondary and all through education.

#### **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**

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

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### **Method of recruitment and appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the articles of association and funding agreement. The recruitment and succession planning of Trustees must reflect Astrea Academy Trust's ambitions for scale and reach over the next five years. The skills profile of the Board must reflect the governance needs of the Trust.

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

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

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

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

A 'Roles and Responsibilities' document outlining the expectations of an Astrea Trustee is circulated to all potential candidates.

### **2. Nominations**

Nominations may be received from people outside Astrea but a member of the Board or trusted staff member will take over as nominator in this case so that each candidate is 'owned' by someone within the organisation. The nominator should be prepared to champion the candidate through the selection process, advocate for the candidate's fit with Astrea, coach the candidate, act as primary point of contact between Astrea and the candidate, and support contract signing and on-boarding.

### **3. Executive Board Interview**

Following an initial introductory discussion and informal CV review, one on one discussions with an Executive Board member are intended to screen candidates who meet the appointment criteria. A decision will then be taken whether to progress the candidate to a final Chair/Board member discussion, following review of the candidate's suitability against the selection criteria and any skills gaps of the current Board.

### **4. Chair/Board member final interview**

Prior to a formal decision on appointment to the Board all candidates will need a final interview with the Chair of the Board or designated Board member. This is to assess overall suitability to work well as part of the existing team of Trustees.

### **5. Decision and appointment to Astrea Board**

Final ratification of a potential appointment is provided by the overall Board at the subsequent Board meeting. Once this has been approved successful candidates can commence the Astrea Trustee induction process.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### **Policies and procedures adopted for the induction and training of Trustees**

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

### **Organisational structure**

The Trust has established a management structure to enable efficient and effective running of the organisation. The structure consists of four levels: the board of Trustees, the Executive team who are the senior leadership team of the trust, the Regional boards and the local governing boards of academies.

Trustees are responsible for setting policy, adopting an annual plan and budget approval, monitoring the impact of the Trust on educational outcomes (including EYFS, KS1, KS2 and KS4 outcomes, and Ofsted outcomes), making major decisions about the direction of the Trust, oversight of capital expenditure and approval of senior staff appointments.

The Principal of each academy is directly responsible for its day-to-day running and is assisted by their senior leadership team. Local governor representatives are responsible for implementing general policy; budget monitoring and overseeing major decisions about the direction of the academy.

The Local Governing Body is responsible for the implementation of the Trust approved scheme of delegation, which sets out the system of internal controls, responsibilities, and terms of reference. The Local Governing Body should ensure that the policy is implemented at the point of conversion with on-going reviews taking place.

The Chief Executive of the Trust assumes the role of the Accounting Officer.

The Executive Team include;

Elisabeth Nicholas – CEO and Accounting Officer  
Adam Goldstein – Executive Director of Operations  
Judith Mouldsdales - Finance Director (appointed April 2017)  
Dean Anderson – Director of Education Secondary  
Benedick Ashmore-Short – Director of Education Primary  
Nicola Crossley – Director of Inclusion  
Andrew Redfern – Deputy Director of Education

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

When considering and setting salary levels across the trust a clear set of principles were identified to ensure transparency. In order to ensure fairness and equity throughout the organisation it was proposed that job roles should be banded relative to that of the salary of a newly qualified teacher. The highest paid role, considering the infancy of the trust, will not exceed seven times that of a newly qualified teacher.

A benchmarking exercise was also undertaken across other Multi-Academy Trusts in particular covering the more senior roles.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### OBJECTIVES AND ACTIVITIES

The principal objective and activity of the charitable company is to advance education in the UK for the public benefit, in particular by maintaining and developing the operation of academies to provide a broad and balanced education for pupils of all abilities, initially in the South Yorkshire and Cambridge region.

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

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

### Objectives, Strategies and Activities

The Trust has considered and implemented a strategy to identify objectives for the next year. These objectives are:

- To strengthen governance across all aspects of the organisation by developing more effective relationships.
- To positively impact on the outcomes of pupils whilst managing strong communications and being nationally recognised as experts in governance.
- To manage the growth plans of the organisation without compromising outcomes of the academies so that this positively impacts on the quality of teaching and learning in the schools.
- To continually challenge, and expecting consistently high standards of, teaching and learning for all pupils in all schools.
- To develop a clear leadership strategy at every level across the organisation.
- Achieving best value in service delivery especially where partnership working can add value.

The Trust's Value Partners have been developed as a measure of progress for staff, pupils and Trustees and to inform the Trust's overall operations:

- **Responsibility and Leadership** - Individuals in the Astrea community are accountable for their own decisions and actions and are supported by strong leaders, while trailblazers are encouraged to develop skills and talents in others. The Trust has a strong commitment to developing and nurturing its own leaders.
- **Enjoyment and Innovation** - We know that everyone learns best when they enjoy what they do and are in a position to follow their innate desire to achieve. Astrea pushes boundaries so that pioneering ideas are tried and tested and our academies remain leaders in the advancement of teaching and learning methods.
- **Aspiration and Development** - Every member of the Astrea community, from the youngest pupil to the oldest member of staff, is encouraged to cultivate opportunities to grow. We achieve excellence by being inspired to become the best we can be. The progress and well-being of pupils is our top priority, at the centre of every decision.
- **Collaboration and Inclusion** - Astrea honours and applauds the differences that make us unique whilst actively seeking and celebrating the common ground that binds us together as a strong community. We work together in a productive environment where dynamic ideas are shared in partnership, so that every member of the community may thrive.
- **Honesty and Integrity** - We are honest and open. Astrea decisions and responses are grounded in time-honoured moral principles that remain constant in the face of challenges and change.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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To achieve its key objectives the Trust undertakes the following key activities:

- Review and on-going development of new and existing policies and procedures to strengthen the accountability of the Trust.
- Ensure a rich and varied educational experience for all pupils by developing best practice, fostering the development of a knowledge-rich curriculum and providing opportunities for enrichment across the Trust such as competitive sport, cultural literacy and community experience. The Trust will also ensure that best practice is secured through the development of communities of practice and strong leadership development programmes.
- Securing value for money and consistent quality of support services through a combination of centrally procured and provided services. Services that are centrally procured by the Academy Trust, but paid for directly by the academies are legal services, audit services and responsible officer services. Services that are directly provided or procured by the Academy Trust and paid for by the Trust, on behalf of its academies include: group leadership, training, business and administration. The academy trust retain a percentage of each academy's monthly EFA income in order to provide these services. The percentage retention for the period to 31 August 2017 was 6.5%.

### **Public benefit**

In setting the objectives, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The main public benefit delivered by the trust is the provision of high quality education to its students, which will be evidenced from feedback from external assessments. The Academy Trust have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

### STRATEGIC REPORT

#### Achievements and performance

Academy	Date Joined	Sponsor Type	Expected Standard %				Progress		
			Reading %	Writing %	Maths %	Combined %	Reading	Writing	Maths
Carrfield Primary Academy	01/05/16	Academy Transfer	59	79	72	51	1.0	1.5	-0.9
Gooseacre Primary Academy	01/05/16	Academy Transfer	63	58	71	58	-0.1	-0.6	1.7
Highgate Primary Academy	01/05/16	Academy Transfer	77	93	95	77	1.7	5.0	4.5
The Hill Primary Academy	01/05/16	Academy Transfer	46	48	48	34	-2.9	-6.6	-3.7
Hatfield Academy	01/05/16	Academy Transfer	41	73	61	34	-3.2	1.6	-0.3
Hartley Brook Academy	01/05/16	Academy Transfer	46	66	59	41	-1.3	-0.7	-0.9
Castle Academy	01/06/16	Academy Transfer	55	71	48	32	-2.2	-0.8	-4.6
Lower Meadow Primary School	01/07/16	Fast Track Sponsor	45	50	53	35	-0.8	0.4	-0.1
Edenthorpe Hall Primary	01/08/16	Fast Track Sponsor	70	63	74	59	-0.1	-2.9	-1.1
Hillside Academy	01/08/16	Fast Track Sponsor	33	56	56	33	-3.1	-5.9	1.4
Byron Wood Primary School	01/08/16	Converter	67	80	85	62	2.5	4.6	7.2
Greengate Lane Academy	01/08/16	Academy Transfer	64	68	54	54	-2.7	-6.1	-2.8
Kingfisher	01/02/17	Academy Transfer	42	60	48	35	-2.2	-0.4	-2.1
Denaby Main	01/10/16	Academy Transfer	52	81	76	52	-2.9	1.5	-1.2

#### Academy Trust Primary Overview

Academy	Expected Standard %				% Change			
	Reading %	Writing %	Maths %	Combined %	Reading %	Writing %	Maths %	Combined %
Astrea	53	67	62	46	8	5	13	14

	Cohort	KS2 APS	Attainment/Progress		EBACC		Basics	
			A8	P8	Entered For the E-BACC	Achieving the E-BACC	Basics (C+/4+)	Basics (5+)
Cottenham	151	28	50.66	0.52	56%	36%	75%	62%
Netherwood	214	28	36.76	-0.85	10%	5%	43%	20%

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### Key performance indicators

**Carrfield Academy** joined the Trust as an academy transfer in May 2016. Its previous inspection in February 2013 judged overall effectiveness to be Good. Outcomes in July 2016 showed KS1 attainment of at least the expected standard in all subjects for all pupils and EYFS development to be above national figures. Outcomes for KS2 were significantly below average. Outcomes in July 2017 showed a 22% uplift in reading, writing and maths combined. The quality of teaching is now Good, attendance currently stands at 94.6%.

**Gooseacre Academy** joined the Trust as an academy transfer in May 2016. Its previous inspection in June 2014 judged overall effectiveness to be Good. Outcomes in July 2017 dipped due to high levels of additional needs impacting on learning. KS1 outcomes were above the national figure with particular strength in maths. The quality of teaching is Outstanding, attendance currently stands at approximately 95% and the number of fixed term exclusions have consistently been above the national average.

**Highgate Academy** joined the Trust as an academy transfer in May 2016. Its inspection in June 2017 judged overall effectiveness to be Good. Outcomes in July 2017 showed KS2 progress to be significantly above national average overall and no significant weakness was identified. The quality of teaching is Outstanding. Attendance is improving year on year and is currently approximately 95%.

**The Hill Academy** joined the Trust as an academy transfer in May 2016. Its most recent inspection in October 2016 judged overall effectiveness to be Inadequate. A new Principal took up post in January 2017. Outcomes in July 2017 showed KS2 progress in all subjects to be significantly below average. KS1 outcomes were below the national figure for all subjects. The quality of teaching is now Requires Improvement. Pupil attendance is improving and fixed term exclusions are above the national average.

**Hatfield Academy** joined the Trust as an academy transfer in May 2016. Its previous inspection in June 2015 judged overall effectiveness as Inadequate. Outcomes in July 2017 showed KS2 progress to be significantly below average. KS1 attainment was above national average. The quality of teaching is Requires Improvement. Pupil attendance remains steady and above 95% and the number of fixed term exclusions remains above national average.

**Hartley Brook Academy** joined the Trust as an academy transfer in May 2016. The previous inspection in March 2014 judged overall effectiveness as Good. Outcomes in July 2017 improved with a 22% uplift in reading, writing and maths combined. KS1 outcomes are broadly in line with average. The quality of teaching is now Good. Pupil attendance is below national average in the bottom 10% and currently stands at 94%. The number of fixed term exclusions is above the national average.

**Castle Academy** joined the Trust as a stand-alone academy transfer in June 2016. Its previous inspection in May 2016 judged overall effectiveness as Inadequate with strengths in Early Years. Outcomes in July 2017 showed KS2 progress to be significantly below average however the progress in Reading was well above national. The quality of teaching Requires Improvement. Pupil attendance remains steady and above 95.4% and the number of fixed term exclusions is above the national average.

**Lower Meadow Primary Academy** joined the Trust as a sponsored academy in July 2016. Its previous inspection in October 2015 judged overall effectiveness to be Requires Improvement. Outcomes in July 2017 improved by 18% for combined reading, writing and maths but remain below the national average. KS1 outcomes were below national average. The quality of teaching is Requires Improvement and improving. Pupil attendance remains a concern and is below national average and in the bottom 10%. The number of fixed term exclusions was above national average.

**Edenthorpe Hall Academy** joined the Trust as a sponsored academy in August 2016. Its previous inspection in June 2015 judged overall effectiveness to be Requires Improvement. Outcomes in July 2017 increased by 18% in reading, writing and maths combined. KS2 progress was above national average and particularly strong in reading. KS1 outcomes were broadly in line with the national figure. The quality of teaching is now Good. Attendance has seen an improvement and currently stands at 95.4%. The number of fixed term exclusions are well below national average.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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**Hillside Academy** opened as a sponsored academy in August 2016. Its previous inspection judged overall effectiveness to be Requires Improvement. Outcomes in July 2017 increased by 13% in combined reading, writing and maths. KS2 progress in reading and maths to be above average. The quality of teaching is Requires Improvement. Attendance has seen an improvement but was below national average and the number of fixed term exclusions remains above national average.

**Byron Wood Academy** opened as converter academy in August 2016. Its previous inspection in July 2015 judged overall effectiveness as Requires Improvement. Outcomes in July 2017 increased by 12% in the combined measure and showed KS2 progress to be significantly above national average overall in all subjects. Progress in mathematics was in the top 10% nationally. The quality of teaching is Good. Attendance has seen an improvement but was below the national average and currently stands at 94.4%. The number of fixed term exclusions remains at a constant zero.

**Greengate Lane Academy** joined the trust as an academy transfer in August 2016. Its previous inspection in September 2014 judged overall effectiveness as Good. Outcomes in July 2017 showed KS2 progress to be below national average. KS1 attainment was above national figures. The quality of teaching is Good. Attendance remains steady and above 95% and the number of fixed term exclusions remains above national average.

**Denaby Main** joined the Trust as an academy conversion in October 2016. Its previous inspection in June 2016 showed the school to be "Inadequate". A new Principal took up post in September 2016. The 2017 outcomes showed progress to be in line with national average with significant uplift in Maths attainment at KS2. Attendance is 95.6%.

**Kingfisher** joined the Trust as an academy conversion in February 2017. Its most recent inspection in October 2013 showed the school to be "Good" however this was not the case when the school joined the Trust. 2017 KS2 outcomes were significantly below national average and KS1 outcomes were broadly in line with national. Teaching is Requires Improvement but improvements are evident. Attendance is 95.4%

**Cottenham Village College** joined the Trust as an academy transfer in June 2017. Its previous inspection in November 2015 judged the school to be "Good". Outcomes at KS4 were well above national average with a Progress 8 figure of 0.52. Attendance is 95.6%.

**The Centre School** joined the Trust as an academy specialist provision transfer in June 2017. The most recent inspection in January 2017 judged to the school to be Good.

**Hexthorpe Academy** joined the Trust as an academy conversion in September 2016. Its most recent inspection in November 2017 showed the school to "Require Improvement". The 2017 outcomes at KS2 were below national average however there was strong progress in KS1 outcomes and the demographic of the school is one of exceptionally high mobility with over 300 new joiners across the school within two years. Attendance currently stands at 94%.

**Netherwood Academy** joined the Trust as an academy conversion in May 2017. Its most recent inspection in July 2014 showed the school to be 'Requires Improvement' however outcomes over 3 years have been in the bottom of 5% of all schools nationally and to this end the Trust executive categorise the school as in special measures. Outcomes in 2017 were well below national average with a provisional progress 8 figure of -0.87.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### Financial review

During the period, ESFALA grants totalled £28,334,280 (2016: £6,114,154). Restricted fund expenditure totalled to £29,812,085 (2016: £5,734,289) excluding the value of pension deficit relating to the local authority pension scheme.

The main source of unrestricted income was funds transferred on conversion of the academies to the trust totalling £1,055,148 (2016: £1,200,684). During the year four schools joined the Trust from local authority control and two school joined from existing academy trusts. The value of net assets transferred into the trust in respect of these schools was £24,493,521 (2016: twelve schools with a transfer value of £30,939,968)

Fund raising activities during the period amounted to £531,352.

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

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions since July 2017 have increased and it is expected that they will continue to increase further. Overall the Trust has a healthy balance sheet and cash flow and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the school development plan and school aims.

The Finance Director during 2015/16 implemented a Trust MIS system. The Trustees, through the Finance, Risk and Audit Committee, receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance, Risk and Audit Committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academies and the trust.

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

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

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### Reserves policy

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

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

Total reserves at the end of the period amounted to £51,713,628. This balance includes unrestricted funds (free reserves) of £2,458,871 which is considered appropriate for the academy trust, and restricted funds of £49,254,757.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totalling to £16,187,000. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount.

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

### Investment policy

It should be noted that the Academy Trust has substantial powers with regards to investment due to cash balances held in the central bank account. A Trust Investment policy is yet to be fully implemented, however at Academy level the funds the Academy has access to can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31st August 2017 no investments, except for bank deposits, were held.

### **Plans for future periods**

As a recently established MAT (18 months), Astrea are committed to improving educational outcomes for pupils across both primary and secondary education. Our value partners underpin the work undertaken by pupils, staff and trustees, these include the following:

Responsibility and Leadership, Enjoyment and Innovation, Aspiration and Development, Collaboration and Inclusion, Honesty and Integrity.

Recognition and support for pupils some of whom come from challenging backgrounds, ensures that we value all round development of the individual through arts, sports, leadership opportunities, enrichment and the community. The Trust is keen to increase the number of academies within its Multi Academy Trust to 20 by the end of December 2017. This in line with a 5 year business model, which was set out to deliver a model of sustainable improvement.

Educational intervention and support capacity will increase over the academic year through the recruitment of subject leads who will provide further capacity to the Directors of Education. Additional support is also being addressed at the operational level, to further assist the Trust whilst in its infancy. The Trust is establishing a centralised procurement strategy to realise cost savings and effectiveness across the trusts.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## TRUSTEES' REPORT (CONTINUED)

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### Principal risks and uncertainties

A Trust risk register has been established and going forward will be reviewed and updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to recruiting staff, 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 ensuring they are able to work with pupils, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

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

### 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.

### EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

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

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

### AUDITOR

A resolution proposing RSM UK Audit LLP to re-appointment will be put to the members.

### Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on ..... and signed on its behalf by:

.....  
James Muir  
**Chair of Trustees**

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## GOVERNANCE STATEMENT

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to CEO, 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 Astrea Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met four times during the Period. Attendance during the Period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Prof Simon Gregory	2	4
Naleena Gururani (Appointed 26 October 2016 and resigned 24 April 2017)	1	1
Valerie Dunsford	2	4
Ross Hall (Resigned 31 March 2017)	2	2
Sir Steve Lancashire (Resigned 31 March 2017)	2	2
Peter Little (Chair of Trustees) (Resigned 31 March 2017)	2	2
James Muir (Chair of Trustees)	4	4
Matthew Robb	4	4
Jonathan Simons	3	4
Prof John West-Burnham (Resigned 28 April 2017)	3	3
Glendon Fendley (Appointed 28 April 2017)	3	4
Prof Sam Twiselton (Appointed 28 April 2017)	3	4

The impact of each Board meeting is reviewed and monitored through the headline document that each committee reviews and produces on a termly basis. The Trustees' also intend to perform a review of governance and its performance in the coming year.

The Finance, Risk and Audit committee is a sub-committee of the main board of trustees. Its purpose is to receive financial monitoring reports from individual academies and consider individual academy budget proposals for authorisation, consider exceptional requests for expenditure and to oversee the financial position of the trust. The committee was established in September 2016 and met twice during the year.

The audit committee is also a subcommittee of the main board of Trustees. Its purpose is to:

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

### Review of value for money

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

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## GOVERNANCE STATEMENT (CONTINUED)

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The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Having a dedicated team, who are centrally employed. This will enable more focus on our academies and a more proactive approach being taken.
- Focus for the next year will be around procurement of services that will benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our academies.

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the period to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint ICCA Education Training and Skills as internal auditor, to carry out a program of internal checks

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## GOVERNANCE STATEMENT (CONTINUED)

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

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

The internal auditor, reports to the board of trustees, through the risk and audit committee on the operations of the system of control and on the discharge of the board of trustees' financial responsibilities.

The board can confirm that the internal auditor continues on a program of work and is able to provide details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues and thus no remedial action was required to be taken.

### **Review of effectiveness**

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

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

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the risk and audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on ..... and signed on its behalf by:

James Muir  
**Chair of Trustees**

# **ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Astrea Academy Trust (formerly Reach4 Academy Trust) I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

**Accounting Officer**

.....

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees, who are also the directors of Astrea Academy Trust (formerly Reach4 Academy Trust) for the purposes of company law, are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 Astrea Academy Trust (formerly Reach4 Academy Trust) 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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; and
- 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 that 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 ..... and signed on its behalf by:

James Muir  
**Chair of Trustees**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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## Opinion on financial statements

We have audited the financial statements of Astrea Academy Trust (formerly Reach4 Academy Trust) (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of 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 Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinion on other matter 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST) (CONTINUED)**

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Oxtoby (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
West Midlands, B2 5AF

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# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	51,578	-	661,747	713,325	46,822
Donations - transfer on conversion	27	841,661	-	11,678,463	12,520,124	11,379,586
Donations - transfer of existing academy into the trust	27	213,487	61,300	18,187,610	18,462,397	26,315,382
Charitable activities:						
- Funding for educational operations	4	637,359	28,334,280	-	28,971,639	6,150,704
Other trading activities	5	531,352	-	-	531,352	148,825
Investments	6	4,896	-	-	4,896	2,191
<b>Total</b>		<b>2,280,333</b>	<b>28,395,580</b>	<b>30,527,820</b>	<b>61,203,733</b>	<b>44,043,510</b>
<b>Expenditure on:</b>						
Raising funds	7	42,037	-	-	42,037	40,496
Charitable activities:						
- Educational operations	8	1,111,818	29,804,643	982,762	31,899,223	6,489,859
Charitable expenditure - transfer on conversion	27	-	4,871,000	-	4,871,000	2,874,000
Charitable expenditure - transfer of existing academy into the trust	27	-	1,618,000	-	1,618,000	3,881,000
<b>Total</b>	<b>7</b>	<b>1,153,855</b>	<b>36,293,643</b>	<b>982,762</b>	<b>38,430,260</b>	<b>13,285,355</b>
<b>Net income/(expenditure)</b>		<b>1,126,478</b>	<b>(7,898,063)</b>	<b>29,545,058</b>	<b>22,773,473</b>	<b>30,758,155</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	2,203,000	-	2,203,000	(4,021,000)
<b>Net movement in funds</b>		<b>1,126,478</b>	<b>(5,695,063)</b>	<b>29,545,058</b>	<b>24,976,473</b>	<b>26,737,155</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,332,393	(10,430,637)	35,835,399	26,737,155	-
Total funds carried forward		2,458,871	(16,125,700)	65,380,457	51,713,628	26,737,155

**ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)****BALANCE SHEET****AS AT 31 AUGUST 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		64,658,316		35,788,577
<b>Current assets</b>					
Debtors	14	2,461,617		1,043,091	
Cash at bank and in hand		3,208,972		2,507,027	
			5,670,589		3,550,118
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(2,428,277)		(1,580,540)	
<b>Net current assets</b>			3,242,312		1,969,578
<b>Net assets excluding pension liability</b>			67,900,628		37,758,155
Defined benefit pension scheme liability	24	(16,187,000)		(11,021,000)	
<b>Net assets</b>			51,713,628		26,737,155
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	18				
- Restricted fixed asset funds			65,380,457		35,835,399
- Restricted income funds			61,300		590,363
- Pension reserve			(16,187,000)		(11,021,000)
<b>Total restricted funds</b>			49,254,757		25,404,762
<b>Unrestricted income funds</b>	18		2,458,871		1,332,393
<b>Total funds</b>			51,713,628		26,737,155

The financial statements on pages 21 to 48 were approved by the Board of Trustees and authorised for issue on ..... and are signed on their behalf by:

.....  
James Muir  
**Chair of Trustees**

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

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	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash (provided by) used in operating activities	22	(1,094,718)		1,291,832	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		4,896		2,191	
Capital grants from DfE and EFA		618,659		46,822	
Capital funding from sponsors and others		43,088		-	
Payments to acquire tangible fixed assets		(375,524)		(34,502)	
Cash funds transferred on conversion		1,505,544		1,200,684	
		<u>1,796,663</u>		<u>1,215,195</u>	
<b>Change in cash and cash equivalents in the reporting period</b>		701,945		2,507,027	
Cash and cash equivalents at beginning of the year		2,507,027		-	
<b>Cash and cash equivalents at end of the year</b>		<u>3,208,972</u>		<u>2,507,027</u>	

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 1 Accounting policies

#### General information

Astrea Academy Trust (formerly Reach4 Academy Trust) is a charitable company (the 'Academy Trust'), incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

#### Basis of accounting

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Astrea Academy Trust (formerly Reach4 Academy Trust) meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

#### Going concern

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

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 1 Accounting policies (Continued)

#### **Conversion to an academy trust**

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

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion/Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

#### **Transfer of an existing academy**

The transfer of an existing Academy into the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Where assets are received on the transfer of an existing Academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing Academy into the Academy Trust within donations and capital grant income.

#### **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

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants 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.

#### 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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 1 Accounting policies (Continued)

#### Donated fixed assets

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.

#### **Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### **Tangible fixed assets and depreciation**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs or repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold buildings	50 years straight line
Freehold buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings and equipment	4 years straight line

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

---

### 1 Accounting policies (Continued)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

#### **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.

#### **Leased assets**

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

#### **Financial instruments**

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

---

### 1 Accounting policies (Continued)

#### **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.

#### **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'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

#### **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.

#### **Employment benefits**

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render services to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 2 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 24, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of property plant and equipment.

##### Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 22 for the disclosures relating to the defined benefit pension scheme.

### 3 Donations and capital grants

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Capital grants	-	661,747	661,747	46,822
Other donations	51,578	-	51,578	-
	<u>51,578</u>	<u>661,747</u>	<u>713,325</u>	<u>46,822</u>

The income from donations and capital grants was £713,325 (2016: £46,822) of which £51,578 was unrestricted (2016: £-) and £661,747 was restricted fixed assets (2016: £46,822).

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	22,287,643	22,287,643	3,908,128
Start up grants	-	647,000	647,000	1,180,000
Other DfE / ESFA grants	-	260,265	260,265	962,845
Pupil premium	-	3,282,328	3,282,328	-
	-	26,477,236	26,477,236	6,050,973
<b>Other government grants</b>				
Local authority grants	-	488,319	488,319	63,181
Early years school funding	-	1,047,700	1,047,700	-
Special educational projects	-	321,025	321,025	-
	-	1,857,044	1,857,044	63,181
Other incoming resources	637,359	-	637,359	36,550
	637,359	28,334,280	28,971,639	6,150,704

The income from funding for educational operations was £28,971,639 (2016: £6,150,704) of which £637,359 was unrestricted (2016: £36,550) and £28,334,280 was restricted (2016: £6,114,154).

Including within Other incoming resources is catering income of £371,533 and trip income of £124,515.

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	16,136	-	16,136	430
Music tuition	4,959	-	4,959	91
Other income	510,257	-	510,257	148,304
	531,352	-	531,352	148,825

The income from other trading activities was £531,352 (2016: £148,825) of which £531,352 was unrestricted (2016: £148,825).

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest from short term deposits	4,896	-	4,896	2,191

The investment income was £4,896 (2016: £2,191) of which £4,896 was unrestricted (2016: £2,191).

### 7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2017 £	Total 2016 £
		Premises £	Other £		
Expenditure on raising funds	-	-	42,037	42,037	40,496
Academy's educational operations					
- Direct costs	19,351,934	-	2,783,152	22,135,086	3,187,671
- Allocated support costs	3,724,241	3,081,656	2,958,240	9,764,137	3,302,188
Pension deficits transferred from local authority on conversion	-	-	4,871,000	4,871,000	6,755,000
Pension deficits transferred from existing academy	-	-	1,618,000	1,618,000	-
Total support costs	23,076,175	3,081,656	12,272,429	38,430,260	13,285,355

The expenditure on raising funds was £42,037 (2016: £40,496) of which £42,037 was unrestricted (2016: £40,496).

### Net income/(expenditure) for the year includes:

	2017 £	2016 £
Operating lease rentals	21,595	26,488
Depreciation of tangible fixed assets	982,762	740,209
Net interest on defined benefit pension liability	332,000	167,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	36,197	37,000
- Other services	25,000	18,000

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	224,518	21,910,568	22,135,086	3,187,671
Support costs - educational operations	887,300	8,876,837	9,764,137	3,302,188
	<u>1,111,818</u>	<u>30,787,405</u>	<u>31,899,223</u>	<u>6,489,859</u>

The expenditure on educational operations was £31,899,223 (2016: £6,489,859) of which £1,111,818 was unrestricted (2016: £15,361), £29,804,643 was restricted (2016: £5,734,289) and £982,762 was restricted fixed assets (2016: £740,209).

	2017 £	2016 £
<b>Analysis of support costs</b>		
Support staff costs	3,724,241	1,506,428
Depreciation	982,762	740,209
Technology costs	152,574	28,290
Premises costs	1,918,623	243,771
Other support costs	2,148,775	434,009
Governance costs	837,162	349,481
	<u>9,764,137</u>	<u>3,302,188</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2017 £	2016 £
Wages and salaries	16,766,249	3,254,788
Social security costs	1,656,393	218,896
Operating costs of defined benefit pension schemes	3,449,202	572,794
Apprenticeship levy	21,535	-
Total staff costs	<u>21,893,379</u>	<u>4,046,478</u>
Supply staff costs	1,018,912	114,326
Staff restructuring costs	147,479	-
Staff development and other staff costs	16,405	1,995
	<u>23,076,175</u>	<u>4,162,799</u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 9 Staff (Continued)

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £137,714 (2016: £nil). Individually, the payments were £20,000, £4,000, £11,200, £4,500, £35,000, £11,014, £40,000 and £12,000.

#### Staff numbers

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Teachers	297	296
Administration and support	724	306
	<u>1,021</u>	<u>602</u>
	<u><u>1,021</u></u>	<u><u>602</u></u>

#### Higher paid staff

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	7	-
£70,001 - £80,000	3	-
£80,001 - £90,000	3	-
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£130,001 - £140,000	1	-
	<u>17</u>	<u>-</u>
	<u><u>17</u></u>	<u><u>-</u></u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £750,818 (In 2016 the cost of key management personnel were recharged to the trust from another academy trust and amounted to £256,823).

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 10 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, EFA, Regional Schools' Commissioner, OFSTED, Charities Commission and Companies House).
- Media and publicity management;
- Crisis management

The Academy Trust charges for these services on the following basis:

- flat percentage of GAG income 6.5%

The amounts charged during the year were as follows:

	<b>Total £</b>
Hatfield Primary Academy	116,199
Hartley Brook Primary Academy	165,923
Gooseacre Primary Academy	70,412
The Hill Primary Academy	112,219
Highgate Primary Academy	77,465
Carrfield Primary Academy	79,088
Castle Academy	51,483
Greengate Lane Academy	59,213
Lower Meadow Primary Academy	75,888
Edenthorpe Hall Academy	51,015
Hillside Academy	30,879
Byron Wood Primary Academy	127,365
Cottenham Village College	48,104
Denaby Main Primary Academy	48,068
Hexthorpe Primary Academy	115,290
Kingfisher Primary Academy	55,770
Netherwood Academy	127,886
The Centre School	28,260
	<hr/> <hr/> <b>1,440,527</b> <hr/> <hr/>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 11 Trustees' remuneration and expenses

The Chief Executive Officer only received remuneration in respect of services provided undertaking the role of Chief Executive Officer under their contract of employment and not in respect of their services as Trustee. Other Trustees did not receive any payments from the Academy Trust. The value of trustees' remuneration and other benefits was as follows:

L Nicholas (Chief Executive Officer and trustee):  
Remuneration £80,000 - £85,000 (2016: £20,000 - £25,000)  
Employer's pension contributions paid £20,000 - £25,000 (2016: £nil)

The value of the four trustee's who had expenses reimbursed was £2,824 (2016 - £nil).

### 12 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The individual cost for this element of the insurance is not separately identifiable (2016 - £6,023). The cost of this insurance is included in the total insurance cost.

### 13 Tangible fixed assets

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2016	36,494,284	-	20,374	14,128	36,528,786
Transfer on conversion	11,678,463	-	-	-	11,678,463
Transfer from existing academy	-	17,496,850	22,534	279,130	17,798,514
Additions	277,994	-	58,126	39,404	375,524
At 31 August 2017	48,450,741	17,496,850	101,034	332,662	66,381,287
<b>Depreciation</b>					
At 1 September 2016	729,886	-	6,791	3,532	740,209
Charge for the year	880,199	59,671	32,491	10,401	982,762
At 31 August 2017	1,610,085	59,671	39,282	13,933	1,722,971
<b>Net book value</b>					
At 31 August 2017	46,840,656	17,437,179	61,752	318,729	64,658,316
At 31 August 2016	35,764,398	-	13,583	10,596	35,788,577

Included within Freehold land and buildings is land with a value of £1,277,643 which is not depreciated.

During the year Long leasehold land and buildings with a fair value of £11,678,463 were transferred into the Academy Trust on the conversion of four local authority schools and Freehold land and buildings with a fair value of £17,496,850 were transferred into the Academy Trust from an existing Academy.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

<b>14 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	37,537	40,979
VAT recoverable	1,232,921	341,520
Other debtors	35,682	17,475
Prepayments and accrued income	1,155,477	643,117
	<u>2,461,617</u>	<u>1,043,091</u>
	<u><u>2,461,617</u></u>	<u><u>1,043,091</u></u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	445,339	635,907
Other taxation and social security	428,117	164,859
Other creditors	123,471	322,850
Accruals and deferred income (see note 16)	1,431,350	456,924
	<u>2,428,277</u>	<u>1,580,540</u>
	<u><u>2,428,277</u></u>	<u><u>1,580,540</u></u>
<b>16 Deferred income</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	358,594	232,000
	<u>358,594</u>	<u>232,000</u>
	<u><u>358,594</u></u>	<u><u>232,000</u></u>
Deferred income at 1 September 2016	232,000	-
Released from previous years	(232,000)	-
Amounts deferred in the year	358,594	232,000
	<u>358,594</u>	<u>232,000</u>
	<u><u>358,594</u></u>	<u><u>232,000</u></u>
<b>Deferred income at 31 August 2017</b>	<u><u>358,594</u></u>	<u><u>232,000</u></u>
	<u><u>358,594</u></u>	<u><u>232,000</u></u>
The deferred income balance of £358,594 relates to free school meals income received for future periods.		
<b>17 Financial instruments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,136,524	58,454
	<u>1,136,524</u>	<u>58,454</u>
	<u><u>1,136,524</u></u>	<u><u>58,454</u></u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,641,566	1,051,614
	<u>1,641,566</u>	<u>1,051,614</u>
	<u><u>1,641,566</u></u>	<u><u>1,051,614</u></u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	590,363	22,287,643	(22,878,006)	-	-
Start up grants	-	647,000	(647,000)	-	-
Other DfE / ESFA grants	-	3,542,593	(3,542,593)	-	-
Other government grants	-	1,857,044	(1,857,044)	-	-
Other restricted funds	-	61,300	-	-	61,300
Pension reserve	(11,021,000)	-	(7,369,000)	2,203,000	(16,187,000)
	<u>(10,430,637)</u>	<u>28,395,580</u>	<u>(36,293,643)</u>	<u>2,203,000</u>	<u>(16,125,700)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	35,764,398	29,866,073	(982,762)	-	64,647,709
DfE / ESFA capital grants	71,001	661,747	-	-	732,748
	<u>35,835,399</u>	<u>30,527,820</u>	<u>(982,762)</u>	<u>-</u>	<u>65,380,457</u>
<b>Total restricted funds</b>	<u>25,404,762</u>	<u>58,923,400</u>	<u>(37,276,405)</u>	<u>2,203,000</u>	<u>49,254,757</u>
<b>Unrestricted funds</b>					
General funds	1,332,393	2,280,333	(1,153,855)	-	2,458,871
<b>Total funds</b>	<u>26,737,155</u>	<u>61,203,733</u>	<u>(38,430,260)</u>	<u>2,203,000</u>	<u>51,713,628</u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 18 Funds (Continued)

Under the 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 2017.

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

The 'transferred on conversion' fund has been set up to recognise the tangible assets gifted to the academies upon conversion and transfer into the Academy Trust which represent the school sites including the long leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the Trust following conversion that have been funded by capital grants received by the Trust. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to each Academy within the Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies within the Trust.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion of each Academy, and through which all the pension scheme movements are recognised. The Trustees will continue to monitor this situation closely.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 18 Funds (Continued)

#### Funds prior year

	Balance at 23 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	-	3,908,128	(3,283,263)	(34,502)	590,363
Start up grants	-	1,180,000	(1,180,000)	-	-
Other DfE / ESFA grants	-	962,845	(962,845)	-	-
Other government grants	-	63,181	(63,181)	-	-
Pension reserve	-	-	(7,000,000)	(4,021,000)	(11,021,000)
	-	6,114,154	(12,489,289)	(4,055,502)	(10,430,637)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	-	36,494,284	(729,886)	-	35,764,398
DfE / ESFA capital grants	-	46,822	(10,323)	34,502	71,001
	-	36,541,106	(740,209)	34,502	35,835,399
<b>Total restricted funds</b>	-	42,655,260	(13,229,498)	(4,021,000)	25,404,762
<b>Unrestricted funds</b>					
General funds	-	1,388,250	(55,857)	-	1,332,393
<b>Total funds</b>	-	44,043,510	(13,285,355)	(4,021,000)	26,737,155

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 18 Funds (Continued)

#### Total funds analysis by academy

Fund balances at 31 August were allocated as follows:	Total 2017 £	Total 2016 £
Hatfield Primary Academy	76,611	111,757
Hartley Brook Primary Academy	266,608	41,187
Gooseacre Primary Academy	509,219	439,228
The Hill Primary Academy	247,175	288,582
Highgate Primary Academy	304,203	224,863
Carrfield Primary Academy	325,865	311,594
Castle Academy	64,804	61,308
Greengate Lane Academy	252,534	270,377
Lower Meadow Primary Academy	935	33,663
Edenthorpe Hall Academy	(18,579)	61,671
Hillside Academy	42,205	(10,051)
Byron Wood Primary Academy	182,412	4,313
Cottenham Village College	94,435	
Denaby Main Primary Academy	46,079	
Hexthorpe Primary Academy	262,167	
Kingfisher Primary Academy	157,637	
Netherwood Academy	429,479	
The Centre School	74,812	
Central services	(798,430)	84,264
Total before fixed assets fund and pension reserve	2,520,171	1,922,756
Restricted fixed asset fund	65,380,457	35,835,399
Pension reserve	(16,187,000)	(11,021,000)
Total funds	51,713,628	26,737,155

Central services will have a deficit balance on the income and expenditure due to the service and expertise offered to academies from the central team. The central team offer CPD to academies, IT, HR, data analysis and finance support which is covered in the 6.5% charge. However, this percentage charge to individual academies doesn't cover all of this support or expertise to academies. As a Trust we feel that this staff expertise and support is necessary for the academies and there is no need to increase the percentage contribution at this stage.

Academies that are in deficit are monitored and plans are in place to return these to a surplus position.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 18 Funds (Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Hatfield Primary Academy	1,302,309	329,338	56,666	554,719	2,243,032	689,851
Hartley Brook Primary Academy	2,003,179	583,936	124,024	456,173	3,167,312	1,067,115
Gooseacre Primary Academy	950,114	164,072	52,254	347,578	1,514,018	445,138
The Hill Primary Academy	1,519,155	286,388	90,630	627,748	2,523,921	808,010
Highgate Primary Academy	924,904	153,019	66,080	301,566	1,445,569	478,120
Carrfield Primary Academy	927,685	140,922	62,638	334,435	1,465,680	419,817
Castle Academy	573,078	103,150	21,815	190,736	888,779	224,087
Greengate Lane Academy	846,214	68,643	19,072	246,553	1,180,482	76,548
Lower Meadow Primary Academy	1,038,356	224,579	27,920	291,073	1,581,928	211,827
Edenthorpe Hall Academy	612,915	87,765	43,043	250,332	994,055	48,332
Hillside Academy	339,222	70,568	6,256	109,366	525,412	49,946
Byron Wood Primary Academy	1,471,345	388,672	59,240	332,391	2,251,648	160,604
Cottenham Village College	750,691	320,330	40,445	313,556	1,425,022	
Denaby Main Primary Academy	615,846	126,024	18,610	212,615	973,095	
Hexthorpe Primary Academy	1,484,703	239,762	30,902	441,880	2,197,247	
Kingfisher Primary Academy	704,100	126,328	26,945	232,527	1,089,900	
Netherwood Academy	1,349,624	267,990	20,915	515,660	2,154,189	
The Centre School	248,486	7,782	3,391	79,542	339,201	
Central services	1,690,008	34,973	76,000	1,197,027	2,998,008	1,110,752
	<u>19,351,934</u>	<u>3,724,241</u>	<u>846,846</u>	<u>7,035,477</u>	<u>30,958,498</u>	<u>5,790,147</u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 19 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	64,658,316	64,658,316
Current assets	2,458,871	2,489,577	722,141	5,670,589
Creditors falling due within one year	-	(2,428,277)	-	(2,428,277)
Defined benefit pension scheme liability	-	(16,187,000)	-	(16,187,000)
<b>Total net assets</b>	<u>2,458,871</u>	<u>(16,125,700)</u>	<u>65,380,457</u>	<u>51,713,628</u>
	£	£	£	£
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	35,788,577	35,788,577
Current assets	1,332,393	2,170,903	46,822	3,550,118
Creditors falling due within one year	-	(1,580,540)	-	(1,580,540)
Defined benefit pension scheme liability	-	(11,021,000)	-	(11,021,000)
<b>Total net assets</b>	<u>1,332,393</u>	<u>(10,430,637)</u>	<u>35,835,399</u>	<u>26,737,155</u>

### 20 Commitments under operating leases

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

	2017 £	2016 £
Amounts due within one year	62,000	40,791
Amounts due between one and five years	79,163	64,745
	<u>141,163</u>	<u>105,536</u>

### 21 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the financial statements	<u>154,883</u>	<u>-</u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 22 Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	22,773,473	30,758,155
<b>Adjusted for:</b>		
Net surplus on conversion to academy	(24,493,521)	(30,939,968)
Capital grants from DfE/ESFA and other capital income	(661,747)	(46,822)
Interest receivable	(4,896)	(2,191)
Defined benefit pension scheme cost less contributions payable	548,000	78,000
Defined benefit pension scheme finance cost	332,000	167,000
Depreciation of tangible fixed assets	982,762	740,209
<b>Movements in working capital:</b>		
(Increase) in debtors	(1,418,526)	(1,043,091)
Increase in creditors	847,737	1,580,540
Net cash used in operating activities	<u>(1,094,718)</u>	<u>1,291,832</u>

### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 24 Pension and similar obligations

The Academy 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 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £67,020 (2016 - £39,966) were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 24 Pension and similar obligations (Continued)

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,204,000 (2016 - £594,000)

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.8% - 18.1% for employers and 5.5% - 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 24 Pension and similar obligations (Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	1,267,000	594,000
Employees' contributions	307,000	191,000
Total contributions	1,574,000	785,000

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.45	3.65
Rate of increase for pensions in payment/inflation	2.20	2.0
Discount rate for scheme liabilities	2.50	2.2
Inflation assumption (CPI)	2.50	1.9

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	22.9	23.0
- Females	25.7	25.7
Retiring in 20 years		
- Males	25.1	25.4
- Females	28.0	28.5

#### The Academy Trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	9,273,000	3,653,000
Government bonds	1,881,000	940,000
Other bonds	603,000	387,000
Cash	329,000	106,000
Property	1,161,000	688,000
Other assets	666,000	483,000
Total fair value of assets	13,913,000	6,257,000

The actual return on scheme assets was £472,000 (2016: £851,000).

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 24 Pension and similar obligations (Continued)

Amount recognised in the statement of financial activities	2017 £	2016 £
Current service cost	1,796,000	672,000
Net interest cost	332,000	167,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	19,000	-
Total operating charge	<u>2,147,000</u>	<u>839,000</u>

Changes in the present value of defined benefit obligations	2017 £
At 1 September 2016	17,278,000
Obligations acquired on conversion	12,367,000
Current service cost	1,796,000
Interest cost	500,000
Employee contributions	307,000
Actuarial gain	(1,899,000)
Benefits paid	(268,000)
Plan introductions, benefit changes, curtailments and settlements	19,000
At 31 August 2017	<u>30,100,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2017 £
At 1 September 2016	6,257,000
Assets acquired on conversion	5,878,000
Interest income	168,000
Return on plan assets (excluding net interest on the net defined pension liability)	304,000
Employer contributions	1,267,000
Employee contributions	307,000
Benefits paid	(268,000)
At 31 August 2017	<u>13,913,000</u>

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

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### 25 Related party transactions

During the year the following related party transactions took place. All transactions are conducted at or below cost and in accordance with the Trust's financial regulations and normal procurement procedures.

- Purchases of £330,176 (2016: £682,016) from Reach2 Academy Trust
- Purchases of £21,950 (2016: £Nil) from Ambition School Leadership Trust
- Purchases of £5,474 (2016: £Nil) from BWB (Lincoln) Ltd

The above are all related due to common trustees during the year. No balances were outstanding at 31 August 2017.

### 26 Post balance sheet events

After the year end, the following schools converted to academy trust status and joined Astrea Academy Trust (formerly Reach4 Academy Trust):

<b>Academy</b>	<b>Location</b>	<b>Date of conversion</b>
Intake Primary Academy	Doncaster	1 October 2017
Atlas Academy	Doncaster	1 November 2017

The financial impact of these transfers have not yet been calculated.

# ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST)

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

### 27 Conversion to an academy

In 2017 the following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Astrea Academy Trust (formerly Reach4 Academy Trust) from the the respective Local Authorities for £nil consideration.

School	Local Authority	Date of conversion
Denaby Main Primary Academy	Doncaster	1 October 2016
Hexthorpe Primary Academy	Doncaster	1 September 2016
Netherwood Academy	Barnsley	1 May 2017
Kingfisher Primary Academy	Doncaster	1 February 2017

In 2017 the following academies transferred into the academy trust and all the operations and assets and liabilities were transferred to Astrea Academy Trust (formerly Reach4 Academy Trust) for £nil consideration.

School	Previous Trust	Date of transfer in
The Centre School, Cottenham	The Cottenham Academy	1 June 2017
Cottenham Village College	The Cottenham Academy	1 June 2017

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Net assets transferred:	Donated on transfer to the Trust £	Donated on conversion to Academy £	Total 2017 £
Freehold land and buildings	17,496,850	-	17,496,850
Leasehold land and buildings	-	11,678,463	11,678,463
Other fixed assets	301,664	-	301,664
Other assets	663,883	841,661	1,505,544
LGPS pension surplus/(deficit)	(1,618,000)	(4,871,000)	(6,489,000)
	<u>16,844,397</u>	<u>7,649,124</u>	<u>24,493,521</u>

Funds surplus/(deficit) transferred:	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fixed assets funds	-	-	29,476,977	29,476,977
Other assets	1,055,148	61,300	389,096	1,505,544
LGPS pension funds	-	(6,489,000)	-	(6,489,000)
	<u>1,055,148</u>	<u>(6,427,700)</u>	<u>29,866,073</u>	<u>24,493,521</u>

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST) AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 30 September 2016 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Astrea Academy Trust (formerly Reach4 Academy Trust) during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Astrea Academy Trust (formerly Reach4 Academy Trust) in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Astrea Academy Trust (formerly Reach4 Academy Trust)'s accounting officer and Trustees**

The accounting officer is responsible, under the requirements of Astrea Academy Trust (formerly Reach4 Academy Trust)'s funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ASTREA ACADEMY TRUST (FORMERLY REACH4 ACADEMY TRUST) AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Astrea Academy Trust (formerly Reach4 Academy Trust) and the ESFA in accordance with the terms of our engagement letter dated 30 September 2016. Our work has been undertaken so that we might state to the Astrea Academy Trust (formerly Reach4 Academy Trust) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Astrea Academy Trust (formerly Reach4 Academy Trust) and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RSM UK Audit LLP**  
Chartered accountants  
St Philips Point  
Temple Row  
Birmingham  
West Midlands  
B2 5AF

Dated: .....

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