

SUCCESS ACADEMY TRUST
(formerly Thomas Estley Community College)
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	A Gelsthorpe (appointed 1 September 2016) J Hemes (appointed 1 September 2016) S Jordan S Lamprell (appointed 1 September 2016) B Perrett P Wiles (resigned 1 September 2016)
Trustees	M Booley, Chair (appointed 24 September 2016) C Boat, Staff Governor (resigned 1 September 2016) S Boyles (resigned 1 September 2016) A Christian (appointed 1 September 2016) A Collins, Principal and Accounting Officer (appointed 25 August 2016) M Elliott (resigned 1 September 2016) R Jelly S Jenkins, Staff Governor (resigned 1 September 2016) S Jordan (resigned 7 July 2016) T Kenyon (resigned 1 September 2016) D P Marcus (appointed 1 September 2016) T Moralee (resigned 24 August 2016) T Nicholson (resigned 7 July 2016) S Page (resigned 1 September 2016) B Perrett (resigned 30 September 2016) T Scott, Staff Governor (resigned 1 September 2015) M Torbitt G White (resigned 24 September 2016) P Wiles, Responsible Officer
Company registered number	08135389
Company name	Success Academy Trust
Principal and registered office	Thomas Estley Community College Station Road Broughton Astley Leicester Leicestershire LE9 6PT
Company secretary	A M Willett
Senior management team	A Collins, Principal R Fegan, Vice Principal C Cornelius, Vice Principal M Young, Assistant Principal J Hartley, Assistant Principal A M Willett, College Manager T Moralee, Principal (retired 24 August 2016) C Freeman, Vice Principal (retired 31 August 2016)
Independent auditor	BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
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Advisers (continued)

Bankers

NatWest Bank Plc
Gateway House
4 Penman Way
Grove Park, Enderby
Leicester
LE19 1SY

Solicitors

BHW Solicitors
5 Grove Court
Grove Park
Enderby
Leicester
LE19 1SA

SUCCESS ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the audited financial statements of Success Academy Trust ("the Trust") for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

During the year, the Trust operated an academy for pupils aged 11 to 14 serving a catchment area drawn principally from the villages of Broughton Astley, Cosby and Whetstone. It had a pupil capacity of 760 and had a roll of 719 in the school census October 2015.

The Academy was incorporated as Thomas Estley Community College on 9th July 2012 and changed its name to Success Academy Trust on 16 August 2016 following DfE approval to form a Multi Academy Trust and age range change for Thomas Estley Community College to include Year 10 from academic year 2016/17 and Year 11 from 2017/18.

Thomas Estley Community College as an establishment of the Trust also runs a pre school and out of school club as well as numerous community groups and is a designated Teaching School.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Success Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Success Academy Trust. For the reporting period, the charitable company was known as Thomas Estley Community College.

The Trustees who served during the financial year and who resigned at 1 September 2016 are the Trustees who transferred to the Local Governance Board (LGB) of Thomas Estley Community College, as the Multi Academy Trust was formed. In addition, on the appointment of the new Chair of Success Academy Trust from 24 September 2016, the previous Chair, Bruce Perrett, and Trustee Gordon White resigned as Trustees and also transferred on to the LGB of Thomas Estley Community College.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omission occurring whilst on Trust business. The insurance which was arranged via Leicestershire Academies' Insurance Scheme (LIAS) provides cover up to £3 million in any one year underwritten by QBE Limited. The premium for Trustees indemnity for the 12 months covering 1 September 2015 to 31 August 2016 was £915.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. Method of recruitment and appointment or election of Trustees

Prior to the change from single academy trust to multi academy trust status at the end of the 2015/16 academic year, the original governance of Thomas Estley Community College was defined by the Memorandum and Articles of Association together with the funding agreement with the Department of Education and the method of recruitment and appointment was as described in previous annual Trustee reports:

With the change in status, the governance of Success Academy Trust adopted the new Articles of Association, which sets out the make-up of the Trust Board; and Master Funding Agreement for the (Multi Academy) Trust. The establishment, Thomas Estley Community College, adopted the Supplementary Funding Agreement and has an approved scheme of delegation from the Trust and its Local Governance Board is made up from previous Trustees.

The initial formation of the new Board was made by drawing Members and Trustees with appropriate experience and skills from the governors of Thomas Estley Community College as well as other local school governors, or nominated by the governors, of Cosby Primary, Cosby; Hallbrook Primary, Broughton Astley; and Richmond Primary, Hinckley. These schools are currently completing due diligence and are due to join the Trust in 2017 subject to Trustee approval. The Articles allow additional Trustees to be appointed if required as set out within the Articles.

Trustees, other than the Principal will serve for a term of four years after which they are required to be re-elected/ re-appointed. Apart from the Trust Principal, staff do not serve on the Trust Board.

Local Governance Boards are constituted as per their Terms of Reference as laid out by the Trust Board which includes details of delegated authority for the recruitment and appointment of local governors by the Local Governance Board.

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction for new Trustees will depend on their existing experience and will be tailored specifically to the needs of the individual. Success Academy Trust has a contract with Leicestershire County Council's Governors Development Service which provides Trustees induction training and other specified courses as required. Trustees receive an induction pack on joining the Board of Trustees which includes details of the role and responsibilities of Trustees and have access to copies of minutes, accounts, plans and other documents needed to undertake their role.

During the period, Trustees were offered all necessary training including safer recruitment training; allegations management training, Trustee induction training and curriculum management training, preparation for performance related pay. Focus for 2015/16 included Trustees' strategic role and how to measure trustee impact on the Trust.

f. Pay policy for key management personnel

All members of the Senior Leadership Team, apart from the College Manager, have their pay arrangements set in line with the locally adopted Pay Policy for Teachers. The College Manager is on Support Staff pay and conditions and pay is set in consultation with the Principal and benchmarked against similar posts with similar responsibilities. All receive annual performance reviews.

SUCCESS ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

g. Organisational structure

The governance of the Trust is defined in the Articles of Association. The Trust is governed by the Trustees, who delegate the responsibility for leadership and management of education and operations of Thomas Estley Community College to the Principal of this lead school, and the local governance of Thomas Estley Community College to its Local Governance Board (LGB) through an agreed scheme of delegation.

The makeup and powers of the LGB and its local committees are as delegated by the Trust Board through its LGB Terms of Reference which are reviewed annually, based on the principle of earned autonomy.

The Principal of Thomas Estley Community College also acts as the Trust Principal and Accounting Officer for the Trust. As additional schools join the Trust, most Heads will work within the support of the Trusts Heads Group and if required with the guidance of the Trust Principal based on an assumption of earned autonomy. Schools who are currently expecting to join the Trust in 2017 are increasingly working together to share best practice, CPD, staffing and skills and to develop the Trust-wide approaches within the shared aims and values.

Each academy has its own Supplementary Funding Agreement to the Trust's Master Funding Agreement and each LGB is responsible for ensuring financial viability within its own setting and prepares a draft budget for approval by the Trust Board. Where financial risks are identified, the Trust has the right to remove delegated financial responsibility from an Academy. Local School Business Managers/Finance Officers work with the Trust Finance/Operations Manager to ensure areas of reporting are accurate and comparable across the Trust.

Each academy develops its own annual Improvement Plan and ensures that the budget reflects priorities within the Plan.

SUCCESS ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

h. Connected organisations, including related party relationships

The Principal and all members of the Senior Leadership Team are members of several professional organisations and regularly attend a range of local and county wide meetings to keep up to date with current educational policies/practice and thinking and benchmark/share good practice. The College Manager is an Executive Committee Member of Leicestershire Academies Group.

The college is a member of the South Leicestershire Learning Partnership umbrella trust which is company limited by guarantee. It was formed initially from four local schools specifically to deliver a quality, continuous and progressive learning experience for young people up to the age of 19 through the adoption and development of supportive and collaborative principles between the members; to promote cooperation between the Academy Trusts; to promote improvement in respect of the Academy Trusts; and to advance for the public benefit education in the United Kingdom by managing and developing the Academy Trusts. With significant change/approval Thomas Estley Community College has received permission from the EFA to exit from the Umbrella Trust.

The college is also part of the Learning South Leicestershire Partnership which is a collaboration of 15 schools and 1 FE College around South Leicestershire working together providing learning opportunities to enhance the curricula of the schools, funded more cost effectively through joint arrangements.

As part of its activities, the college became a Teaching School during 2013 and coordinates the work of the Thomas Estley Learning Alliance (TELA) with partner alliance schools both local and nationally. The College is also a National Support School. As a result the college engages in significant School to School Support and CPD provision. The College is also a centre for School Direct placements.

On 16 July 2015 confirmation of business case for age range change to 11-16 with affect from the academic year starting September 2016 was received. As part of this significant change, approval was also received for the College to become a Sponsor Academy as the opportunity arises from academic year 2016/17.

By the end of the reporting period:

- Thomas Estley Community College had changed its name to Success Academy Trust as part of its new Multi Academy Trust status.
- New Articles of Association, Master and Supplementary Funding agreements and Local Governance Scheme of Delegation adopted with effect from the academic year 2016/17.
- Three local primary schools had begun consultation and due diligence on joining the Trust and interest received from other schools.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Objectives and Activities

a. Objects and aims

The principal objective of Success Academy Trust as a charitable company is to provide the best education it can for pupils of different abilities; to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and to promote for the benefit of the inhabitants of Broughton Astley and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

Thomas Estley Community College's objectives for the period ending 31 August 2016 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under review
- To provide value for money of the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the academy's business in accordance with the highest standards of integrity and openness

Mission Statement: Modelling tomorrow's global citizens.

Core Values:

- Excellence in all we do
- Fairness in all we do
- A community built on positive relationships
- A community built on mutual respect
- A learning institution which sets stimulating challenges
- A community permeated by professional integrity
- A community where cooperation and participation are prevalent
- A community where individuals accept responsibility by learning and behaviour
- A community which builds partnerships for the benefit of learners

c. Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. Review of activities

Attainment

Attainment at Thomas Estley is outstanding. Attainment at all levels in core subjects, except Science at ~L5+ show an upward trend on 2015 outcomes where the dip is minimal at 1%. The largest area of improvement is Science at ~L6+ with an 11% increase on 2015 totals. Our highest attaining core department is Maths with 60% attaining ~L7+. However, English has the highest ~L5+ total at 99%, with only 3% of learners not attaining ~L5+ in Science and Maths.

All Students Core

	2015	2016	Trend
English ~ L5+	98	99	1
English ~ L6+	87	93	6
English ~ L7+	43	44	1
Maths ~ L5+	95	97	2
Maths ~ L6+	83	87	4
Maths ~ L7+	58	60	2
Science ~ L5+	98	97	(1)
Science ~ L6+	79	88	9
Science ~ L7+	25	27	2

The upward trends we see in core subjects are mirrored to a lesser extent in foundation subjects. Our biggest growth is with Geography and History at ~L7+ with an increase in 21% and 17%. There have been some drops in attainment in relation to the 3 year trend; most notable in Design and Technology at ~L7+ and in MFL at ~L5+.

All Students Foundation

% of students	2014	2015	2016	3 year trend
Art ~5+	99	100	99	-
Art ~6+	83	86	93	10
Art ~7+	21	28	18	(3)
Geog ~5+	100	100	99	(1)
Geog ~6+	81	93	98	17
Geog ~7+	24	22	45	21
History ~5+	100	100	99	(1)
History ~6+	83	92	90	7
History ~7+	18	27	35	17
MFL ~5+	99	100	94	(5)
MFL ~6+	69	81	79	10
MFL ~7+	22	43	32	10
PE ~5+	100	100	100	-
PE ~6+	80	85	93	13
PE ~7+	18	19	19	1
Tech ~5+	100	100	99	(1)
Tech ~6+	88	88	96	8
Tech ~7+	32	33	24	(8)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Progress

	2 LOP Eng	<2 LOP Eng	3 LOP Eng	2 LOP Maths	< 2 LOP Maths	3 LOP Maths	2 LOP Eng and Maths	< 2 LOP Eng and Maths	3 LOP Eng and Maths
All	79	21	21	89	22	49	71	5	13
PP	75	25	18	77	23	42	59	3	8
Female	85	15	27	90	10	51	76	1	18
Male	69	31	12	81	19	42	60	6	11
SEN	56	44	28	28	72	9	9	28	9

At Thomas Estley students make good and outstanding progress. In English 79% made better than expected progress at 2LOP and 21% made outstanding progress at 3LOP. English 2LOP has been steady at 81%, 80% and 79% over the last 3 years with a slight downward trend at 2%. In Maths 89% made better than expected progress at 2LOP and 49% made outstanding progress at 3LOP. Maths 2LOP has grown from 82%, 83% to 89% as a 3 year trend. Very positively 3LOP has risen by 7% this year in English and 11% in Maths. This can be seen through all student groups.

Our SEND outcomes this year are less favourable with a drop of 23% in English making 2LOP and a 15% in Maths. There are also very significant gaps mainly in Maths of 61% in 2LOP between SEND and non-SEND students. The gap is also evident in English at 23%. This is a College focus for next academic year. Interestingly more SEND students this year made 3LOP in English and they outperformed the main cohort by 7%. More students also made 3LOP in Maths this year, however, the total is still low at 7% and a 40% gap exists to the main cohort.

Female learners make better progress at Thomas Estley in all Student groups. The gaps are more significant in English with a gap of 16% at 2LOP and 15% at 3LOP. The 2LOP gap has grown by 7% this academic year but has reduced by 1% at 3LOP. The overall drop in 2LOP for English can be attributed to male learners where progress dropped by 8% this academic year. The gender gaps in Maths are present but less significant at 8% 2LOP and 7% 3LOP. The 2LOP maths gender gap of 8% was identical last year but Maths has reduced the 3LOP gender gap by 13% from 2015.

There are still gaps in progress between PP and Non-PP students. They are negligible in English at 4% 2LOP and 3% 3LOP. English have reduced their PP gap at 2LOP by 14% from 2015, it has grown by 1% at 3LOP however. The gaps are larger in Maths at 12% 2LOP and 7% 3LOP which is also a focus area for the college. The gaps have both been reduced from 2015 by 6% at 2LOP and 11% at 3LOP.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. Key financial performance indicators (KPIs)

PRIORITY 1 - All Teaching is Good or Outstanding

2015/16 Strategic Objective/KPI: 85% teaching good or higher, with much of it outstanding
KPI met with exactly 85% FTE Good or Better and 35% Outstanding.

PRIORITY 2 - All pupils make progress above national expectations

2015/16 Strategic Objective/KPI: 80% of pupils make better than expected progress KS2-3 12 APS points or equivalent (LAL)

KPI met in Maths (89% and almost met in English (79%).

PRIORITY 3 - The gap for disadvantaged pupils is closed

2015/16 Strategic Objective/KPI: Progress gap for disadvantaged pupils narrows in English and Maths by 50% from 2014/15 results in Year 9, operating at a narrower gap than the national average

KPI met in English (narrowed by 88%, narrower than national average), but not in Maths (33%, wider than national average).

PRIORITY 4 - All pupils have outstanding attitudes to learning and behaviour

2015/16 Strategic Objective/KPI: Reduction of FTE days by 50% from 2014/15 total. No permanent exclusions. Max of 5% pupils awarded a 3 or 4 in termly ATL data

KPI not met with FTE, similar days. KPI not met with PEx (1). KPI met overall in ATL AP data.

PRIORITY 5 - Trustees are appropriately skilled to support the College Strategic Plan

2015/16 Strategic Objective/KPI: As detailed in Trustee development plan

KPI met re skills audit and training over academic year but resignations impacted adversely in Summer Term.

PRIORITY 6 - College builds on its outstanding local, national and international reputation

2015/16 Strategic Objective/KPI: Teaching school KPIs are met. College is lead strategic partner in regional steering groups

KPIs almost all met. All Teaching School KPIs met except ITT recruitment (almost met). Lead Strategic partner in regional steering groups – met.

PRIORITY 7 - Work with stakeholders to ensure high quality provision

2015/16 Strategic Objective/KPI: Secure funding or partnership route for accommodation needs for 16/17
KPIs met.

PRIORITY 8 - Ensure sustainability of TELA

2015/16 Strategic Objective/KPI: Teaching school KPIs are met.

All Teaching School KPIs met except ITT recruitment (almost met).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

a. Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (note 1.5).

b. Financial risk management objectives and policies

The Trust has developed risk management procedures as outlined above. The Trustees have assessed the major risks to which the Trust is exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

c. Principal risks and uncertainties

The Trust has risk management procedures and the Trustees have assessed the principal risks to which the Trust is exposed to. The most significant risks are:

For Thomas Estley Community College, these include:

- Fluctuation in numbers on roll/ long term demand
- Impact of age range changes in local schools
- Changes in national and local funding arrangements

For Success Academy Trust, these include:

- Loss of key members of the Trust Team
- Falling standards in one or more academies leading to a loss of confidence and reduced student numbers
- Ofsted ratings of Requires Improvement or Inadequate
- Establishments within the Trust going into financial difficulties
- LGPS Pension deficit. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

d. Reserves policy

The Trustees have determined that the appropriate level of free cash reserves should be equivalent to 4 weeks' worth of expenditure, both in terms of salaries and invoices. In broad terms this equates to approximately £300,000. The reason for this is to provide sufficient working capital to enable the Trust to manage its cash flow efficiently thus to cover delays between spending and receipt of grants, to manage annual variations in pupil numbers and to provide a cushion to deal with unexpected emergencies and build sufficient funding to support longer term capital spending plans for building refurbishment/development. With much of available reserves being used to support the build of the new teaching block, or earmarked for additional temporary accommodation from Summer 2017, these reserves are maintained through cashflow maintenance in 2016/17.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,867,000. The Trust inherited a deficit on the Local Government Pension Scheme (LGPS) of £860,000 in August 2012. This deficit is included in restricted funds, within the Balance Sheet. The deficit does not result in an immediate liability for this amount, however it could result in an increase in the employer's contributions to the LGPS over a period of years. The details of the pension deficit are provided in note 23 to these financial statements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. Investment policy and performance

The Trust aims to ensure that funds which Success Academy Trust does not need immediately to cover anticipated expenditure are invested in such a way as to maximise the Trust's income, but without risk. The Trust's Investment Policy purpose includes ensuring adequate cash balances are maintained to cover day to day working capital requirements and to ensure there is no risk of loss in the capital value of any cash fund invested. Currently all surpluses above a daily holding balance are transferred to a direct reserve account on a daily basis. This continues to give a better interest rate than various bond options that are available to the Trust and is monitored regularly to ensure any change in interest rates fall on the special bearings account.

f. Financial position

The Trust's financial position for the period to 31 August 2016 demonstrates total incoming resources for the period of £4,238,242 with resources expended for the period of £4,014,174. Current Net Assets have reduced to £368,718 which is made up of £213,233 unrestricted and £155,485 restricted funds, before Pension Reserve. This reduction has been due to the use of previously earmarked reserves for contribution to the new building block that was completed during the summer holidays 2016 as required to accommodate additional students as a result of approved age range change from September 2016.

The Trust balance sheet includes £7,547,258 of fixed assets, of which £7,279,987 relates to the net book value at the 31 August 2016 of the leasehold land and buildings of Success Academy Trust, which were transferred on a 125 year lease from Leicestershire County Council in August 2012.

During 2015/16 the main expenditure, funded in the main from previously earmarked Trust reserves, was the building of a new eight classroom block in readiness for 2016/17 academic year and start of our age range change with the retention of year 9 into year 10.

During 2015/16, the Trust was also successful in being awarded £170K from the Academy Capital Maintenance Fund which allowed the refurbishment of three science labs which were also completed for the start of the 2016/17 academic year.

The principal financial management policies adopted in year are as laid down by the Academies Financial Handbook published by EFA and are monitored by regular reviews of income and expenditure versus planned budgets at Resources and Environment Committee meetings.

The principal sources of funding are – grant income from EFA; Pupil premium and Catch up income via EFA; High Needs funding from Leicestershire County Council; Nursery Education Funding via Leicestershire County Council; Teaching school core and associated grants via National College of Teaching and Learning (NCTL); National Leaders of Education (NLE) deployment Grants via NCTL; income from out of schools club.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

a. Future developments

Success Academy Trust

Following successful significant change approval for age range and becoming a Multi-Academy Trust (MAT) sponsor, Governors are looking to grow the MAT through thoughtful expansion which ensures appropriate capacity whilst remaining committed to our core purpose and values and to this end, plans also include

- To ensure standards at all schools within the Trust are rated at least Good and standards are rising for all groups of pupils
- To embed the infrastructure of the Trust to guarantee sound and effective practices in all schools in relation to health and safety, financial probity, leadership and management, governance
- Develop the Trust as and if appropriate to include further academies which will strengthen and enhance the group of academies as a whole
- Consider sponsorship of a local primary school if appropriate and beneficial to the Trust
- Investigate and as necessary implement a funding mechanism across the schools within the Trust to support the Trust central services

Thomas Estley Community College

Plans for future periods of Thomas Estley Community College include:

- To maintain excellent progress from KS2-4 for all learner groups
- To ensure all learners receive an outstanding learning experience and achieve their best
- To maintain an effective budget that enables excellent learning, high quality staffing and a stimulating learning environment
- To ensure all teaching is good or outstanding, with swift interventions in place as appropriate where this is not the case
- To develop and sustainably grow the Success Academy Trust
- To maintain our National Support School status and deliver high quality support within and beyond the county
- To develop practices to ensure consistent, outstanding written feedback
- To develop excellent assessment practice with 5 - 16 Trust Partners
- To conduct research into what makes outstanding pedagogy and to apply it into classrooms
- To maintain and develop the College buildings to ensure facilities best fit future learners and users
- To sustain and grow a successful Teaching School Alliance
- To support the development of all Leicestershire students in partnership with Leicestershire Teaching Schools

Funds held as custodian

The Trust is not acting as custodian Governor for another charity. Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, has indicated its willingness to continue in office.

Trustees have received a quotation for audit fees for 2016/17 and agreed to reappoint the auditors for the financial year 2016/17 on this basis.

This report, incorporating a strategic report, was approved by order of the Board of Trustees as the company directors, on 12 December 2016 and signed on its behalf by:


.....
Melvyn Booley
Chair of Trustees

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Success 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Boat, Staff Governor	2	4
S Boyles	0	4
A Collins, Principal and Accounting Officer	0	0
M Elliott	4	4
R Jelly	3	4
S Jenkins, Staff Governor	2	4
S Jordan	2	3
T Kenyon	3	4
T Moralee	4	4
T Nicholson	3	3
S Page	1	4
B Perrett	4	4
T Scott, Staff Governor	1	1
M Torbitt	4	4
G White	4	4
P Wiles, Responsible Officer	4	4

The Governing Body at Success Academy Trust has undergone a number of Trustee changes and a change in member during the period covered by this report. There have been a number of other resignations during the period due to personal circumstances.

In addition there was an Extraordinary General Meeting in August to conduct the business to agree resolution to change the company name to Success Academy Trust and deal with resignations and appointments of Governor Board and on to Local Governance Committee as detailed in Reference and Administrative Details on pages 1-2. Attendance was by all current Governors at that point apart from Mike Torbitt; Tricia Kenyon and Tim Moralee.

The key purposes of the Trust Governing Body are:

To contribute to the provision of a strategic view for the Trust with a continuing focus on the key issues of:

- promoting effective teaching and learning
- establishing high standards and expectations
- setting of statutory targets
- raising levels of achievement

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

To act as a critical friend by promoting the interests of the Trust, learners and staff through:

- support, advice and information from members' knowledge and interests
- monitoring and evaluating effectiveness
- promoting improvement

To ensure accountability by discussing questioning and refining proposals from the Trust Principal and staff who are responsible for the management of the Trust.

Governance reviews

Trustees conducted a survey of staff looking at the Trust's core values, self evaluation, policy implementation, safeguarding and recent changes. Overall there was a very positive response showing: widespread agreement that the core values we hold are real, high confidence in safeguarding procedures and high levels of support both for being a Teaching School and the 11-16 conversion. Results were similar to the 2014-15 survey in spite of the challenges of age range change within a tight budget.

Governance was reviewed externally as part of the peer review in October 2015. Evaluative comments include:

'Governance is exemplary. The Chair of Trustees has an accurate and detailed knowledge of the strengths and areas needing development in the college. Trustees play an active role within the college. They ensure safeguarding is of a very high standard, are fully involved in performance management of the Principal, and audit the performance management of the staff. Through an effective committee structure, regular visits to the college, effective training and their contribution to the wider life of the college, they are able to have a clear understanding of improvement priorities, measure the impact of these and actively challenge and support leaders.'

'Leaders and Trustees have created a culture of high expectations, encapsulated in the motto, 'Excellence in all that we do'. This ethos permeates all aspects of college life, leading to outstanding outcomes for the vast majority of students. Leaders and governors share a clear vision for moving the college forward to become an outstanding 11-16 school and have put in place robust plans, clearly understood by all stakeholders, in order to achieve this.'

'There has been a consistent focus on the progress made by disadvantaged students across all subjects, leading to a narrowing of the achievement gap in most subject areas. This continues to be a common objective for all departments, senior leaders and trustees.'

The Governing body undertakes the majority of its activities through its sub committees:

Strategy Committee - main activities include providing support on the strategic direction of the college through monitoring of all policy matters; general oversight of operational matters and co-ordination of the College Development Plan; Performance Management and maintenance/review of Risk Register. The Strategy Committee has formally met 6 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Moralee	6	6
B Perrett	6	6
G White	6	6
P Wiles	1	1
S Glover	1	3
S Jenkins	4	6
S Jordan	1	6

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Teaching and Learning Committee – main activities include monitoring effectiveness of Teaching and Learning offer; matters connected with the College curriculum, including assessment; extended service offer, including pre school, out of school and youth provision and oversight of the work of TELA/other partnership arrangements. The Teaching and Learning Committee has formally met 6 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Boat	5	6
B Perrett	5	6
S Jenkins	3	6
S Jordan	3	6
S Page	3	6
T Kenyon	4	6
M Elliott	6	6
R Jelly	5	6

Resources and Environment Committee – main activities include agree/monitoring budget for ratification by the Governing Body; ensure the College meets all its statutory obligations/audit committee requirements around finance and site issues including Health & Safety; monitor building and capital projects through the premises improvement plan; review the College's Charging and Hire policies; receive and respond to audit reports/approve audited accounts for ratification by the Governing Body; Ensuring Value for Money. The Resources and Environment Committee has formally met 6 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Perrett	5	6
G White	6	6
S Boyles	5	6
T Nicholson	2	5
M Torbitt	5	6
P Wiles	6	6

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Review of Value for money

As Accounting Officer, the Principal has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Student progress: Students at Thomas Estley make good and outstanding progress in their learning. For all levels of ability, proportions making expected progress and exceeding expected progress in English and Maths are high compared with national figures.

Targeted improvement: Staffing structure is deployed to support a high quality and constantly improving curriculum. Most recent examples would be the regrouping of students and redeployment/recruitment of staff for higher outcomes in targeted areas (gender gap reduction, pupil premium support, etc); appointment of staff with strategic lead roles in monitoring progress, gifted and talented, mentoring schools direct initial teacher training and NQT/ RQT developmental pathways to support higher quality newly qualified teachers; introducing targeted intervention groups in English and Maths to target literacy and numeracy at base level, and enhancing the curriculum with targeted interventions and master classes in a variety of subject areas to improve more able progress.

Focus on individual pupils: The Trust has managed the differing needs of pupils, such as those requiring one to one support, and those requiring more stretch through a range of appropriate interventions. Interventions have included, for example:

- Enhanced skills in English and Maths
- Breakfast clubs
- Pastoral support
- Peer mentoring programme
- Pupil Premium mentoring and Working Together mentoring
- Access to technology to improve teaching and learning
- University trips, South Leicestershire masterclass competitions, clubs and The Brilliant Club to raise aspirations for the most able and more able disadvantaged pupils
- Skills Show and personalised Year 9 Specialisms curriculum to focus on vocational development
- Tier 3 and 4 Behaviour Partnership projects/ interventions
- Multi-agency support

Collaboration: The Trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. This includes further development of our Teaching School Alliance – TELA with strategic leaders in key collaborative areas across the Alliance; shared provision for education with Birkett House Special School; support in the development of the Leicestershire Academies Group which has helped share opportunities for savings through benchmarking of contracts and the current development of the Success Academy Trust of schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Success Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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 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 Resources and Environment 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 Leicestershire County Council's Internal Audit Service as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In addition, the trustees have appointed Paul Wiles, Trustee, to carry out a programme of internal checks.

The Internal Audit Service and Trustee reviewer undertake their reviews annually and includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The Audit service and the reviewer reports to the Board of Trustees through the Resources and Environment committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During the period 1 September 2015 to 31 August 2016, the Trustee reviewer undertook one review during the Spring term which included testing of the purchase and invoice systems and testing of bank reconciliations. In the Summer term, the Internal Audit service performed their annual internal audit. No material control issues were identified as a result of the checks.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

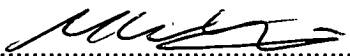
Review of Effectiveness


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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Environment Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2016 and signed on their behalf, by:


.....
Melvyn Booley
Chair of Trustees


.....
Amanda Collins
Accounting Officer


SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Success Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.


.....
Amanda Collins
Accounting Officer

Date: 12 December 2016

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust'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 Board of Trustees and signed on its behalf by:


.....
Melvyn Booley,
Chair of Trustees

Date: 12 December 2016

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF SUCCESS ACADEMY TRUST

We have audited the financial statements of Success Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF SUCCESS ACADEMY TRUST

Matters on which we are required to report by exception

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

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

BDO LLP

Nishit Bathia (Senior Statutory Auditor)
for and on behalf of
BDO LLP, statutory auditor
Leicester
United Kingdom
15 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 14 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Success Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Success Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2016, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

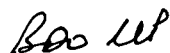
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SUCCESS
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BDO LLP
Reporting Accountant
Leicester
United Kingdom

15 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016
(incorporating the income and expenditure account)

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	171,603	366,772	-	538,375	231,362
Other trading activities	3	-	-	322,385	322,385	302,344
Investments	4	-	-	5,029	5,029	3,273
Charitable activities:	5					
Funding for the academy's educational operations		3,372,454	-	-	3,372,454	3,503,556
TOTAL INCOME		3,544,057	366,772	327,414	4,238,243	4,040,535
EXPENDITURE ON:						
Raising funds	3	-	-	314,114	314,114	283,758
Charitable activities:						
Academy's educational operations		3,552,188	147,872	-	3,700,060	3,871,403
TOTAL EXPENDITURE	8	3,552,188	147,872	314,114	4,014,174	4,155,161
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(8,131)	218,900	13,300	224,069	(114,626)
Transfers between Funds	19	(398,849)	546,297	(147,448)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(406,980)	765,197	(134,148)	224,069	(114,626)
Actuarial (losses)/gains on defined benefit pension schemes	23	(359,000)	-	-	(359,000)	36,000
NET MOVEMENT IN FUNDS		(765,980)	765,197	(134,148)	(134,931)	(78,626)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(945,535)	6,782,061	347,381	6,183,907	6,262,533
TOTAL FUNDS CARRIED FORWARD		(1,711,515)	7,547,258	213,233	6,048,976	6,183,907


The notes on pages 30 to 50 form part of these financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08135389

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		7,547,258		6,782,061
CURRENT ASSETS					
Stocks	16	9,247		8,301	
Debtors	17	219,188		70,066	
Cash at bank and in hand		661,593		921,873	
		<u>890,028</u>		<u>1,000,240</u>	
CREDITORS: amounts falling due within one year	18	(521,310)		(184,394)	
NET CURRENT ASSETS			<u>368,718</u>		<u>815,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,915,976</u>		<u>7,597,907</u>
Defined benefit pension scheme liability	23	(1,867,000)		(1,414,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,048,976</u></u>		<u><u>6,183,907</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	155,485		468,465	
Restricted fixed asset funds	19	7,547,258		6,782,061	
Restricted income funds excluding pension liability		<u>7,702,743</u>		<u>7,250,526</u>	
Pension reserve		<u>(1,867,000)</u>		<u>(1,414,000)</u>	
Total restricted income funds			<u>5,835,743</u>		<u>5,836,526</u>
Unrestricted funds	19		<u>213,233</u>		<u>347,381</u>
TOTAL FUNDS			<u><u>6,048,976</u></u>		<u><u>6,183,907</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:


M Booley
Chair of Trustees


A Collins
Trustee

The notes on pages 30 to 50 form part of these financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	21	(25,000)	(13,372)
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,029	3,273
Purchase of tangible fixed assets		(607,081)	(41,671)
Capital grants from DfE/EFA		189,072	16,470
Capital funding received from sponsors and others		177,700	-
Net cash used in investing activities		(235,280)	(21,928)
Change in cash and cash equivalents in the year		(260,280)	(35,300)
Cash and cash equivalents brought forward		921,873	957,173
Cash and cash equivalents carried forward	22	661,593	921,873

The notes on pages 30 to 50 form part of these financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Countesthorpe Community College Trust is a company limited by guarantee incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Academy's operations and its principal activities are set out in the strategic report. The functional currency of the Academy is GBP.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Success Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Success Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

Land is not depreciated.

Long-term Leasehold Property has been transferred across upon conversion, at the value determined as at that date. The valuation was completed by Andrea Hopkins (MRICS) of Leicestershire County Council on a depreciated replacement cost valuation.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SUCCESS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2016. 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.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement:

No key judgements have been applied in the preparation of these financial statements.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Parental contributions	171,603	-	171,603	214,892
Capital Grants	-	366,772	366,772	16,470
Total donations and capital grants	171,603	366,772	538,375	231,362

In 2015, all of the total income from donations and capital grants was to restricted funds

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Charity trading income			
Nursery and extended services	77,392	77,392	74,288
Catering	147,653	147,653	136,311
Lettings	16,100	16,100	14,792
Other trading income	81,240	81,240	76,953
	<u>322,385</u>	<u>322,385</u>	<u>302,344</u>
Charity trading expenses			
Nursery and extended services	88,287	88,287	77,430
Catering	149,808	149,808	132,440
Lettings	16,099	16,099	14,792
Other trading expenditure	59,920	59,920	59,096
	<u>314,114</u>	<u>314,114</u>	<u>283,758</u>
Net income from activities for generating funds	<u>8,271</u>	<u>8,271</u>	<u>18,586</u>

In 2015, all activities for generating funds were in relation to unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	5,029	5,029	3,273

In 2015, of the total investment income was to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants			
General Annual Grant (GAG)	2,924,367	2,924,367	3,045,501
Other DfE/EFA Grants	50,000	50,000	-
Pupil premium	109,821	109,821	99,634
Nursery	65,892	65,892	65,992
	<u>3,150,080</u>	<u>3,150,080</u>	<u>3,211,127</u>
Other government grants			
Local Authority Grants	46,139	46,139	24,506
SEN Grants	29,908	29,908	49,094
	<u>76,047</u>	<u>76,047</u>	<u>73,600</u>
Other funding			
Teaching School Income	121,607	121,607	125,031
National Leader of Education Income	16,000	16,000	81,000
LSL Funds	-	-	4,287
External services	8,720	8,720	8,511
	<u>146,327</u>	<u>146,327</u>	<u>218,829</u>
	<u><u>3,372,454</u></u>	<u><u>3,372,454</u></u>	<u><u>3,503,556</u></u>

In 2015, all of the total income from charitable activities was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. DIRECT COSTS

	Funding for academy's educational operations £	Total 2016 £	Total 2015 £
Pension income	54,000	54,000	51,000
Depreciation	147,872	147,872	139,154
Technology	47,156	47,156	37,696
Educational supplies	71,749	71,749	65,068
Staff development	53,785	53,785	38,974
Educational consultancy	20,546	20,546	181,966
Other direct costs	177,485	177,485	185,501
Wages and salaries	1,806,705	1,806,705	1,804,387
National insurance	157,880	157,880	140,208
Pension cost	338,258	338,258	300,623
	<u>2,875,436</u>	<u>2,875,436</u>	<u>2,944,577</u>

In 2015, the Academy incurred the following Direct costs in respect of restricted funds:

£2,944,577 in respect of Funding for academy's educational operations

7. SUPPORT COSTS

	Funding for academy's educational operations £	Total 2016 £	Total 2015 £
Recruitment and support	21,149	21,149	21,992
Maintenance of premises and equipment	52,378	52,378	47,625
Cleaning	7,565	7,565	8,743
Rent and rates	27,712	27,712	31,786
Energy costs	40,461	40,461	39,871
Insurance	31,118	31,118	50,388
Security and transport	12,292	12,292	16,339
Catering	544	544	18,718
Bank interest and charges	4,591	4,591	4,238
Other support costs	27,809	27,809	21,118
Auditor's remuneration	7,836	7,836	8,830
Legal and professional fees	14,313	14,313	108,496
Wages and salaries	457,596	457,596	440,993
National insurance	25,824	25,824	20,856
Pension cost	93,436	93,436	86,833
	<u>824,624</u>	<u>824,624</u>	<u>926,826</u>

In 2015, the Academy incurred the following Support costs in respect of restricted funds:

£926,826 in respect of Funding for academy's educational operations

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	106,398	-	207,716	314,114	283,758
Funding for academy's educational operations:					
Direct costs	2,339,893	97,563	437,980	2,875,436	2,928,577
Support costs	595,726	52,378	176,520	824,624	926,826
	<u>3,042,017</u>	<u>149,941</u>	<u>822,216</u>	<u>4,014,174</u>	<u>4,139,161</u>

In 2016, of the total expenditure, £314,114 (2015 - £283,758) was to unrestricted funds, £147,872 (2015 - £139,154) was to restricted fixed asset funds and £3,552,189 (2015 - £3,716,249) was to restricted funds.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	147,872	139,154
Auditor's remuneration - audit	6,580	6,300
Auditor's remuneration - other services	<u>3,545</u>	<u>2,530</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,406,427	2,373,065
Social security costs	189,015	162,965
Operating costs of defined benefit pension schemes	446,575	402,486
	<u>3,042,017</u>	<u>2,938,516</u>

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

	2016 No.	2015 No.
Management	6	6
Teachers	39	37
Administration and support	63	66
	<u>108</u>	<u>109</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Management	6	6
Teachers	36	35
Administration and support	40	36
	<u>82</u>	<u>77</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	0
In the band £100,001 - £110,000	1	0
In the band £110,001 - £120,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £40,583 (period ended 31 August 2015 - £34,383).

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) received by key management personnel for their services to the academy trust was £490,067 (2015 - £526,510).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 5 Trustees (2015 - 5) in respect of defined benefit pension schemes.

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

		2016 £	2015 £
T Moralee, Head Teacher	Remuneration	105,000-110,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
C Boat, Staff Governor	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
T Scott, Staff Governor	Remuneration	0-5,000	25,000-30,000
	Pension contributions paid	0-5,000	5,000-10,000
N Robinson, Staff Governor	Remuneration	-	15,000-20,000
	Pension contributions paid	-	0-5,000
S Jenkins, Staff Governor	Remuneration	0-5,000	0-5,000
	Pension contributions paid	-	0-5,000

During the year ended 31 August 2016, travel expenses totalling £1,839 (2015 - £2,760) were reimbursed to 1 Trustee (2015 - 2).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £915 (2015 - £1,452).

14. PENSION FINANCE COSTS

	2016 £	2015 £
Interest income on pension scheme assets	42,000	33,000
Interest on pension scheme liabilities	(96,000)	(84,000)
	<u>(54,000)</u>	<u>(51,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. TANGIBLE FIXED ASSETS

	Long-term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	6,964,320	108,776	68,075	7,141,171
Additions	713,721	182,023	17,325	913,069
At 31 August 2016	<u>7,678,041</u>	<u>290,799</u>	<u>85,400</u>	<u>8,054,240</u>
Depreciation				
At 1 September 2015	300,491	36,246	22,373	359,110
Charge for the year	97,563	27,682	22,627	147,872
At 31 August 2016	<u>398,054</u>	<u>63,928</u>	<u>45,000</u>	<u>506,982</u>
Net book value				
At 31 August 2016	<u>7,279,987</u>	<u>226,871</u>	<u>40,400</u>	<u>7,547,258</u>
At 31 August 2015	<u>6,663,829</u>	<u>72,530</u>	<u>45,702</u>	<u>6,782,061</u>

Included in Long-term Leasehold Property is land of £2,094,000 (2015 - £2,094,000) which is not depreciated.

16. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>9,247</u>	<u>8,301</u>

17. DEBTORS

	2016 £	2015 £
Trade debtors	87,623	11,441
Other debtors	88,937	4,495
Prepayments and accrued income	42,628	54,130
	<u>219,188</u>	<u>70,066</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	49,877	-
Other taxation and social security	55,378	48,474
Other creditors	52,855	60,690
Accruals and deferred income	363,200	75,230
	<u>521,310</u>	<u>184,394</u>

The deferred income relates to funding for 2016/17 which has been received in advance.

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	46,636	125,040
Resources deferred during the year	20,334	46,636
Amounts released from previous years	(46,636)	(125,040)
Deferred income at 31 August 2016	<u>20,334</u>	<u>46,636</u>

SUCCESS ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	347,381	327,414	(314,114)	(147,448)	-	213,233
Restricted funds						
General Annual Grant (GAG)	348,038	2,924,367	(2,871,940)	(400,150)	-	315
Other DfE/EFA Grants	2,213	50,000	(11,511)	-	-	40,702
Pupil premium	54,382	109,821	(117,262)	-	-	46,941
Nursery	-	65,892	(65,892)	-	-	-
Local Authority Grants	10,513	46,139	(26,423)	-	-	30,229
LSL Funds	2,503	-	(2,503)	-	-	-
Extended Services Parental Contributions	23,578	8,720	(9,047)	-	-	23,251
SEN Grants	6,715	171,603	(171,571)	-	-	6,747
Teaching School Fund	-	29,908	(29,908)	-	-	-
NLE Fund	9,552	121,607	(132,460)	1,301	-	-
Pension reserve	10,971	16,000	(19,671)	-	-	7,300
	(1,414,000)	-	(94,000)	-	(359,000)	(1,867,000)
	<u>(945,535)</u>	<u>3,544,057</u>	<u>(3,552,188)</u>	<u>(398,849)</u>	<u>(359,000)</u>	<u>(1,711,515)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	6,782,061	366,772	(147,872)	546,297	-	7,547,258
Total restricted funds	<u>5,836,526</u>	<u>3,910,829</u>	<u>(3,700,060)</u>	<u>147,448</u>	<u>(359,000)</u>	<u>5,835,743</u>
Total of funds	<u><u>6,183,907</u></u>	<u><u>4,238,243</u></u>	<u><u>(4,014,174)</u></u>	<u><u>-</u></u>	<u><u>(359,000)</u></u>	<u><u>6,048,976</u></u>

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education in line with the funding agreement.

Other DfE/EFA Grants

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS (continued)

Pupil premium

Funds received for the purposes of providing additional support to pupils who receive free school meals.

Nursery

Funds received for the provision of a nursery facility in the community.

Local Authority Grants

Funds received from the local authority for specific projects.

LSL Funds

Funds received to support collaborative activities/meeting and sharing good practice, as part of the Learning South Leicestershire (LSL) partnership.

Extended Services

Funding received for out of schools club, pre school, family of school activities and family of schools minibus.

Parental Contributions

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

SEN Grants

Funds received from Leicestershire County Council to support the costs in assisting pupils with special education needs.

Teaching School Fund

Funding received to enable the school to build the leadership and administrative capacity to lead the teaching school alliance.

NLE Fund

Funds received from The National College for Teaching and Leadership as part of the National Leaders of Education (NLE) funding that are used to cover the costs of National Support Staff.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Restricted Fixed Asset Fund

Represents the fixed assets that are held by the Academy, which are used by the Academy to achieve its educational objectives.

Transfer

Relates to the transfer of the purchase of fixed assets from the relevant fund where the income is received to the fixed asset fund.

Relates to the transfer of funds from unrestricted funds to Teaching School Fund to cover closing deficit position.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	7,547,258	-	7,547,258	6,782,061
Current assets	676,795	-	213,233	890,028	1,000,240
Creditors due within one year	(521,310)	-	-	(521,310)	(184,394)
Provisions for liabilities and charges	(1,867,000)	-	-	(1,867,000)	(1,414,000)
	<u>(1,711,515)</u>	<u>7,547,258</u>	<u>213,233</u>	<u>6,048,976</u>	<u>6,183,907</u>

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	224,069	(114,626)
Adjustment for:		
Depreciation charges	147,872	139,154
Dividends, interest and rents from investments	(5,029)	(3,273)
(Increase)/decrease in stocks	(946)	6
(Increase)/decrease in debtors	(149,522)	27,945
Increase/(decrease) in creditors	31,328	(146,108)
Capital grants from DfE and other capital income	(366,772)	(16,470)
Defined benefit pension scheme cost less contributions payable	40,000	49,000
Defined benefit pension scheme finance cost	54,000	51,000
Net cash used in operating activities	<u>(25,000)</u>	<u>(13,372)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	661,593	921,873
Total	<u>661,593</u>	<u>921,873</u>

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23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £52,855 were payable to the schemes at 31 August 2016 (2015 - £45,315) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £266,575 (2015 - £218,486).

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

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23. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £180,000 (2015 - £175,000), of which employer's contributions totalled £140,000 (2015 - £135,000) and employees' contributions totalled £40,000 (2015 - £40,000). The agreed contribution rates for future years are 22.3% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.2 years	22.2 years
Females	24.3 years	24.3 years
Retiring in 20 years		
Males	24.2 years	24.2 years
Females	26.6 years	26.6 years

The Academy expects to contribute £149,000 to its Defined Benefit Pension Scheme in 2017.

Sensitivity analysis:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in Real Discount Rate	14%	465,000
1 year increase in member life expectancy	3%	98,000
0.5% increase in the Salary Increase Rate	6%	197,000
0.5% increase in the Pension Increase Rate	8%	252,000

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23. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,015,000	671,000
Debt instruments	254,000	213,000
Property	127,000	112,000
Cash	14,000	20,000
Total market value of assets	<u>1,410,000</u>	<u>1,016,000</u>

The actual return on scheme assets was £234,000 (2015 - £35,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(180,000)	(184,000)
Net interest cost	(54,000)	(51,000)
Total	<u>(234,000)</u>	<u>(235,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,430,000	2,164,000
Current service cost	180,000	184,000
Interest cost	96,000	84,000
Contributions by employees	40,000	40,000
Actuarial losses/(gains)	551,000	(33,000)
Benefits paid	(20,000)	(9,000)
Closing defined benefit obligation	<u>3,277,000</u>	<u>2,430,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,016,000	814,000
Interest income	42,000	33,000
Return on scheme assets (excluding interest income)	192,000	3,000
Contributions by employer	140,000	135,000
Contributions by employees	40,000	40,000
Benefits paid	(20,000)	(9,000)
Closing fair value of scheme assets	<u>1,410,000</u>	<u>1,016,000</u>

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24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	-	8,987

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

26. MEMBERS' LIABILITY

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

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27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		6,262,533	6,183,907
Total funds reported under FRS 102		<u>6,262,533</u>	<u>6,183,907</u>

Reconciliation of net expenditure	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(98,626)
Change in recognition of LGPS interest cost	A	(16,000)
Net movement in funds reported under FRS 102		<u>(114,626)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £16,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.