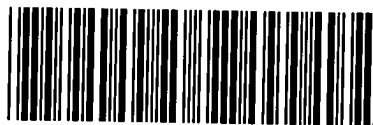


COMPANIES HOUSE COPY

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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COMPANIES HOUSE

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**SUCCESS ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISORS  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	A Gelsthorpe J Hemes S Jordan (resigned 31 August 2017) S Lamprell B Perrett D Vernon (appointed 16 November 2017)
<b>Trustees</b>	M Booley, Chair P Wiles M Torbitt (resigned 4 December 2017) D Marcus (resigned 19 September 2017) S Lamprell (appointed 19 September 2017) A Christon R Jelly (resigned 10 October 2017) M Hall (appointed 30 October 2017) A Collins, Trust Principal and Accounting Officer
<b>Company registered number</b>	08135389
<b>Company name</b>	Success Academy Trust
<b>Principal and registered office</b>	Thomas Estley Community College Station Road Broughton Astley Leicester Leicestershire LE9 6PT
<b>Company secretary</b>	AM Willett
<b>Senior management team</b>	R Fegan (resigned 31 January 2017), Vice Principal C Cornelius (resigned 31 January 2017), Vice Principal M Young (resigned 31 January 2017), Assistant Principal J Hartley (resigned 31 January 2017), Assistant Principal A Collins (resigned 31 January 2017), Principal A Collins (appointed 1 February 2017), Trust Principal T Withers (appointed 1 February 2017), Heads Advisory Group C Munton (appointed 1 February 2017), Heads Advisory Group R Haltof (appointed 1 February 2017), Heads Advisory Group A M Willett, Trust Operations and Finance Officer
<b>Independent auditor</b>	BDO LLP 2 Snow Hill Birmingham B4 6GA
<b>Bankers</b>	NatWest Bank Plc Gateway House 4 Penman Way Grove Park, Enderby Leicester LE19 1SY

**SUCCESS ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Solicitors**

Flint Bishop  
St. Michael's Court  
St. Michael's Lane  
Derby  
DE1 3HQ

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the audited financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 3 primary and 1 secondary academies in Leicestershire. The Primary academies joined the Trust on 1 February 2017 – two as academising Local Authority schools and one as a transferring academy. The Trust's academies have a combined pupil capacity of 1810 and had a combined number on roll of 1851 in the schools on census on 5 October 2017. Richmond Primary school will be changing its Funding Agreement to reflect the increased capacity due to 7 additional classrooms being built by the local authority due to basic need in the locality.

**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.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

**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 purchases 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 (LAIS) 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 2016 to 31 August 2017 was £1,149.

**d. Method of recruitment and appointment or election of Trustees**

The formation of the original Board of Success Academy Trust was made by drawing Members and Trustees with appropriate experience and skills from the local governance boards of its four academies. The Trust is working to remove any local conflict of interest over this and next year. The Trust is working in partnership with Academy Ambassadors to help recruit additional Trustees with the appropriate skills and experience to align with the requirements of the Trust, and realignment is continuing over the next couple of years to provide clear lines of accountability without conflicts of interest.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Members**

- Bruce Perrett is also the Chair of the LGB of Thomas Estley Community College.
- Sue Lamprell was appointed to also serve as a temporary Trustee for a year with effect from 19 September 2017 during the formative phase.
- Tony Gelsthorpe was the Chair of Hallbrook Primary LGB but stepped down from this role at the start of the new academic year 2017/18.
- Sue Jordan resigned as a Member during the year as detailed on page 1.
- Di Vernon was appointed as a member as detailed on page 1.

**Trustees**

- Melvyn Booley is a Governor at Cosby Primary LGB, having resigned as Chair of Governors there at the start of the new academic year 2017/18.
- Rhona Jelly was originally a Governor at Thomas Estley Community College but resigned this role on 1 September 2016.
- Paul Wiles was originally a Governor at Thomas Estley Community College but resigned this role on 1 September 2016.
- David Marcus was a serving Trustee up to 19 September 2017 when he resigned due to becoming Chair of Hallbrook Primary LGB. He subsequently resigned as Chair of Hallbrook Primary LGB on 27 November 2017.
- Mike Torbitt resigned as a Trustee 4 December 2017 but continues to serve as a Local Governor at Thomas Estley Community College
- Sue Lamprell was appointed as a Trustee by the Members of the Trust on 19 September 2017 to serve as a Trustee for 12 months, she is also an existing Member. In addition, Sue Lamprell stood down as Chair of Richmond Primary's Local Governance Board on 11 September 2017 although remains a local governor.
- Mandi Collins is designated Trust Principal but is also Principal of Thomas Estley Community College.

We carry out an annual audit of skills within the Trustee board and are working with Academy Ambassadors to supplement any areas of need.

All Academies within the Trust have a service level agreement with Leicestershire County Council's Governor Development Service which provides training and advice.

Information and guidance are also available through the National Governors' Association.

The Trust has undertaken joint workshops for Members, Trustees and LGB representatives in which the vision and work of the Trust has been shared and to support an understanding of the various layouts of delegation and responsibility across the Trust.

To support communication across the Trust to ensure objective communication, Trustees with no previous connection to a particular school within the Trust will be made that school's link Trustee to ensure that information flow between the LGB and Trust Board remains effective.

Appointing Trustees is one of the roles of the Members and we work in collaboration with Academy Ambassadors in order to recruit against needs arising from our ongoing skills audits.

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

The Chair of Trustees is currently inducted and initial training provided through the regional training provided by RSC and local experienced Trusts, as well as applicable national training. New Trustees are inducted through a comprehensive programme of visits and discussions involving the Trust Principal, Chair of Trustees, existing Trustees and visits to and experience in our Trust schools. They also access national and local training programmes as appropriate.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**f. Pay policy for key management personnel**

Academy Trustees receive no remuneration for their role, other than the Trust Principal, part of whose salary is offset as part of the core services top slice from 2017/18. From 2017/18 the top slice also offsets some of the salary of the Chief Financial Officer (Trust Operations and Finance Officer) and Trust School Business Manager time. Additional time from the strategic members of the Heads Advisory Board and other employees within the Trust will be identified and recharged where/when additional specific duties for the Trust are identified and top slice permits.

The salary of the Trust Principal is determined where the relevant body of the headteacher's original school or, under the Collaboration Regulations(4), the collaborating body, calculates the headteacher group by combining the unit score of all the schools for which the headteacher is responsible to arrive at a total unit score, which then determines the headteacher group.

**g. Organisational structure**

The governance of the Trust is defined in the Articles of Association. The Trust is governed by the Trustees who delegate responsibility for the leadership and management of education and operations for each of its Academies to the local governance boards (LGBs) and Principal/ Head teachers of them through an agreed scheme of delegation.

The senior management team as noted on page 1 was changed on the 31 January 2017 to reflect the new structure of the MAT upon 3 new schools joining on the 1 February 2017. The outgoing senior management team listed still form the senior management team for Thomas Estley Community College.

The Principal of Thomas Estley Community College also acts as the Trust Principal and Accounting Officer for the Trust.

The Trust Principal works closely with the other Academy Head Teachers through the Trust's Heads advisory board. Membership of this is open to Heads of academies as they join the Trust. Heads will work within the support of the Trust Head's Advisory Group with the guidance of the Trust Principal/ other Heads from within the group as required based on the assumption of earned autonomy. The group increasingly work together to share best practice, CPD, staffing and skills and to develop Trust-wide approaches within the shared aims and values. Recommendations from the Heads Advisory Board are shared with the Board of Trustees for scrutiny, adoption and ratification, as appropriate.

Each academy develops its own annual improvement plan and ensures that the budget reflects priorities within the plan. Academy improvement plans and Head teacher's / Principal's Reports to the Governors are also shared with Trustees and scrutinised alongside the Trust's own Strategic Plan and the KPIs, which are reviewed on a termly basis.

Trustees make decisions about strategic finance, strategic objectives, school improvement support required and deployed into Trust schools, core services deployment and funding the Trust's vision and values, and how these are lived out in the Trust's academies, and around other, similar issues. The Heads Advisory Board input extensively into the strategic planning and operational processes within the Trust, and the Members and LGBs also input into the planning and reviewing cycle. Trustees also take decisions around achieving sustainable growth for the Trust.

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

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**h. Connected organisations, including related party relationships**

All academies within the Trust are members of TELA teaching school alliance. The Trust Principal, Mandi Collins, is also Head of the Teaching School. As such she networks with Teaching school alliances across the East Midlands. The TELA wider alliance membership consists of 13 Secondary and 21 Primary schools across Leicestershire. The Head of Teaching School brokers school improvement work across Leicestershire through the Leicestershire local authority brokering partnership, and through coordinated teaching school SSIF bids.

Thomas Estley Community College and Cosby Primary, prior to the formation of Success Academy Trust, were previously members of the South Leicestershire Learning Partnership umbrella trust which was dissolved during the year as the other two founding academies amalgamated into another Trust. Thomas Estley Community College remains in close working partnership with Countesthorpe Leysland Community College with regard to KS5 pathways.

Thomas Estley, Hallbrook and Cosby Primary are part of the same local family of schools and work collaboratively with other schools within it. Richmond Primary works within the Hinckley Partnership of Schools.

The Trust Principal networks with Head teacher colleagues in the Learning South Leicestershire Partnership which is a collaboration of 15 secondary schools and 1 FE College around South Leicestershire, working together to provide learning opportunities to enhance the curricula of the schools and support effective inclusion and behaviour provision, funded most cost effectively through joint arrangements.

The Trust Finance and Operations Officer is also College Manager of Thomas Estley Community College and an Executive Committee member of Leicestershire Academies Group.

The Chair of the Trustees Melvyn Booley carries out work in the capacity of National Leader in Governance within TELA Teaching School Alliance and the Leicestershire local authority brokering partnership.

**Strategic report**

**Objectives and Activities**

**a. Objects and aims**

Success Academy Trust (Success AT) is standards driven; it aims to provide world-class education and care that allows every young person to reach their potential in an environment where there is a commitment to work collaboratively and take ownership of each other's successes; it recognises the importance of teaching and learning. It operates a robust school improvement system with the ultimate aim of doing something exceptional for young people in our area. All young people will be safe and all will be supported, whatever their needs.

The Success AT vision is based on "Achieving Success Together"

Secure high achievement for all

Understand, value and respect everyone

Collaborate and contribute within a supportive community of learning and partnerships

Challenge every barrier to success

Excel in all we do

Share and celebrate best practice, expertise and achievements

Strengthen opportunities for partnership, processes and people



**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**b. Objectives, strategies and activities**

For the next three years, the Success AT will be focusing on a range of priorities; centrally there will be 3 main areas of focus:

**CORE OFFER**

The Success AT to be fully cognisant of the importance of communicating its core vision, using all forms of media, and to develop a strong brand which is used consistently. The Success AT to develop both proactive and reactive systems for marketing, PR, and media handling, and to be able to influence key stakeholders.

**STRATEGY FOR GROWTH**

The Success AT to have a defined strategy for growth, understanding the need to build capacity in advance of new academies joining, and preparing for the challenges of different types of academies joining the MAT. The Success AT to have a clear understanding of the impact that different types of academy joining will have on its overall leadership and governance. The Success AT to have a plan for optimum geographical coverage and to be prepared to say 'no' where relevant.

**COLLABORATION FOR IMPACT**

The Success AT to value the importance of collaboration to the benefit of our pupils/students. The Success AT to enhance the effectiveness of learning in academies by ensuring that the impact of great teaching is identified and shared across all teachers. The Success AT to evaluate the impact of this collaboration on a regular basis.

For the next three years, we will concentrate as a group of academies, on 6 key areas:

**VISION AND VALUES**

The Success AT to have a clear and compelling vision for the future. All stakeholders to be clear about, and be able to articulate, the moral purpose of the Success AT, its mission and its values. All stakeholders to share an understanding of what it means to be part of the Success AT, including those elements that are non-negotiable.

**ACHIEVEMENT**

Achievement in the Success AT academies will build on the previous personal best, with year on year improved progress and outcomes for pupils/students of all abilities.

**QUALITY ASSURANCE & DATA**

The Success AT to have available a wide range of both qualitative and quantitative data to develop clear methods of assessment, both of individual academies and of the Success AT as a whole. The Success AT to have robust peer review systems, ensuring that risks are effectively and swiftly managed, and intervening where performance levels drop below expected standards. The Success AT schools/academies will build on the previous personal best, with year on year improved progress and outcomes for pupils/students of all abilities.

**FINANCIAL STRATEGY & CONTROL**

The Success AT to have transparent and clear systems for ensuring financial probity, having access to accurate and timely management information to ensure effective budgeting. The Success AT to make efficient use of economies of scale, achieving best value for top-sliced funds, and to pursue alternative revenue systems to benefit the Success AT as a whole (e.g. providing services beyond the Success AT itself). A sustainable educational and business plan will be in place that supports the academies to meet their core objective of delivering outstanding education for every child.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**GOVERNANCE**

The Success AT to have a scheme of delegation which clearly defines responsibilities of the various levels of governance (Members, Trustees, Local Governing Body). All members of governances at all levels to be clear about their responsibilities, and to have access to relevant training and information to support their defined roles. Leadership and governance across the Trust will be outstanding and succession planning effective in securing leaders of high calibre across Success AT.

**WORKFORCE DEVELOPMENT**

Recruitment, training and development of the workforce of leaders, support staff and administrators will result in an outstanding provision to all of our pupils/students. The Success AT to have in place a workforce strategy that seeks to recruit, retain & develop all staff at all levels, promoting from within wherever possible and being able to deploy staff to where they are most needed. The Success AT to provide high-quality, appropriately accredited training and development opportunities, and career support. Key roles throughout the Success AT to have succession plans in place.

**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 the public benefit published by the Charity Commission in exercising their powers or duties.

**Achievements and performance**

**a. Review of activities**

**OFSTED ratings**

Cosby Primary:	1st February 2017– Good
Hallbrook Primary:	27th June 2014 - Good
Richmond Primary:	15th-16th June 2016 – Good
Thomas Estley Community College:	13th-14th October 2010 – Outstanding

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Thomas Estley Community College**

**Context**

Thomas Estley Community College joined Success Academy Trust on 1st September 2016. The school changed from a single Academy, part of an Umbrella Academy Trust, on this date.

The school was inspected in October 2010 and judged outstanding. It has been a National Teaching School since 2013, the lead school in the Thomas Estley Learning Alliance.

**Key Focus Areas from School Improvement Plan 2016-17**

<b>Priorities</b>	<b>Strategic Objectives (KPIs)</b>
1.All teaching is good or outstanding	90% teaching good or higher, with much of it outstanding including Y10 lessons. T&L regularly monitored and personalised FDPs in place/reviewed.
2.All students make progress at or above national expectations	Progress tracking system and intervention monitoring system in place, accurate, effective. All student groups make better than expected progress in every year group and every subject area.
3.The gap for disadvantaged students is closing	Disadvantaged student's groups and year groups all make better progress than national other. Tailored interventions impact on pupil groups and individuals.
4.Students have good or outstanding attitudes to learning and behaviour	Culture of celebrating achievement and excellence embedded consistently. % of students achieving 3 or more ATL 3 reduced by 40%. Overall fixed term exclusion days reduced by 30%
5.Governors are appropriately skilled to support the College Strategic Plan	Governors fulfil strategic roles effectively as Members and Trustees of Success AT and as LGB of TECC. All vacancies filled and all training needs audited and training in place.
6.The College builds on its outstanding local, national and international reputation	NQT appropriate body role effective, increase in Level 3/4 CPD provision in TELA, 90% ITT trainees recruited, maintain 100% pass rate. Success AT grows capacity, at least 4 members plus 1 sponsored school, support shows impact.
7.Improve support models and facilities through work with other stakeholders for best value	Specialist indoor sports provision secured for Autumn 2018 Science/ADT facilities support high quality learning.

**Key Activities and Developments:**

**Priority 1:**

In spite of significant growth (over 30% of current teaching staff joined in Autumn 2017) and some additional staff turnover during the year, particularly in English and Science, 84% of teaching was good or better by the summer term 2017.

Monitoring of teaching and effective use of FDPs is well embedded and commented on as a particular strength in the May Peer Challenge Review.

**Priority 2:**

A new 9-1 grade tracking and monitoring system is in place in Years 7-11 and used effectively to track progress and inform interventions and reporting.

Most student groups make better than expected progress in the majority of subject areas although boys in English and ADT, disadvantaged students in English, Science, Business and various student groups in English, Science, Business still remain targeted areas for improvement within the college.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Priority 3:**

Tailored interventions impact positively on disadvantaged students and gaps are closing but gaps still remain for some subject areas and ability groups, particularly low ability disadvantaged boys. This remains a focus for improvement.

**Priority 4:**

Behaviour and Behaviour for learning were rated good in our May Peer Challenge Review.

A culture of celebration began to become embedded, but work remained to do in areas such as embedding a modified Rewards Policy.

No of days FTE and % ATL 3 were reduced year on year but not significantly.

**Priority 5:**

Governors fulfilled strategic roles effectively, and training was effective.

Some areas signposted in the skills audit require attention after the retirement of several local body governors for personal reasons over the year.

**Priority 6:**

NQT appropriate body role was effective and TELA obtained the national license to deliver NPQs including Level 3.

Recruitment of ITT trainees was low and at around 50% across primary/secondary. ITT trainees had a 100% pass rate.

Success AT grew to 4 members, but no sponsored school, as resources were deployed to support a coasting school within the Trust in particular. All Trust primary schools improved their outcomes.

**Priority 7:**

Agreement in principle to access use of proposed Leisure Centre from Autumn 2018.

Modified Science facilities are fit for purpose, and ADT facilities have received some improvement, but further work is required.

**Progress Outcomes for Year Ten (no Year 11):**

Over 80% on track for at least expected progress in **Science (87.0%)**, French, Spanish, Geography, History, Art, Computing, Dance, Drama, Health and Social Care, IT, Music, PE, RE.

Over 70% on track for at least expected progress in **Maths (78.2%)**, Resistant Materials, Textiles.

**54.9%** on track in **English Language**, **62.7%** in **English Literature**.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Cosby Primary School**

**Context**

Cosby Primary School joined Success Academy Trust on 1st February 2017 having previously been an academy within an umbrella trust.

The school was inspected on 1st February 2017 and maintained its "Good" judgement.

**Key Focus Areas from School Improvement Plan 2016-17**

**Priority 1: Achievement and Standards**

- Improve standards in core subjects and Increase the proportion of pupils making or exceeding expected progress
- Improve the progress and attainment of Academically More Able pupils.

**Priority 2: Quality of Teaching and Learning**

- Provide effective challenge for all pupils in all lessons.
- Provide a broad and balanced curriculum which inspires pupils to learn
- Develop effective processes and systems for assessing pupil progress.

**Priority 3: Behaviour and Safety**

- Maintain high expectations of pupil conduct in all contexts.
- Ensure children are well informed about how to stay safe in a range of situations with a particular focus on emotional and mental well-being

**Priority 4: Leadership and Management**

- Create a culture which enables staff and pupils to excel
- Make all teaching as good as the best by improving the level of challenge for all pupils.
- Ensure that curriculum planning and delivery is motivating, engaging, challenging and enabling all pupils to achieve
- Promote and develop the application of spiritual, moral, social and cultural understanding across the curriculum.
- Strengthen partnerships with parents, teaching school alliance and academy trust.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Key Activities and Developments:**

- Improved 2017 Key Stage 2 Outcomes

	Reading	Writing	Maths	GPVS	Reading, Writing and Maths
% achieving expected standard	74	76	74	72	59
% achieving a high standard	13	15	8	18	3
Average scaled score	104	N/A	102	103	N/A
Progress Score	-3.7	-1.7	-3.6	N/A	N/A

- Successful Introduction of a Nursery 3+ class, enhancing school readiness.
- Focus on development of positive challenge, impacting on pupil attitudes.
- Good progress through the Foundation Stage so that the proportion of pupils achieving the expected levels, or exceeding the expected levels, was above those achieved nationally by the end of the year.
- A change to whole class teaching of reading with a focus on key skills for reading has raised the profile of reading and improved reading outcomes.
- Introduction of pupil passports and structured conversations for more able pupils.
- Cross-school moderation enabling teachers to be more confident in their accuracy of assessment judgements.
- Successful reaccreditation of International Schools Award.
- Participation in Peer Challenge providing external validation.

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Hallbrook Primary School**

**Context**

Hallbrook Primary School converted to an academy on 1<sup>st</sup> February 2017 as a member of Success Academy Trust.

At its last Ofsted inspection in June 2014 the school's overall effectiveness was graded as 'good'. In January 2017 the school was notified by the DfE that it had met the coasting definition based on its performance in 2014, 2015 and 2016. However, the school's self-evaluation had already identified concerns with its performance and significant action to initiate rapid and sustained improvements had been put in place since the summer term 2016. The impact of these actions is that the 2017 data shows an improvement in pupil outcomes at both Key Stage 1 and Key Stage 2.

**Priorities from Coasting School Action Plan 2016-17**

**Priority 1:** Improve pupil outcomes (attainment and progress) in writing across the school

- Introduce Phases of Writing;
- Use clear Success Criteria so that pupils are aware of genre features to be included;
- Develop a long term plan which gives time to develop skills within each writing genre;
- Use 'Cold Write' assessments to inform planning;
- Showcase 'Hot Writes' at the end of each genre of writing across the school;
- Identify and target pupils who are not making expected progress from individual starting points.

**Priority 2:** Improve pupil outcomes (attainment and progress) in mathematics across the school

- Ensure reasoning is accessible for every group of children;
- Ensure reasoning and problem solving is captured within lesson starters;
- Use Baseline Assessments and Assessment for Learning to inform planning;
- Identify and target pupils who are not making expected progress from individual starting points.

**Priority 3:** Improve pupil outcomes (attainment and progress) in reading across the school

- Embed a whole-class approach to reading;
- Use 'Love to Read' materials to support the English reading curriculum;
- Introduce a consistent systematic approach to summative assessment that complement assessment for learning techniques;
- Identify and target pupils who are not making expected progress from individual starting points.

**Key Activities and Developments**

- Mostly improved EYFS Outcomes:

Subject	GLD	Reading	Writing	Numbers
	% achieving GLD	At Least Expected	At Least Expected	At Least Expected
2016	61.3%	71.0%	64.5%	61.3%
2017	70.0%	70.0%	70.0%	70.0%
2017 vs 2016	8.7%	-1.0%	5.5%	8.7%

- Improved Key Stage 1 Outcomes:

Subject	Reading	Writing	Maths	RWM (Combined)
Year 2	Expected Standard	Expected Standard	Expected Standard	Expected Standard
2016	75.7%	54.1%	59.5%	48.6%
2017	77.8%	63.0%	77.8%	59.3%
2017 vs 2016	2.1%	8.9%	18.3%	10.7%

**SUCCESS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

Subject	Reading	Writing	Maths	RWM (Combined)
Year 2	Above Standard	Above Standard	Above Standard	Above Standard
2016	24.3%	13.5%	8.1%	8.1%
2017	44.4%	22.2%	33.3%	18.5%
2017 vs 2016	20.1%	8.7%	25.2%	10.4%

- Improved Key Stage 2 Outcomes:

Subject	Reading	Writing	GPS	Maths
Year 6	Expected Standard	Expected Standard	Expected Standard	Expected Standard
2016	55.2%	51.7%	65.5%	58.6%
2017	68.0%	76.3%	84.2%	71.1%
2017 vs 2016	12.8%	24.6%	18.7%	12.5%

Subject	RWM (Combined)
Year 6	Expected Standard
2016	37.9%
2017	53.0%
2017 vs 2016	15.1%

Subject	Reading	Writing	GPS	Maths
Year 6	Above Expected	Above Expected	Above Expected	Above Expected
2016	14.0%	0.0%	21.0%	7.0%
2017	15.8%	13.2%	21.1%	15.8%
2017 vs 2016	1.8%	13.2%	0.1%	8.8%

Subject	RWM (Combined)
Year 6	Above Expected
2016	0.0%
2017	10.5%
2017 vs 2016	10.5%

Subject	Reading	Writing	Maths
Year 6	Progress	Progress	Progress
2016	-3.06	-8.29	-4.12
2017	-2.3	-1.1	-2.7
2017 vs 2016	0.76	7.19	1.42

- TELA school-to-school support to improve outcomes at Key Stage 1 and Key Stage 2 in reading, writing and maths.
- Attainment of pupils working above age related expectation by the end of Key Stage 1 was above the emerging national in all areas.
- A much improved knowledge and understanding of the new national curriculum expectations, including end of Key Stage 1 and end of Key Stage 2 assessment frameworks.
- Participation in the TELA Peer Challenge providing external validation.
- Accurate external moderation of Key Stage 1 Teacher Assessments.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Richmond Primary School**

**Context**

Richmond Primary School joined Success Academy Trust on 1st February 2017. The school changed from a Maintained School to an Academy on this date.

The school was inspected on 15<sup>th</sup> and 16<sup>th</sup> June 2016 and improved the overall effectiveness judgement from Requires Improvement to Good.

**Key Focus Areas from School Improvement Plan 2016-17**

**Priority 1:**

Improve the quality of teaching and learning in EYFS

Strategy for 1:

Develop a clear and consistent pedagogical approach focussed on high expectations for all children

**Priority 2:**

Increase the numbers of children getting to Age Related Expectation by the end of each year by ensuring that all children are fully engaged in their learning

Strategy for 2:

Develop a clear and consistent pedagogical approach throughout the school focussed on high expectations for all children

**Priority 3:**

Close the gap in attainment between Pupil Premium and non Pupil Premium

Strategy for 3:

Build independence and develop a growth mindset

**Priority 4:**

Ensure that the Most Able children are provided with additional challenge in subjects other than English and Maths

Strategy for 4:

Build independence and develop a growth mindset

**Priority 5:**

Convert to Multi-Academy status and develop a successful system leadership approach across the schools within the MAT

Strategy for 5:

Work collaboratively with the schools within the MAT to develop a sustainable and successful leadership model

**Key Activities and Developments:**

**Priority 1:**

Improved Outcomes 2017 in EYFS – GLD increased from:

2015	2016	2017
51.7%	62%	70.1%

- GLD was 70.9% in 2017, the highest that we have achieved. Whilst this is below National (70.7%) it indicated improvements, following the trend set in the previous year. Target of 80% GLD set for 17/18
- New EYFS Team is now working effectively together and have a clear understanding of strengths and areas for development that are reflected in the School Improvement Plan 2017 2018.
- Working effectively with other local schools – LEEP and TELA
- Induction and progress of the current cohort has gone well

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Priority 2 and 3:**

Improved Outcomes 2017 in Key Stage 2 SATs:

	Combined		Reading		Writing		Maths		GPS	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>All</b>	40%	61.2%	69%	73.5%	56%	85.7%	52%	75.5%	77.4%	81.6%
<b>PP</b>	9%	54.5%	55%	72.7%	36%	63.6%	9%	63.6%	54.5%	63.6%
<b>Not PP</b>	47%	63.2%	73%	73.7%	61%	92.1%	61%	78.9%	82.4%	86.8%

Progress scores	Reading	Writing	Maths
<b>2016</b>	0.64	-3.03	-1.49
<b>2017</b>	1.66	2.03	0.19

- Results in 2017 are overall better than 2016
- The schools scores in 2017 are above national scores
- Maths results increased significantly in 2017
- The combined score in 2017 is closer to the floor standard of 65% and has increased significantly from 2016
- PP children in Reading were just 1% below non PP and is a significant improvement
- The gap between PP and non PP in Maths has reduced from 52% in 2016 to 15.3% in 2017
- The gap between PP and non PP in GPS has reduced from 27.9% in 2016 to 23.2% in 2017
- School involved in LEEP Project for Pupil Premium through TELA
- School achieved SAPERE Bronze Award for Philosophy For Children and is close to achieving Silver Award
- Quality of teaching judged to be consistently good throughout the school
- Successful introduction of a new spelling strategy
- 5 Keys To Success embedded across the school

**Priority 4:**

- Raised the profile of Foundation Subject Leaders and increased opportunities for monitoring and evaluation
- Progression ladders for more able completed and consistently used to plot and track attainment and progress
- New More Able Leader appointed and training put in place
- More able children identified in each foundation subject area and subject leaders tracking their learning more closely

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**b. Key performance indicators (KPIs)**

The Key Performance Indicators for the Trust are as follows:

**Outcomes for pupils - Primary**

- Children to achieve to their full potential i.e. 100% to achieve expected progress in reading, writing, and maths by end of KS2
- Phonics screening check 80% and above
- 80% of children to attain age related standards by end of KS1 within Reading, Writing and Maths.
- 80% of children to attain age related standards by end of KS2 within Reading, Writing and Maths.
- 70% of children to achieve combined KS2 related standards across trust.
- Gaps between pupil groups are small and narrowing including disadvantaged students.

**Outcomes for pupils - Secondary**

- Children to achieve to their full potential i.e. 100% on track to achieve expected progress from Y7-11.
- On track to achieve positive Progress Eight.
- Attainment Eight benchmarks well against similar schools.
- Grade 4 or above in both English and Maths benchmarks well against similar schools.
- Grade 5 or above in both English and Maths benchmarks well against similar schools.
- Ebacc entry benchmarks well against similar schools.
- Gaps between pupil groups are small and narrowing including disadvantaged students.
- Destination data is strong.

**Leadership and management**

- Recruitment and retention meet the needs of the school.
- Incisive performance management leads to CPD that encourages, challenges and supports teachers' improvement.
- Staff attendance maintained at high levels.
- The broad and balanced curriculum inspires children to learn.
- The overall effectiveness of the school is at least good.
- Safeguarding is effective.
- Health and Safety requirements are all met.

**Governance and Finance**

- Local governing bodies systematically challenge leaders.
- 100% of skills coverage within Trustees/LGB.
- Financial probity: no red flags.
- Robust financial parameters are maintained.
- Funding is effectively deployed to support pupil outcomes.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Financial review**

**a. Going concern**

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

**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 principal risks split between reputational; financial viability and performance are:

- (a) MAT Trustees having the appropriate skills
- (b) Core central service team having capacity to support existing and future schools
- (c) Unable to grow the MAT to sufficient size and at a suitable pace
- (d) Academies within the Trust unable to set balanced budgets
- (e) Falling standards in one or more of the academies
- (f) LGPS Pension deficit. The academies pension deficit statements (FRS102) are combined which may lead to difficulties if any one academy's deficit needed to be unpicked from the rest in the Trust.

Summary of plans and strategies for managing these risks:

- (a) The Trust is working with Academy Ambassadors to help recruit additional Trustees with appropriate skills
- (b) For 2017/18 the Trust has in place a Core service level agreement with the schools which includes time for the Trust Principal; a Trust Finance and Operations Officer; and a Trust School Business Manager.
- (c) The Trust was successful in bidding for a MAT Growth grant in 2016/17 to support the work in attracting and bringing other schools into the Trust. The expectation is that the Trust is likely to increase by two schools at the end of 2017/18 subject to due diligence.
- (d) All academies have been able to show through their local budget plans that they are able to set budgets in 20-17/18 that do not put them into a deficit position. All await details of the new National Funding Formula and how Leicestershire County Council intend to introduce the requirements of it via its own "soft" implementation. A key driver in the funding of schools is pupil numbers so the Trust recognise the need to support schools where parental choice is driving increases. The SBMs across the Trust work together to share best practice and share group procurement.
- (e) All of the academies within the Trust work in close partnership to support and act as a critical friend in the pursuit of school improvement. The close ties to the wider TELA alliance provides capacity to the Trust to support improvement further if identified need.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

(f) Pension obligations of non-teaching staff covered within LGPS – regulations set by central government including the defined benefits and contributions. All non-negotiable and the Trust cannot change these or prevent future membership of non-teaching staff into the LGPS. The principal body within the fund (LCC) sets out the strategy around contributions from 31 March 2016 funding re-valuation undertaken by Hymans Robertson who set out the employer's contribution for next three years (from 1 April 2017). The FRS102 valuation basis from 2017, which is on different basis to previously, has shown a significant increase in deficits. All of the LGPS deficits of the four academies within the Trust are combined into one fund for reporting purposes. To help mitigate the impact of this risk all Trustees are given an overview of the pension position and informed of the detail of the LGPS arrangements via the Hymans Robertson webinar on <https://vimeo.com/23460548>.

**d. Reserves policy**

The Trustees have determined that the appropriate level of free cash reserves from a combination of restricted or unrestricted funds (excluding pension deficit restricted fund) should be equivalent to 4 weeks' worth of expenditure, both in terms of salaries and other payments. For Thomas Estley Community College this equates to approximately £400,000. For the Primary schools transferring into the Trust during the year the main requirement was for them to be able to demonstrate they were not in a deficit position and able to set an in year budget.

At the year ended 31 August 2017 the balance of unrestricted funds across the Trust was £422,677 although elements of this balance are balances on trading activities the majority is available for general purposes within the balances at each academy for their own use.

The amount of total funds at 31 August 2017 before fixed asset fund and pension reserve was £1,058,453 as per Analysis of Academies by fund balance in note 19.

The reason to aim for the equivalent of four weeks' worth of expenditure is to provide sufficient working capital to enable the Trust to manage its cash flow efficiently; to cover any delays between spending and receipt of grants; to manage annual variations in pupil numbers; to provide a cushion to deal with any unexpected emergencies; and build sufficient funding to support longer term capital spending plans for the Trust's buildings.

Due to the accounting rules for the Local Government Pension Scheme (LGPS) under FRS102, the Trust is recognising a significant pension fund deficit of £3,240,000 which includes an in year increase of £1,373,000 but which includes in the balances of the three incoming Primary schools from 1 February 2017. This deficit is included in the 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 25 to these financial statements.

**e. Financial position**

The Trust's financial position for the period to 31 August 2017 demonstrates total incoming resources for the period of £20,805,502, including assets transferred into the trust from joining schools of £13,482,241, with resources expended for the period of £7,115,348. Current Net Assets have increased to £1,077,321 which is made up of £422,677 unrestricted and £635,776 restricted funds, before Pension Reserve, plus £18,868 of capital funds within restricted fixed asset funds.

This increase has been due to the three primary schools joining the Trust from February 2017 and an adjustment in Thomas Estley's buildings requirements in year meaning that additional accommodation which had been earmarked as a requirement at the end of the previous period to be paid for in this year was no longer required.

The Trust's balance sheet includes £22,388,809 of fixed assets of which £21,964,407 relates to the net book value at 31 August 2017 of the leasehold land and buildings of Success Academy Trust which includes £14,519,285 from total of land and buildings transferred in during the year.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

**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

**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 ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital expenditure from the ESFA. 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.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2017 and signed on its behalf by:



**Melvyn Booley**  
Chair of Trustees

**SUCCESS ACADEMY TRUST**  
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**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 Trust 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 6 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
M Booley, Chair	6	6
P Wiles	6	6
M Torbitt	5	6
D Marcus	5	6
S Lamprell	0	0
A Christon	5	6
R Jelly	4	6
M Hall	0	0
A Collins, Trust Principal and Accounting Officer	5	6

The new Board of Trustees, to reflect the change to Multi Academy Trust status at the end of the previous accounting period, were either previous Trustees of Thomas Estley Community College or had been appointed from 1 September 2017 having been drawn from the local governance boards of the two local authority maintained schools and one other single academy school that were in the process of joining the Trust during this year which happened on 1 February 2017.

During this accounting period the Trust board remained the same although two additional appointments have been made during the autumn of 2017 in conjunction with Academy Ambassadors to fill audited skills gaps on the Board. In addition the Members agreed for one Member to serve as an additional Trustee to support the initial set-up and consolidation period for a period of 1 year during 2017/18.

It was agreed on set up of the Trust last year that local conflicts of interest would be worked out of the Board of Trustees over the first two years in order to ensure clear delegation and tight accountability, and very few currently remain.

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**GOVERNANCE STATEMENT (continued)**

The Trustee Board, supported by the Heads Advisory Group (HAG) and Business Manager's group (BMG) has, in its first year, carried out work including:

- Consolidating the School Improvement Quality Assurance Model (SIQA) including four levels of support, challenge, delegation, review, depending on the capacity, outcomes, and OFSTED rating of each school.
- Deploying the Trust School Improvement team as needed into each school to quality assure/ support/ monitor as appropriate as a result of due diligence, SIQA rating and provision in order to support improvement in outcomes.
- Monitoring and quality assuring impact of school improvement and quality assurance through KPIs, outcome monitoring, Peer Challenge reviews and headteacher/ Trust Principal reports to the Trustee Board.
- Developing and pursuing models for Trust growth including marketing and future based planning
- Establishing and reviewing performance against appropriate KPIs (both primary and secondary outcome focussed as well as Trustwide KPIs)
- Self-evaluating the Trust against DfE recommended models of best practice
- Devising a Strategic Plan for the Trust to meet its main priority outcomes
- Scrutiny of Due Diligence around incoming schools
- Developing a central core service model
- Establishing appropriate reporting arrangements, partly through two sub committees of the Board – the Curriculum, Standards and Performance Committee and the Finance, Audit and Risks Committee.

The Curriculum, Standards and Performance Committee is a sub-committee of the board of Trustees. Its purpose is to evaluate the performance of the Academies against KPIs set by the Trust Board (in consultation with the relevant Local Governance Board). The Heads Advisory Group work collaboratively to supply appropriate data to the committee in an agreed format to aid comparison. During the year the majority of remit of the committee was undertaken jointly through the full Trustee meetings described above so it only met once as a separate committee during the year. Attendance at this was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	1	1
R Jelly	1	1
D Marcus	1	1
A Collins	1	1

The Trustees agreed after the first Curriculum, Performance and Standards sub-committee that all Trustees would attend all future sub-committees during this first year of additional Academies being in the Trust so that experience across the Trustee board could be shared.



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**GOVERNANCE STATEMENT (continued)**

**Challenges/ Barriers**

**Effective Response**

The necessity for swift and accurate due diligence, rapid school improvement in one of the Trust schools (with a coasting status and below floor targets in 2016) and concurrent planning for growth to ensure sustainability and build capacity for long term effectiveness.

Frontloaded large amounts of time allocated to the Trust Principal and CFO roles, supported by extra release time for Heads Advisory Group and SBM group. All Trustees attend each meeting to maximise capacity for carrying out multiple roles and foci whilst the Trust develops and the Board grows.

Developing clear lines of accountability and working out conflicts of interest.

Planned and sequential movement away from duplicate roles towards unique roles within the Member/Trustee/LGB Boards with clear lines of reporting and accountability.

The necessity to rapidly improve results in one of the Trust schools due to coasting status and performance below floor targets.

Teaching School status and capacity in the Trust (at Head of Teaching School, two primary heads acting in LLE role, 11 SLEs) and access to NLE fund allowed swift and effective response resulting in vastly improved outcomes.

Movement required through from initial agreement re structures and central services agreement towards embedded and extended central services over first two years.

Movement from largely school focussed associated costs in first half of 16-17 with small central fund through to developing central service charge, regularly reviewed and adapted, supported by frontloading of Growth Fund.

Through the collaborative work of the Heads Advisory group, the Board of Trustees, the Trust Principal, and the SBMs, the Trust has created secure and quality assured systems and processes to ensure that the quality of the data presented to the Board against the agreed traffic lighted KPIs has been timely and presented in a format that allows easy benchmarking and monitoring of progress. This also mirrors best practice elsewhere and is supported by Peer Challenge and other reviews as well as termly Trust Principal Quality Assurance visits. The Board has found this acceptable in enabling it to administer the correct amount of support and in making effective judgements against targeted outcomes.

**Governance review**

Following the 3 academies joining the Trust in February 2017, in line with the key actions for new academies as outlined in the ESFA's Academies Welcome Pack, the Trust undertook a self-assessment review against the Academies financial management and governance self-assessment tool (FMGS) to ensure the Board of Trustees and all Local Governance Boards clearly understood their duties as company directors and charity trustees and all levels of governance understood legal requirements of the Board and the importance of appropriate schemes of delegation.

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**GOVERNANCE STATEMENT (continued)**

In addition governance review has included self-evaluation against the Characteristics of Successful Multi-Academy Trusts where outcomes are as follows:

<b>MAT Characteristic</b>	<b>Outcome</b>
Overall Performance; Outcomes for Young People	The Trust outcomes are rapidly improving and in most cases above national averages.
Strategic Vision and Plan	Academies have improvement plan links to the Trust strategic plan and contribution to the Trust priorities is clear.
Accountability Framework	There is a collective responsibility for standards across the Trust. There is a clear path of accountability enabling discussions to take place from the Board Chair to the Trust Principal, Trustees to LGBs, and Trust Principals to headteachers and headteachers to teams, which improves standards.
Quality Assurance	The Trust has a common understanding of what outstanding performance is and is beginning to apply consistent practices which are improving efficiency and performance.
Delegated Framework for Governance	There is a MAT board with clear distinction between the roles of Members and Trustees. A skill audit has enabled the board to begin recruiting skilled professionals capable of fulfilling roles within any gaps. Delegated authority is clear and Boards are clear in their responsibilities.
Models of Financial Management Accountability	Internal systems of financial control are in place and there is clear management responsibility being enacted by the Trust Board. Schools are clear about the processes they must comply with. There is clear and qualified oversight of the Trust financial strategy. HR policies are commonly implemented across all schools.
School Improvement Strategy	The school improvement strategy is sustaining improved performance and standards are rising and improvement is rapid. Systems to track data, the collection of regular KPI and a stronger performance management system are sustaining improvement in the schools.
Focussed School to School Support	The Trust's school improvement strategy is supported by a pool of talented teachers and leaders who are deployed appropriately into areas of need.
Trust Risk indicators	The board risk register describes and monitors identified risks and assures appropriate mitigation.
Contribution to local, regional and national educational networking	Leaders at all areas of the Trust contribute effectively to wider networking and additional capacity of the School Improvement team is brokered into external areas of need. System leadership roles are held by Trust leaders and the Trust Principal is also Head of the Teaching School Alliance School TELA.

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**GOVERNANCE STATEMENT (continued)**

The academy which has been in Success Academy Trust since its formation had a successful external leadership and governance review in summer 2017 as part of the Peer Challenge process and plans include further external review of the Multi Academy Trust during 2018.

The **Finance, Audit and Risk Committee** is a sub-committee of the main board of trustees. Its purpose is to consider and recommend acceptance or non-acceptance of the Academies budgets to the Trust Board with consideration of future year's budget plans shared by the Academies. Its remit includes Risk management and the remit of the Audit committee as suggested in the Academies Financial Handbook. It reviews the income and expenditure on a regular basis to ensure all funds are used for the purposes of the Academies/Trust and in accordance with the terms of the funding agreement. It monitors academies finances in line with the approved budget forecast with scrutiny of significant variances to ensure appropriate in year adjustments made.

Specific work during the year included development of Principal Risk Register for the Trust; to consider the core services to be included in 2017/18; to organise internal audit services and shared financial controls; to review 5 year budget plans and consolidated budget forecast return; and to start to consolidate efficiencies of contracts and collaborative working.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	2	2
A Christon	2	2
R Jelly	1	2
M Torbitt	2	2
P Wiles	2	2
D Marcus	1	2
A Collins	2	2

**Review of Value for Money**

As Accounting Officer, the Trust 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:

- Access to staff across its schools to achieve financial economies and support training and coaching.
- Using Trust staff expertise for School improvement visits ensuring costs are reduced.
- Organising value for money internal audit service and preparing and submitting pension returns for all Trust schools through negotiated fee.
- Central management, preparation and submitting of statutory consolidated returns and monthly VAT returns with organised training for local staff to understand requirements of VAT and nominal coding
- Organising a school business management group with support of experienced academy personnel to help train joining academy personnel on academy finance, budgeting and other operational areas.
- Working collaboratively to support best value decisions around contracts, including working with TELA teaching school to identify cost effective training and development and support retention of staff.

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**GOVERNANCE STATEMENT (continued)**

**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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Risk 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 not to appoint an internal auditor. However, the Trustees have appointed BDO LLP, the external auditor, to perform additional checks. In addition, Thomas Estley Community College and Cosby Primary school use a designated Trustee/ local governor to carry out a programme of internal checks within the 'responsible officer' role.

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

- testing of payroll systems
- testing of purchase systems
- testing of system of internal control / bank reconciliations
- testing against the Anti-fraud Academy checklist

On a termly basis, the auditor reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

As Accounting Officer, the Trust Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- 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 Finance, Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2016 and signed on their behalf, by:



**Melvyn Booley**  
**Chair of Trustees**



**Amanda Collins**  
**Accounting Officer**

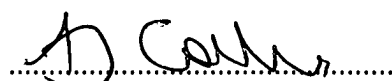
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Amanda Collins**  
**Accounting Officer**

Date: 18 December 2017

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**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 and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards (FRS102) 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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



**Melvyn Booley,**  
**Chair of Trustees**

Date: 18 December 2017

**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**

**Opinion**

We have audited the financial statements of Success Academy Trust for the year ended 31 August 2017 which comprise statement of financial activities (incorporating income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the Education & Skills Funding Agency ("the ESFA").

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the ESFA.

**Basis for Opinion**

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

**Conclusions relating to going concern**

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

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



**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**

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**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**

**Responsibilities of Trustees**

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

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

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

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

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

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

*BDO LLP*

Kyla Bellingall (Senior Statutory Auditor)  
for and on behalf of

**BDO LLP, statutory auditor**

Birmingham  
United Kingdom

Date: *20 December 2017*

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 2 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Success Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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.

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SUCCESS  
ACADEMY TRUST AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

**BDO LLP**  
Birmingham  
United Kingdom

Date: 20 December 2017

**SUCCESS ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**  
(incorporating the income and expenditure account)

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from the local authority on conversion	2	(934,152)	10,513,936	-	9,579,784	-
Transfer of existing academies into the trust	2	(473,106)	4,238,324	137,239	3,902,457	-
Parental contributions	2	119,505	-	-	119,505	171,603
Other donations and capital grants	2	-	412,565	-	412,565	366,772
Charitable activities:	5					
Funding for the academy's educational operations		6,332,821	-	-	6,332,821	3,372,454
Other trading activities	3	-	-	457,169	457,169	322,385
Investments	4	-	-	1,201	1,201	5,029
<b>TOTAL INCOME</b>		<b>5,045,068</b>	<b>15,164,825</b>	<b>595,609</b>	<b>20,805,502</b>	<b>4,238,243</b>
<b>EXPENDITURE ON:</b>						
Raising funds	3	-	-	384,092	384,092	314,114
Charitable activities:						
Academy's educational operations		6,343,916	387,340	-	6,731,256	3,700,060
<b>TOTAL EXPENDITURE</b>	8	<b>6,343,916</b>	<b>387,340</b>	<b>384,092</b>	<b>7,115,348</b>	<b>4,014,174</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(1,298,848)</b>	<b>14,777,485</b>	<b>211,517</b>	<b>13,690,154</b>	<b>224,069</b>
Transfers between Funds	19	(80,861)	82,934	(2,073)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(1,379,709)</b>	<b>14,860,419</b>	<b>209,444</b>	<b>13,690,154</b>	<b>224,069</b>
Actuarial (losses)/gains on defined benefit pension schemes	25	487,000	-	-	487,000	(359,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(892,709)</b>	<b>14,860,419</b>	<b>209,444</b>	<b>14,177,154</b>	<b>(134,931)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(1,711,515)	7,547,258	213,233	6,048,976	6,183,907
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(2,604,224)</b>	<b>22,407,677</b>	<b>422,677</b>	<b>20,226,130</b>	<b>6,048,976</b>

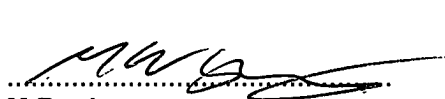
The notes on pages 38 to 60 form part of these financial statements.

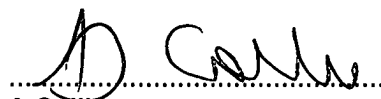
**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08135389**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>22,388,809</b>		7,547,258
<b>CURRENT ASSETS</b>					
Stocks	16	<b>7,053</b>		9,247	
Debtors	17	<b>301,676</b>		219,188	
Cash at bank and in hand		<b>1,312,776</b>		661,593	
		<b>1,621,505</b>		890,028	
<b>CREDITORS:</b> amounts falling due within one year	18	<b>(544,184)</b>		(521,310)	
<b>NET CURRENT ASSETS</b>			<b>1,077,321</b>		368,718
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>23,466,130</b>		7,915,976
Defined benefit pension scheme liability	25		<b>(3,240,000)</b>		(1,867,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>20,226,130</b>		6,048,976
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	<b>635,776</b>		155,485	
Restricted fixed asset funds	19	<b>22,407,677</b>		7,547,258	
Restricted income funds excluding pension liability		<b>23,043,453</b>		7,702,743	
Pension reserve		<b>(3,240,000)</b>		(1,867,000)	
Total restricted income funds			<b>19,803,453</b>		5,835,743
Unrestricted funds	19		<b>422,677</b>		213,233
<b>TOTAL FUNDS</b>			<b>20,226,130</b>		6,048,976

The financial statements on pages 35 to 60 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

  
**M Booley**  
Chair of Trustees

  
**A Collins**  
Trustee

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>314,279</u>	<u>(25,000)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,201	5,029
Purchase of tangible fixed assets		(115,462)	(607,081)
Capital grants from DfE/ESFA		37,932	189,072
Capital funding received from sponsors and others		-	177,700
Cash transferred on conversion/acquired from existing academy trust		<u>413,233</u>	<u>-</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>336,904</u>	<u>(235,280)</u>
<b>Change in cash and cash equivalents in the year</b>		651,183	(260,280)
Cash and cash equivalents brought forward		<u>661,593</u>	<u>921,873</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,312,776</u></u>	<u><u>661,593</u></u>

The notes on pages pages 38 to 60 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 2017**

**1. ACCOUNTING POLICIES**

Success Academy 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 Trust'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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**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 2017**

**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 in the restricted fixed asset fund.

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**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.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost or valuation, 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 or valuation 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

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

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 DVS on a depreciated replacement cost basis.

**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.

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**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. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 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.

**1.10 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.

**1.11 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.

**1.12 Liabilities and provisions**

Liabilities and provisions 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.

**1.13 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**SUCCESS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, 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**  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 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 25, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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:

There are no other critical areas of judgement.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from the local authority on conversion	(934,152)	10,513,936	-	9,579,784	-
Transfer of existing academies into the trust	(473,106)	4,238,324	137,239	3,902,457	-
Parental contributions	119,505	-	-	119,505	171,603
<b>Total donations</b>	<b>(1,287,753)</b>	<b>14,752,260</b>	<b>137,239</b>	<b>13,601,746</b>	<b>171,603</b>
Capital Grants	-	37,932	-	37,932	366,772
Donated fixed assets	-	374,633	-	374,633	-
<b>Subtotal</b>	<b>-</b>	<b>412,565</b>	<b>-</b>	<b>412,565</b>	<b>366,772</b>
	<b>(1,287,753)</b>	<b>15,164,825</b>	<b>137,239</b>	<b>14,014,311</b>	<b>538,375</b>
<b>Total 2016</b>	<b>171,603</b>	<b>366,772</b>	<b>-</b>	<b>538,375</b>	

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Charity trading income</b>			
Nursery and extended services	90,440	90,440	77,392
Catering	202,284	202,284	147,653
Lettings	32,639	32,639	16,100
Other trading income	131,806	131,806	81,240
	<b>457,169</b>	<b>457,169</b>	<b>322,385</b>
<b>Charity trading expenses</b>			
Nursery and extended services	88,729	88,729	88,287
Catering	168,424	168,424	149,808
Lettings	19,935	19,935	16,099
Other trading expenditure	107,004	107,004	59,920
	<b>384,092</b>	<b>384,092</b>	<b>314,114</b>
<b>Net income from activities for generating funds</b>	<b>73,077</b>	<b>73,077</b>	<b>8,271</b>

In 2016, all activities for generating funds were in relation to unrestricted funds.

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**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	1,201	1,201	5,029
	<u>1,201</u>	<u>1,201</u>	
<i>Total 2016</i>	<u>5,029</u>	<u>5,029</u>	

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,632,083	5,632,083	2,924,367
Other DfE/ESFA Grants	63,070	63,070	50,000
Local Authority Grants	99,768	99,768	46,139
SEN Grants	69,399	69,399	29,908
Teaching School Income	121,803	121,803	121,607
Pupil premium	250,984	250,984	109,821
Nursery	90,205	90,205	65,892
National Leader of Education Income	5,000	5,000	16,000
External services	509	509	8,720
	<u>6,332,821</u>	<u>6,332,821</u>	<u>3,372,454</u>
<i>Total 2016</i>	<u>3,372,454</u>	<u>3,372,454</u>	

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

**6. DIRECT COSTS**

	Funding for academy's educational operations £	Total 2017 £	Total 2016 £
Pension income	61,000	61,000	54,000
Depreciation	387,340	387,340	147,872
Technology	93,676	93,676	47,156
Educational supplies	104,582	104,582	71,749
Staff development	68,659	68,659	53,785
Educational consultancy	43,458	43,458	20,546
Other direct costs	191,262	191,262	177,486
Wages and salaries	3,174,003	3,174,003	1,806,705
National insurance	296,099	296,099	157,880
Pension cost	727,067	727,067	338,258
	<u>5,147,146</u>	<u>5,147,146</u>	<u>2,875,437</u>
<i>Total 2016</i>	<u>2,875,437</u>	<u>2,875,437</u>	

**7. SUPPORT COSTS**

	Funding for academy's educational operations £	Total 2017 £	Total 2016 £
Recruitment and support	128,502	128,502	21,149
Maintenance of premises and equipment	92,438	92,438	52,378
Cleaning	15,524	15,524	7,565
Rent and rates	66,352	66,352	27,712
Energy costs	65,937	65,937	40,461
Insurance	50,428	50,428	31,118
Security and transport	5,553	5,553	12,292
Catering	66,694	66,694	544
Bank interest and charges	8,582	8,582	4,591
Other support costs	48,284	48,284	27,809
Auditor's remuneration	24,754	24,754	7,836
Legal and professional fees	47,758	47,758	14,313
Wages and salaries	758,759	758,759	457,596
National insurance	50,015	50,015	25,824
Pension cost	154,530	154,530	93,436
	<u>1,584,110</u>	<u>1,584,110</u>	<u>824,624</u>
<i>Total 2016</i>	<u>824,624</u>	<u>824,624</u>	

Governance costs incurred during the year were £72,512 (2016: £22,149).



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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	190,855	-	193,237	384,092	314,114
Funding for academy's educational operations:					
Direct costs	4,197,169	513,507	436,470	5,147,146	2,875,436
Support costs	963,304	380,290	240,516	1,584,110	824,624
	<u>5,351,328</u>	<u>893,797</u>	<u>870,223</u>	<u>7,115,348</u>	<u>4,014,174</u>
<i>Total 2016</i>	<u>3,042,017</u>	<u>149,941</u>	<u>822,216</u>	<u>4,014,174</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	387,340	147,872
Auditor's remuneration - audit	18,500	6,580
Auditor's remuneration - other services	5,950	3,545
	<u>411,790</u>	<u>157,997</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,088,385	2,406,427
Social security costs	352,142	189,015
Operating costs of defined benefit pension schemes	900,578	446,575
	<u>5,341,105</u>	<u>3,042,017</u>
Staff restructuring costs	10,223	-
	<u>5,351,328</u>	<u>3,042,017</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>10,223</u>	<u>-</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,223 (2016: £Nil). Individually, the payments was £10,223.

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

	2017 No.	2016 No.
Management	12	6
Teachers	68	39
Administration and support	124	63
	<u>204</u>	<u>108</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1

Three of the above employees participated in the Teachers' Pension Scheme and the remaining employee participated in the Local Government Pension Scheme. During the year ended 31 August 2017, teachers pension and local government pension contributions for these staff amounted to £35,477 (2016 - £40,583) and £13,226 (2016 - £Nil) respectively.

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 £457,577 (2016 - £490,067).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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**

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:

		2017 £	2016 £
A Collins, Trust Principal	Remuneration	85,000-90,000	-
	Pension contributions paid	10,000-15,000	-
T Moralee, Head Teacher	Remuneration	-	105,000-110,000
	Pension contributions paid	-	15,000-20,000
C Boat, Staff Trustee	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000
T Scott, Staff Trustee	Remuneration	-	0-5,000
	Pension contributions paid	-	0-5,000
S Jenkins, Staff Trustee	Remuneration	-	0-5,000
	Pension contributions paid	-	-

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £1,839 to 1 Trustees).

**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 2017 was £1,149 (2016 - £915).

**14. PENSION FINANCE COSTS**

	2017 £	2016 £
Interest income on pension scheme assets	49,000	42,000
Interest on pension scheme liabilities	(110,000)	(96,000)
	<u>(61,000)</u>	<u>(54,000)</u>

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**15. TANGIBLE FIXED ASSETS**

	Long-term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2016	7,678,041	290,799	85,400	8,054,240
Additions	390,790	55,405	43,900	490,095
Transfer on schools joining the trust	14,519,285	182,512	36,999	14,738,796
At 31 August 2017	<u>22,588,116</u>	<u>528,716</u>	<u>166,299</u>	<u>23,283,131</u>
<b>Depreciation</b>				
At 1 September 2016	398,054	63,928	45,000	506,982
Charge for the year	225,655	119,889	41,796	387,340
At 31 August 2017	<u>623,709</u>	<u>183,817</u>	<u>86,796</u>	<u>894,322</u>
<b>Net book value</b>				
At 31 August 2017	<u>21,964,407</u>	<u>344,899</u>	<u>79,503</u>	<u>22,388,809</u>
At 31 August 2016	<u>7,279,987</u>	<u>226,871</u>	<u>40,400</u>	<u>7,547,258</u>

**16. STOCKS**

	2017 £	2016 £
Finished goods and goods for resale	<u>7,053</u>	<u>9,247</u>

**17. DEBTORS**

	2017 £	2016 £
Trade debtors	17,164	87,623
Other debtors	66,982	88,937
Prepayments and accrued income	217,530	42,628
	<u>301,676</u>	<u>219,188</u>

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

	2017 £	2016 £
Trade creditors	-	49,877
Other taxation and social security	109,874	55,378
Other creditors	137,272	52,855
Accruals and deferred income	297,038	363,200
	<u>544,184</u>	<u>521,310</u>

The deferred income relates to funding for 2017/18 which has been received in advance.

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	20,334	46,636
Resources deferred during the year	188,479	20,334
Amounts released from previous years	(20,334)	(46,636)
	<u>188,479</u>	<u>20,334</u>
Deferred income at 31 August 2017		

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

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds - all funds	213,233	595,609	(384,092)	(2,073)	-	422,677
<b>Restricted funds</b>						
General Annual Grant (GAG)	315	5,701,019	(5,181,307)	(80,861)	-	439,166
Other DfE/ESFA Grants	40,702	184,065	(150,379)	-	-	74,388
Pupil premium	46,941	226,777	(238,388)	-	-	35,330
Nursery	-	95,078	(91,302)	-	-	3,776
Local Authority Grants	30,229	185,001	(183,810)	-	-	31,420
External Services	23,251	509	(8,974)	-	-	14,786
Parental Contributions	6,747	125,732	(125,090)	-	-	7,389
Teaching School Fund	-	98,753	(98,753)	-	-	-
NLE Fund	7,300	11,000	(1,800)	-	-	16,500
Other grants (non LA)	-	20,134	(7,113)	-	-	13,021
Pension reserve	(1,867,000)	(1,603,000)	(257,000)	-	487,000	(3,240,000)
	<u>(1,711,515)</u>	<u>5,045,068</u>	<u>(6,343,916)</u>	<u>(80,861)</u>	<u>487,000</u>	<u>(2,604,224)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	7,547,258	15,113,432	(387,340)	115,459	-	22,388,809
Capital fund	-	51,393	-	(32,525)	-	18,868
	<u>7,547,258</u>	<u>15,164,825</u>	<u>(387,340)</u>	<u>82,934</u>	<u>-</u>	<u>22,407,677</u>
Total restricted funds	<u>5,835,743</u>	<u>20,209,893</u>	<u>(6,731,256)</u>	<u>2,073</u>	<u>487,000</u>	<u>19,803,453</u>
Total of funds	<u>6,048,976</u>	<u>20,805,502</u>	<u>(7,115,348)</u>	<u>-</u>	<u>487,000</u>	<u>20,226,130</u>

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

**General Annual Grant (GAG)**

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

**Other DfE/ESFA Grants**

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

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**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.

**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.

**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.

**Other Grants (non LA)**

Funds generated in relation to other specific grants and income.

**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.

**Fixed Assets**

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

**Capital fund**

Funds received from various bodies for the purpose of capital and repairs works.

**Transfers**

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Thomas Estley Community College	<b>738,953</b>	368,718
Cosby Primary School	<b>160,221</b>	-
Richmond Primary School	<b>55,386</b>	-
Hallbrook Primary School	<b>103,176</b>	-
Central Services	<b>717</b>	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>1,058,453</b>	368,718
Restricted fixed asset fund	<b>22,407,677</b>	7,547,258
Pension reserve	<b>(3,240,000)</b>	(1,867,000)
	<hr/>	<hr/>
Total	<b>20,226,130</b>	6,048,976
	<hr/>	<hr/>

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Thomas Estley Community College	<b>2,764,259</b>	<b>838,925</b>	<b>71,049</b>	<b>767,513</b>	<b>4,441,746</b>	3,866,302
Cosby Primary School	<b>330,877</b>	<b>128,958</b>	<b>8,712</b>	<b>124,324</b>	<b>592,871</b>	-
Richmond Primary School	<b>690,885</b>	<b>177,100</b>	<b>16,633</b>	<b>169,777</b>	<b>1,054,395</b>	-
Hallbrook Primary School	<b>319,992</b>	<b>100,332</b>	<b>8,188</b>	<b>145,590</b>	<b>574,102</b>	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,106,013</b>	<b>1,245,315</b>	<b>104,582</b>	<b>1,207,204</b>	<b>6,663,114</b>	3,866,302
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	22,388,809	-	22,388,809
Current assets	1,179,962	18,868	422,677	1,621,507
Creditors due within one year	(544,186)	-	-	(544,186)
Provisions for liabilities and charges	(3,240,000)	-	-	(3,240,000)
	<u>(2,604,224)</u>	<u>22,407,677</u>	<u>422,677</u>	<u>20,226,130</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	13,690,154	224,069
<b>Adjustment for:</b>		
Depreciation charges	387,340	147,872
Dividends, interest and rents from investments	(1,201)	(5,029)
Decrease/(increase) in stocks	2,194	(946)
Increase in debtors	(49,320)	(149,522)
(Decrease)/increase in creditors	(68,225)	31,328
Capital grants from DfE and other capital income	(37,932)	(366,772)
Defined benefit pension scheme obligation inherited	1,603,000	-
Defined benefit pension scheme cost less contributions payable	196,000	40,000
Defined benefit pension scheme finance cost	61,000	54,000
Net assets and liabilities from local authority on conversion	(15,094,098)	-
Donated assets	(374,633)	-
<b>Net cash provided by/(used in) operating activities</b>	<u>314,279</u>	<u>(25,000)</u>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	1,312,776	661,593
<b>Total</b>	<u>1,312,776</u>	<u>661,593</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST**

**Cosby Primary School**

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
<b>Tangible fixed assets</b>			
Long-term leasehold property	1,823,199	2,202,932	4,026,131
Fixtures and fittings	166,874	-	166,874
Computer equipment	31,857	-	31,857
Debtors due within one year	33,168	-	33,168
Cash in bank and in hand	232,106	-	232,106
<b>Liabilities</b>			
Creditors due within one year	(82,679)	-	(82,679)
<b>Pensions</b>			
Pensions - pension scheme assets	510,000	-	510,000
Pensions - pension scheme liabilities	(1,015,000)	-	(1,015,000)
<b>Net assets</b>	<b>1,699,525</b>	<b>2,202,932</b>	<b>3,902,457</b>

**24. CONVERSION TO AN ACADEMY TRUST**

On 1 February 2017 Richmond Primary School and Hallbrook Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Success Academy Trust from Leicestershire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities Incorporating Income and Expenditure Account.

	Restricted funds	Restricted fixed asset funds	Unrestrict- ed funds	Total funds
	£	£	£	£
Other tangible fixed assets	-	10,513,936	-	10,513,936
Budget surplus/(deficit) on LA funds	180,611	-	-	180,611
LGPS pension deficit	(1,098,000)	-	-	(1,098,000)
Other identified assets and liabilities	(16,763)	-	-	(16,763)
<b>Net assets/(liabilities)</b>	<b>(934,152)</b>	<b>10,513,936</b>	<b>-</b>	<b>9,579,784</b>

The above net assets include £180,611 that was transferred as cash.

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**25. 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 2016.

Contributions amounting to £108,981 were payable to the schemes at 31 August 2017 (2016 - £52,855) 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**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £263,067 (2016 - £266,575).

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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**25. 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 2017 was £340,000 (2016 - £180,000), of which employer's contributions totalled £268,000 (2016 - £140,000) and employees' contributions totalled £72,000 (2016 - £40,000). The agreed contribution rates for future years are 15.7 to 18.4% for employers and 5.5 to 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:

	<b>2017</b>	2016
Discount rate for scheme liabilities	<b>2.50 %</b>	2.10 %
Rate of increase in salaries	<b>3.40 %</b>	3.10 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.10 %

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

	<b>2017</b>	2016
Retiring today		
Males	<b>22.1 years</b>	22.2 years
Females	<b>23.8 years</b>	24.3 years
Retiring in 20 years		
Males	<b>24.3 years</b>	24.2 years
Females	<b>26.2 years</b>	26.6 years

The Academy expects to contribute £291,000 to its Defined Benefit Pension Scheme in 2018.

Sensitivity analysis:

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

<b>Sensitivity analysis</b>	<b>At 31 August 2017 £</b>	At 31 August 2016 £
0.5 % decrease in Real Discount Rate	<b>848,000</b>	465,000
0.5 % increase in Salary Increase Rate	<b>204,000</b>	197,000
0.5% increase in the Pension Increase Rate	<b>625,000</b>	252,000

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**25. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,240,000	1,015,000
Bonds	669,000	254,000
Corporate bonds	-	-
Property	268,000	127,000
Cash and other liquid assets	167,000	14,000
Derivatives	-	-
Total market value of assets	<u>3,344,000</u>	<u>1,410,000</u>

The actual return on scheme assets was £259,000 (2016 - £234,000).

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

	2017 £	2016 £
Current service cost	(464,000)	(180,000)
Interest income	49,000	42,000
Interest cost	(110,000)	(96,000)
Total	<u>(525,000)</u>	<u>(234,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,277,000	2,430,000
Conversion of academy trusts	1,937,000	-
Transferred in on existing academies joining the trust	1,015,000	-
Current service cost	464,000	180,000
Interest cost	110,000	96,000
Employee contributions	72,000	40,000
Actuarial (gains)/losses	(277,000)	551,000
Benefits paid	(14,000)	(20,000)
Closing defined benefit obligation	<u>6,584,000</u>	<u>3,277,000</u>

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**25. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	1,410,000	1,016,000
Conversion of academy trusts	839,000	-
Transferred in on existing academies joining the trust	510,000	-
Interest income	49,000	42,000
Return on scheme assets (excluding interest income)	210,000	192,000
Employer contributions	268,000	140,000
Employee contributions	72,000	40,000
Benefits paid	(14,000)	(20,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>3,344,000</b>	<b>1,410,000</b>
	<hr/>	<hr/>

**26. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	9,004	-
Between 1 and 5 years	15,561	-
	<hr/>	<hr/>
Total	<b>24,565</b>	-
	<hr/>	<hr/>

**27. 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.

**28. MEMBERS' LIABILITY**

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