



SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Gelsthorpe J Hemes S Lamprell B Perrett D Vernon R Coles (Appointed 28 November 2018, resigned 1 August 2019)
Trustees	M Booley, Chair ¹ P Wiles (resigned 31 August 2019) ¹ G Crofts A Christon (resigned 9 September 2018) ¹ C Stansfield (appointed 7 December 2018) ¹ S Tomlinson (appointed 23 September 2019) ¹ J Horan ¹ A Collins, Trust Principal and Accounting Officer ¹ S Lamprell B Shah (appointed 11 April 2019) ¹
	¹ Finance, Audit and Risk Committee
Company registered number	08135389
Company name	Success Academy Trust
Registered office	Thomas Estley Community College Station Road Broughton Astley Leicester Leicestershire LE9 6PT
Company secretary	AM Willett
Senior management team	A Collins, Trust Principal T Withers, Heads Advisory Group C Munton, Heads Advisory Group R Haltof, Heads Advisory Group A M Willett, Trust Operations and Finance Officer
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Bankers

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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, including two preschools, 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 2,020 and had a combined number on roll of 1,795 in the schools' October 2018 census.

Structure, governance and management

• **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The charitable company was incorporated on 31 August 2012. The school converted to Academy status on 1 October 2012 when its operations, assets and liabilities were transferred from the Local Authority.

The Governors act as the Trustees for the charitable activities of Success Academy Trust and are also the Directors of the charitable company for the purposes 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.

• **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.

• **Trustees' indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

During the period 1 September 2018 to 31 August 2019, Thomas Estley Community College, Cosby Primary School and Hallbrook Primary Schools' insurance arrangements were through Zurich Municipal whilst Richmond Primary School opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

From 1 September 2019 all schools with the Trust became members of the RPA.

• **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 continues to work to remove any local conflict of interest over this year. The Trust continues to work 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Members

- Bruce Perrett is also the Chair of the LGB of Thomas Estley Community College
- Sue Lamprell who continues as a Trustee
- Tony Gelsthorpe
- Di Vernon
- John Hemes
- Rob Coles who resigned on 1 August 2019

Trustees

- Melvyn Booley is also the Vice Chair of Governor at Cosby Primary LGB
- Paul Wiles who resigned on 31 August 2019
- Sue Lamprell who continues to serve as an interim Trustee appointed by the Members
- Gemma Crofts
- John Horan
- Christine Stansfield appointed 7 December 2018
- Bhavesh Shah appointed 11 April 2019
- Stephen Tomlinson appointed 23 September 2019
- 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 can be delegated as that school's link Trustee to ensure that information flow between the LGB and Trust Board remains effective, and there is one delegated Trustee per school.

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.

• Policies 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

• **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 / Headteachers of them through an agreed scheme of delegation.

The senior management team as noted on page 1 consists of the Head Teachers and Principal of the four academies within the Trust (reducing to three from 27 August 19) plus the Trust Finance and Operations Officer (CFO).

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 Group. 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. The Trust Principal is involved at the formative stage of annual strategic planning to aid alignment of priorities and to inform the Trust Raising Achievement Plan. Academy improvement plans and Headteacher'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.

• **Arrangements for setting pay and remuneration of 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 2018/19. During 2018/19 the top slice also offsets some of the salary of the Chief Financial Officer (Trust Operations and Finance Officer); Trust Data Protection Officer and Trust School Business Manager's 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	7,511,320
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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• **Related parties and other connected charities organisations**

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 12 Secondary and 33 Primary schools across Leicestershire. The Head of Teaching School brokers school improvement work across Leicestershire through the Leicestershire local authority brokering partnership, and through national school support funding and other funding bids. Mandi is also on the Leicestershire Secondary Heads Steering Group, the teaching school headteachers representative at the Leicestershire Education and Excellence Partnership and the lead of Leicestershire Leaders, which aims to offer support to headteachers across Leicestershire and Leicester City.

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. Both primary headteachers are on the TELA Strategic Board, with Tracy Withers having responsibility for Primary ITT development and Carolyn Munton for NQT/RQT training, in particular, and Carolyn Munton is also on the Leicestershire Primary Heads Steering Group.

The Trust Principal networks with Head teacher colleagues in the Learning South Leicestershire Partnership which is a collaboration of 15 secondary schools 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, she is member of a number of professional bodies, a Trustee of another school which is a member of TELA and also works as a coach with SERCO to support School Business Professional Apprenticeships.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

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

Objectives and activities

• **Objects and aims**

Success Academy Trust (Success AT) 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 share each other's successes; it recognises the importance of high quality teaching and learning and an embedded leadership and character development provision that is an entitlement for all students and staff. It operates a robust school improvement system with the aim of improving provision and outcomes for your people in the Trust, so that they are safe, supported and engaged learners, whatever their needs, who can achieve their full academic, social and leadership potential.

The Success AT vision is based on 'Building Leadership and Character 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 building leadership and character.
- Share and celebrate best practice, expertise and achievements
- Strengthen opportunities for partnership, processes and people

• **Objectives, strategies and activities**

CORE OFFER

The Success AT to be fully cognisant of the importance of communicating its core vision, using varied media, and to develop a strong brand which is used consistently around improving outcomes for learners and building leadership and character.

STRATEGY FOR GROWTH

The Success AT has a defined strategy for growth, balancing givers and takers across its membership through the application of SIQA categories, understands the need to build capacity in advance of new academies joining, and is focussed on strengthening its current academies in terms of leadership, pupil outcomes and financial sustainability. The Success AT has a clear understanding of the impact that different types of academy joining will have on its overall leadership and governance, has a plan for optimum geographical coverage and is prepared to say 'no' where relevant, particularly where ethos and values potentially limit successful collaboration and improvement.

COLLABORATION FOR IMPACT

The Success AT values the importance of collaboration to benefit its pupils. It is committed to enhancing the effectiveness of learning in its academies by ensuring that high-quality teaching and common improvement foci underpins strengthening outcomes in all academies. It aims to create a journey of improvement in academic outcomes within all academies and to build leadership and character across its whole learning community, within an inclusive ethos. The Success AT evaluates the impact of this collaboration on a regular basis.

VISION AND VALUES

The Success AT has a clear and compelling vision for the future. It aims for all stakeholders to share clarity about, and be able to articulate, the moral purpose of the Trust, its values, and its mission statement of 'Building

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

Leadership and Character together'.

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 and in all phases.

QUALITY ASSURANCE & DATA

The Success AT has clear and agreed methods of assessment, within individual academies and of the Success AT as a whole, with termly KPI reports. The Success AT has robust peer review systems, including an annual Peer Challenge across all Ofsted inspection areas, and half termly leadership reviews, ensuring that risks are effectively and swiftly managed, and intervening where performance levels drop below expected standards.

FINANCIAL STRATEGY & CONTROL

The Success AT has transparent and clear systems for ensuring financial probity and has access to accurate and timely management information to ensure effective budgeting. The Success AT makes efficient use of economies of scale, achieving best value for top sliced funds, and also pursues alternative revenue systems to benefit the Success AT as a whole (eg. providing services beyond the Success AT itself). A sustainable educational and business plan is in place that supports the academies to meet their core objective of delivering high quality education for every child.

GOVERNANCE

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

WORKFORCE DEVELOPMENT

Recruitment, training and development of the workforce of leaders, support staff and administrators aims to result in high quality provision for all of our learning community. The Success AT has in place an embedded 'Steps to Success' workforce strategy which seeks to recruit, retain and develop all staff at all levels, promoting from within wherever possible and being able to deploy staff to where they are most needed. Through the Trust and Teaching School, we ensure provide high quality, appropriately accredited training and development opportunities, and career support, including personal career plans and leadership development pathways. Key roles throughout the Success AT have succession plans in place.

● **Public benefit**

Success Academy Trust is a charitable trust which seeks to benefit the public throughout the pursuit of its stated aims.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

• **Key performance indicators and review of activities**

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 and APS 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, challenge and supports teachers' improvement.
- Staff attendance is 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.

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:	29th-30th January 2019 – Good
Thomas Estley Preschool	22nd May 2013 - Outstanding

Thomas Estley Community College

Context

Thomas Estley Community College joined Success Academy Trust on 1 September 2016. The school was inspected in January 2019 and judged Good. It has been a National Teaching School since 2013, the lead school in the Thomas Estley Learning Alliance, and has its own preschool and out of school primary provision. The school completed its age range change moving from KS3 to include KS4 at the end of summer 2018 and its second Year 11 cohort completed in Summer 2019. SIQA Review Autumn 2019 retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity.'

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key Focus Areas from School Improvement Plan 2018-19

Key Activities and Developments:

Priority 1:

In spite of significant growth (over 60% of current teaching staff joined since Autumn 2016), 91% of teaching was good or better by the summer term 2018, and rated Good by Ofsted in 2019. Leadership of teaching and learning is very strong and commented on as a particular strength in our 2019 Ofsted report, and T&L leads and some faculty leaders also support school improvement in other Trust and Teaching Alliance schools.

Priority 2:

Most student groups make better than expected progress in the majority of subject areas and cohorts. Progress matches or exceeds national benchmarks in all current cohorts but was below national averages in Summer 2018, particularly in Open bucket subjects, as an impact of age range change in 2016 - although progress in Maths is consistently strong and above national benchmarking across all cohorts including 2018 and 2019 leavers. Ofsted rated Outcomes as Good in January 2019.

Priority 3:

Tailored interventions impact positively on disadvantaged students and gaps are closing or minimal across current cohorts but gaps still remain for some subject areas and ability groups, particularly in 2018 and 2019 leavers cohorts. This remains a focus for improvement.

Priority 4:

Behaviour and Welfare were rated Good in our 2019 Ofsted inspection, with FTE and behaviour referrals reduced year on year. Safeguarding is effective and the development of our pastoral and wellbeing structures and roles have impacted positively on behaviour, standards and character and have been celebrated as an example of Leicestershire best practice.

Priority 5:

Leadership and character curriculum entitlement is in place for all students and talent management is embedded into staff development and career plans. All teaching staff leaders are accessing or have accessed an NPQ course where appropriate, and support staff leadership training has begun to impact. The student leadership SSAT project is fully embedded and DofE/ sea cadet provision is in place, in addition to many other leadership roles and opportunities. This is a strength of the college.

Priority 6:

Governors fulfilled strategic roles effectively, and training and recruitment were effective, with four new governors recruited to post to strengthen the local governing body, and training regularly and appropriately accessed.

Priority 7:

NQT appropriate body role was effective and TELA leadership provision increased at level 3 and 4 through its accredited NPQ delivery, with over 200 delegates on NPQ courses in 2018-19. ITT trainees had a 100% pass rate. 90% of targeted ITT trainees were recruited, with 100% pass rate. Success AT support showed impact with two primaries significantly improving their outcomes although membership remains at 4 not 5 schools. Considerable resources were deployed into Trust primaries to improve teaching, learning and outcomes, and to support age range change at Thomas Estley.

Priority 8:

Agreement in principle to access use of proposed Leisure Centre from January 2019, although delayed from August 2018. Modified Science facilities are fit for purpose, and ADT facilities have received some improvement.

Summer 2018 outcomes (first year age range change):

Progress 8 - 0.23 (below average)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Attainment 8 - 44 (at national)
Grade 4+ in English and Maths - 70% (11% above national)
Grade 5+ in English and Maths - 36% (4% below national)

2019 outcomes not yet finalised, tbc October 2019 - January 2020

Thomas Estley PreSchool and Out of School Club

Thomas Estley PreSchool and Out of School Club joined Success Academy Trust on 1st September 2016. The setting was inspected in October 2013 and judged outstanding.

Key Activities and Developments:

Provision has been enhanced through the development of a dedicated independent play outdoor area, Forest School training in order to provide an accredited practitioner, and the development of a deconstruction zone and focussed activity zones within the indoor area. This complements enhanced opportunities which continue to develop incorporating college student leaders and access to college indoor and outdoor facilities. Training has been enhanced, including tuned in practitioner, attachment disorder, safeguarding and SEND sessions, and peer observation and coaching introduced into practice. SIQA Review Autumn 2019 retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity.'

Cosby Primary School

Context

Cosby Primary School joined Success Academy Trust on 1 February 2017. The school was last inspected on 1 February 2017 and maintained its "Good" judgement. September 2019 SIQA Review Autumn 2019 amended its MAT category to 'Sufficient capacity to improve own school and some system leadership capacity'.

Key Focus Areas from School Improvement Plan 2018-19

Achievement and Standards

- Increase the number of pupils achieving at least expected in the core subjects.
- Increase the number of pupils exceeding the expected in the core subjects through a focus on borderline Greater Depth pupils.
- Increase the proportions of pupils making at least expected progress in KS2.
- Narrow the gap between Pupil Premium and non-Pupil Premium pupils.

Quality of Teaching and Learning

- Increase productivity of pupils during independent working time
- Increase access to physical activity across the curriculum.
- Extend existing local partnerships and develop wider new partnerships.

Behaviour and Safety

- Enhance pupil mentoring and peer support opportunities.
- Develop children's awareness and understanding of their own and others' feelings.
- Enhance knowledge and understanding of a range of faiths and cultures.

Leadership and Management

- Engage more parents in the life and progress of the school.
- Deliver consistent improvement of outcomes for all pupils
- Review and develop the broader curriculum offer.
- Ensure that pupils learn in a safe, secure environment.
- Increase leadership capacity.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

- Maintain high quality governance within Success AT

Key Activities and Developments:

- EYFS outcomes:

	GLD
	% achieving GLD
2019	61%
National	71.5%

- Year 1 phonics:

	Year 1 Phonics
	% Working At
2019	67%
National	82.7%

- KS1 outcomes:

	Reading	Writing	Maths	RWM
	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above
2019	70%	75%	75%	70%
National	76%	70%	77%	66%

- KS2 outcomes:

	Reading	Writing	Maths	GPS	RWM
	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above
2019	67%	78%	81%	75%	61%
National	73%	79%	79%	78%	65%

- Participation in Maths Mastery research project leading to improved planning and delivery of maths as a result of small steps maths planning and improved explanation of reasoning due to introduction of stem sentences
- Participation in SSIF project has impacted positively on outcomes in reading with Pupil understanding and use of vocabulary increasing and a more structured approach to teaching of reading
- Improved quality of targets for AMA pupils has raised expectations of staff and pupils and outcomes for greater depth pupils have improved.
- Use of provision maps and intervention tracking for underachieving groups ensures that the correct pupils are targeted at the correct time.
- Writing checklists introduced across the school enabling closer tracking of progress in writing
- Specific targeted Intervention is in place for Pupil Premium pupils, either academically or social and emotionally – this has impacted on progress and attitudes to learning.
- Access to nurture group and homework club provides additional support and raises aspirations for identified pupils
- Enhanced opportunities for parents have increased understanding of the need to prepare for national tests, with Learning Together Events providing opportunities for parents to be updated in key areas of the

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

- work of the school
- Writing checklists introduced across the school enables closer tracking of progress in writing
- Targeted support for Year 6 has resulted in improved practice.
- Cross school moderation enabling teachers to be more confident in their accuracy of assessment judgements.
- Participation in Routes to Resilience character development work.
- Participation in Peer Challenge providing external validation.
- Participation in SSIF Reading project.

Hallbrook Primary School

Context

At its last Ofsted 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. Results over the last two years have improved significantly, and the school is now in a much better position, continuing to maintain results in line with national in all areas apart from Early Years Foundation Stage in 2019. SIQA Review Autumn 2019 retained its MAT category as 'Sufficient capacity to improve own school with School Improvement Support' but this will be reviewed in January 2020.

Improvement Priorities from School Development Plan 2018-19

Priority 1: Leadership and Management

- Implement more robust quality assurance processes
- Develop the skills of all leaders in checking and evaluating pupil outcomes and the quality of teaching
- Further improve the analysis of the impact and effectiveness of new school initiatives
- Adopt evidence based interventions to support LSAs in their small group and one to one instruction

Priority 2: Teaching, Learning and Assessment

- Embed a mastery pedagogy that enables all pupils to develop greater depth
- Ensure high quality marking and feedback is constructive and impacts positively on pupil outcomes
- Ensure LSAs are fully prepared for their role in the classroom
- Increase the amount of firmly good teaching

Priority 3: Personal Development, Behaviour and Welfare

- Establish the role of the Emotional Literacy Support Assistant (ELSA)
- Develop pupils' character strengths to help develop determination and a growth mind set
- Develop and prioritise staff wellbeing

Priority 4: Pupil Outcomes

- Accelerate the progress of potentially higher achieving pupils so that increased numbers of pupils reach Greater Depth by the end of KS2
- Improve outcomes for prior lower attaining and middle attaining pupils
- Improve disadvantaged boys' attainment in writing

Priority 5: Early Years Provision

- Improve attainment in Literacy and Communication and Language by implementing Talk for Writing
- Improve attainment in Mathematics (Number) by implementing a mastery approach (Early Number Sense)
- Continue to improve the attainment of boys within the Foundation Stage, particularly in reading and writing
- Develop transition from EYFS in to Year 1

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Priority 6: Partnerships with Others

- Further improve the use of social media and the school website as the primary means of communicating with parents
- Introduce termly curriculum open mornings
- Develop Family Learning programmes
- Introduce regular SEND parent drop ins
- Widen engagement with the local community

Key Activities and Developments

- EYFS outcomes:

	GLD
	% achieving GLD
2019	66.7%
National	71.5%

- Year 1 phonics:

	Year 1 Phonics
	% Working At
2019	87.2%
National	81.9%

- KS1 outcomes:

	Reading	Writing	Maths	RWM
	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above
2019	76.7%	76.7%	70%	66.7%
National	76%	70%	77%	66%

- KS2 outcomes:

	Reading	Writing	Maths	GPS	RWM
	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above	% EXS or Above
2019	70%	70%	79%	76%	55%
National	73%	79%	79%	78%	65%

- Implementation of a revised marking and feedback policy impacting on assessment for learning
- Development of mastery approaches to teaching maths, including introduction of Power Maths
- Introduction of pupil progress system to enable enhancement of teacher responsibility for assessment
- Participation in Routes to Resilience focusing on character development
- Continuation of strategies from SSIF writing project including vocabulary development and resources.
- ELSA role and provision established for vulnerable pupils
- Participation in Peer Review providing external view of the school
- Positive outcomes following KS2 external moderation a number of strengths identified and the quality of evidence was recognised
- Parental engagement strategies have been implemented to include open days; enhancement of the family learning programme, including a programme for new starters and coffee mornings for parents of

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

pupils with SEND

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 15th and 16th June 2016 and improved the overall effectiveness judgement from Requires Improvement to Good. The school is currently moving from 2 form to 3 form entry following a request for the Local Authority to increase capacity based on an increasing population and lack of school places in Hinckley. EY to Year 2 are currently 3 form and we have a bulge intake of 15 across Years 3 and 4. LAG funding has been a significant challenge as well as the long term absence of two members of the SLT. SIQA Review Autumn 2019 retained its MAT category as 'Sufficient capacity to improve own school with School Improvement Support' but this will be reviewed in January 2020.

Key Focus Areas from school Improvement Plan 2018-19

Objective 1:

Increase the % children achieving combined standards in Reading, Writing and Maths across each cohort so that they at least meet national expectation, including Pupil Premium children (66% 2018) Linked to 2 with a specific focus on raising standard in Maths throughout the school.

Strategy for 1:

Develop a clear and consistent pedagogical approach throughout the school focussed on high expectations for all children. Build independence and develop a growth mindset.

Objective 2:

Increase the % children in each cohort achieving national expectation in Maths – including Pupil Premium children.

Strategy for 2:

Develop a clear and consistent pedagogical approach throughout the school focussed on high expectations and good quality teaching for all children. Build independence and develop a growth mindset.

Objective 3:

Increase the numbers of PP children getting to ARE (W+ and increasingly S) by the end of each year by ensuring that all PP children are fully engaged in their learning.

Strategy for 3:

Develop a clear and consistent pedagogical approach focussed on high expectations for all children. Build independence and develop a growth mindset.

Objective 4:

Maintain and further develop the improvements made in the quality of teaching and learning in EYFS.

Strategy for 4:

Develop a clear and consistent pedagogical approach focussed on high expectations for all children. Build independence and develop a growth mindset.

Objective 5:

Ensure that the Most Able children are provided with additional challenge in subjects other than English and Maths by ensuring a broad and balanced curriculum which is personalised to meet the needs of the children in each cohort.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Strategy for 5:

Build independence and develop a growth mindset.

Objective 6:

Develop a successful system leadership approach within the school and across the schools within the MAT with a particular focus on financial sustainability alongside raising standards to above national average

Strategy for 6:

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

Key Activities and Developments:

Early Years Foundation Stage Profile

Key Stage 1 Teacher Assessments - Above Expected Standard

	2017		2018		2019	
	Richmond	National	Richmond	National	Richmond	National
Reading	27%	25.2%	16.9%	25.6%	21.7%	25.1%
Writing	7%	15.6%	10.8%	15.8%	1.4%	14.8%
Mathematics	15%	20.5%	23.1%	21.8%	23.2%	21.8%

Key Stage 2 Test Results - Expected Standard or Above

	2017		2018		2019	
	Richmond	National	Richmond	National Provisional	Richmond	National Provisional
Reading	73%	71.6%	83%	75%	68%	73%
Writing (TA)	86%	76.2%	80%	78%	71%	78%
Mathematics	76%	74.9%	78%	76%	69%	79%
GPS	82%	77.0%	83%	78%	68%	78%
RWM Combined	61%	61.1%	66%	64%	57%	65%

Key Stage 2 Test Results - Above Expected Standard

	2017		2018		2019	
	Richmond	National	Richmond	National	Richmond	National
GPS	22%	31%	22%	34%	31%	
Reading	20%	24.7%	22%	28%	20%	
Writing (TA)	12%	17.7%	12%	20%	20%	
Mathematics	16%	22.7%	13.5%	24%	25%	

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Key Stage 2 Progress Scores:

	2018	2019
Reading	-0.4	0.3
Writing	-0.8	0.54
Maths	-0.9	0.45

- We are at national standard for GLD in EY; however the combined score is below national. Baseline had indicated that we were below national on entry so children have made good progress however there are few children who are 'Exceeding'. Many of our children sit on the cusp of ARE
- We are slightly above national for the Phonics check, indicating that the school has sustained improvement in teaching phonics
- We are below national in Reading and Writing at the end of KS1 but there have been improvements. We are above national in Maths and there was significant improvement.
- Standards fell in all areas at KS2 in 2019. The impact of one teacher being absent for most of the year was felt. Progress however was above national and was greater than the previous year. If we took the 8 children out who joined the school since Year 5 we were in line with national. 3 of these 8 children did well.
- At the end of KS1 the % children working at above expected standard in Maths is above national and close to national in Reading. They are however below in Writing
- In KS2 the % children working at above expected standard in GLD, Writing and Maths is close to national. There is a bigger gap for Reading.
- The groups of children that underperformed across the school were Pupil Premium children and SEND children. The gap remains a concern.
- There appears to be a gender gap where girls out-perform boys in more cohorts than vice versa however we need to be careful to remember that there is a significant imbalance of numbers within some cohorts. PP and SEND are the groups that we need to focus on.
- The school continues to face the challenge of balancing a budget with significant LAG funding due to the change from 2 to 3 form entry as requested by the Local Authority
- The school is now accredited as a SAPERE P4C Gold School
- The quality of teaching in Maths throughout the school has developed. The work done with the Maths Hub in KS1 and 2 in previous years has been extended to Early Years. Number Sense has had a significant impact on Maths in Early Years.

• **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 they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

• **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2019 of £145,409 including fixed assets movements but excluding pension reserve movements. As at 31 August 2019 the Academy Trust held £535,695 of unrestricted reserves plus £908,774 of unspent (non fixed asset) restricted funds. The Academy Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £1,444,469.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £4,600,000 at 31 August 2019 and a fixed asset reserve of £24,472,605 being the book value of past purchases plus unspent capital income of £15,802.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy Trust. The principal financial management policies adopted in the period are included in the Academy Trust's internal financial policies as laid down by the Academies Financial Handbook published by the ESFA, and are monitored by regular reviews of budget to actual at the Resources and Environment Committee meetings. There were no unusual significant events worthy of comment during the year.

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.

The principal sources of funding for the Academy Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

• **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 four weeks' worth of expenditure, both in terms of salaries and other payments, this equates to approximately £582,000.

The Trustees consider that a reserves target of four weeks' worth of expenditure provides 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.

Actual free reserves plus unspent GAG as at 31 August 2019 were £1,321,016, being higher than the target level set by the Trustees. The excess reserves above target will contribute towards the future in year deficits forecast for the next 3 financial years. The Academy Trust also held other available restricted funds at the year end of £123,453 mainly in relation to Pupil Premium, School to School Support, PE Sports Grant and SSIF. Total available reserves, being both the above figures at 31 August 2019 were £1,444,469. Cash at bank at 31 August 2019 was £438,705 higher than total available reserves which is due principally to PAYE/NI and pension costs for August 2019 being paid over in September 2019 and Universal Infant Free School Meal income received in advance of 2019/20.

At 31 August 2019 the Academy's fixed asset reserve of £24,472,605 represented £24,456,803 of funds which could only be realised if the assets were sold, plus £15,802 of unspent devolved capital formula.

The only reserve in deficit at the year end was the pension reserve (deficit of £4,600,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. The deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

• **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 deficits are now combined which may lead to difficulties if any one academy's deficits 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 2018/19 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 and the Trust's Data Protection Officer.
- (c) Working with teaching school and local partners, prospective academies and the Regional Schools Commissioner Team to manage sustainable and realistic growth in line with the balance of improvement capacity and needs within the MAT.
- (d) All academies have been able to show through their local budget plans that they are able to set budgets in 2018/19 that do not put them into a deficit position. 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 within the wider Thomas Estley Learning Alliance TSA provides capacity to the Trust to support improvement according to identified need and improvement partners are brokered and deployed as needed, including NLEs and SLEs.
- (f) The Academy Trust and the Trustees are aware of the significant pension fund deficit of £4,600,000 as at 31 August 2019 for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

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 Pensions Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Academy Trust has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

• **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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

• Investment policy

The Academy Trust's investment strategy is to:

- ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- ensure there is no risk of loss in the capital value of any cash fund invested
- protect the capital value of any invested funds against inflation
- optimise returns on investor funds

Regular cash flow forecasts are prepared and monitored as required by legislation to ensure the viability and sustainability of the activities of the Trust.

From time to time, operational and strategic decisions related to the education of pupils at individual Academies will result in substantial cash balances at the bank over a sustained period. These periods are identified by the local Business Manager/Finance lead in consultation with the Trust Operations and Finance Officer as part of the normal forecasting activity and when identified, will result in the Academy making an investment in accordance with guidance provided by the Academies Financial Handbook and local financial procedures.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the 'Risk that the return on investments is not being maximised' and 'Risk that trustees are not acting in accordance with their investment Policy' (eg. investing in high risk investments which are not in the best interests of the academy).

Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested only in the following way, as adopted by the Governing body;

- Nominated bank – NatWest Bank Plc
- Current Account 0.05% (for balances less than £1 million)
- Reserve or Special interest bearing accounts 0.20% balances < £1million or 0.30% for balances above £1 million

Fundraising

Success Academy Trust has developed a fundraising strategy to help to increase the income streams of the charity and to help build the Trust's financial resilience. The Strategy sets out the Trust's Fundraising Goals which are:

- To establish a culture of fundraising that involves board, staff and volunteers
- To increase annual fundraising revenue to £50,000 per year by 2020/21
- To diversify the donor base, to find larger donors and obtain multi year grant donors

The fundraising strategy is monitored through the Trust's Finance, Audit and Risk Committee. The Fundraising strategy provides a framework for setting priorities, creating accountability and monitoring process in realising the Trust's vision in relation to its funding.

The Trustees are mindful of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and understands that they have overall responsibility and accountability for the Trust under charity law including its fundraising. The Board plays a key role in setting their charity's approach to raising funds, making sure that it is followed in practice within its academies and by their volunteers and that fundraising activities reflects the Trust's values and protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising (continued)

The Trust Board and LGBs are familiar with and follow the Charity Commission's guidance "Charity Fundraising: a guide to trustee duties (CC20)" (The Guidance) which helps to ensure that the Trust complies with its legal duties and understands how to respond to any fundraising complaints.

During the year the academies within the Trust have had a number of fundraising events organised either directly by the academies or through their associated Parent Teacher Association/ Friends of Association including events such as non uniform days; charity weeks; craft fairs. All monies raised via these fundraising activities have been for the stated purpose of the individual events.

Plans for future periods

Following successful significant change approval for age range and becoming a Multi Academy Trust (MAT) sponsor, Trustees are looking to grow the MAT through thoughtful expansion which ensures appropriate capacity whilst remaining committed to our core purpose and values and balancing improvement capacity and needs within the MAT so that learner outcomes improve sustainably.

Funds held as custodian on behalf of others

No funds are held on behalf of others.

Disclosure of information to auditors

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 4 December 2019 and signed on its behalf by:



M Booley
Chair of Trustees



A Collins
Accounting Officer

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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 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 and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 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	3	3
P Wiles	3	3
G Crofts	3	3
A Christon	0	0
C Stansfield	1	2
J Horan	2	3
A Collins, Trust Principal and Accounting Officer	3	3
S Lamprell	2	3
B Shah	0	1

During this accounting period the Trust Board has had a resignation although an additional appointment was made during the Summer of 2019 with another Trustee being appointed in September 2019 in conjunction with Academy Ambassadors to fill audited skills gaps on the Board. In addition, the Members agreed for one Member to continue to serve as an additional Trustee to support the initial set up and consolidation period for a further period of 1 year during 2018/19.

The Board sets out its annual calendar of Full Board meetings and sub committee meetings prior to the start of each year. The Board recognises the requirement for the Board to consider the financial affairs of the Trust at least 6 times a year. To ensure this is fulfilled in addition to scrutiny at the Full Board meetings, the Board delegates this function to its Finance, Audit and Risk Committee which ensures the position is reviewed more than the requirement of the Academies Finance Handbook.

It was agreed on set up of the Trust 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. Some conflicts remain but are transparent.

The Trustee Board, supported by the Heads Advisory Group (HAG) and Business Managers group has, during 2018/19, 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,

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- 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.
- Continued to develop 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 Risk Committee.

The Finance, Audit and Risk Committee (FAR) 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 review of Principal Risk Register for the Trust; to consider the development of the core services offer; to organise internal audit services and shared financial controls; to review 3 year budget plans and consolidated budget forecast return; and to start to consolidate efficiencies of contracts and collaborative working.

During the year two FAR meetings were combined with Full Board meetings.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	5	5
J Horan	4	5
C Stansfield	1	2
S Lamprell	1	2
P Wiles	4	5
B Shah	1	2
A Collins	5	5
G Crofts	2	2

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.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	5	5
P Wiles	1	1
S Lamprell	5	5
G Crofts	3	5
C Stansfield	3	5
A Christon	0	1
A Collins	5	5

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Challenges/Barriers	Effective Response
The necessity for swift and accurate due diligence, rapid school improvement in one of the Trust schools (below floor targets in 2018) 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 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, improving on an annual basis.

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 reviews:

Governance review has included self evaluation against the Characteristics of Successful Multi Academy Trusts where outcomes are as follows:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

MAT Characteristic	Outcome
Overall Performance; Outcomes for Young People	The Trust outcomes are rapidly improving and are approaching or 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 high 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)

Review of value for money

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Success Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has considered the need for a specific internal audit function for the year 1 September 2018 to 31 August 2019 and agreed that the Chief Finance Officer and a suitably experienced member of the Trust Finance Team would carry out a light touch financial health check on the four academies of the Trust.

The purpose of this internal audit was to 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 control account/ bank reconciliations

The findings of the reports with action plans have been shared with the LGB's of the local academies as well as the Finance, Audit and Risk Committee of the Trust Board which includes the remit of the audit committee.

On an annual basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit was carried out in August 2019. No material control issues were identified as a result of the internal audit review work.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on their behalf by:



M Booley
Chair of Trustees



A Collins
Accounting Officer

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Success Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.



A Collins
Accounting Officer
Date: 4 December 2019

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 4 December 2019 and signed on its behalf by:



M. Booley
Chair of Trustees

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SUCCESS ACADEMY TRUST**

Opinion

We have audited the financial statements of Success Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust'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 AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SUCCESS ACADEMY TRUST (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust 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 AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SUCCESS ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Academy Trust'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 Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Magma Audit LLP

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Magma Audit LLP

Chartered Accountants
Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

6/12/19.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 accountant

The accounting officer is responsible, under the requirements of Success Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Magma Audit LLP

Reporting Accountant

Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date:

6/12/19.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	3,534	135,979	483,909	623,422	2,805,699
Charitable activities:						
Funding for the academy trust's educational operations		174,140	8,452,657	-	8,626,797	8,371,495
Teaching school		165,636	106,636	-	272,272	137,508
Other trading activities	5	216,517	-	-	216,517	278,156
Investments	6	4,938	-	-	4,938	1,729
Total income		564,765	8,695,272	483,909	9,743,946	11,594,587
Expenditure on:						
Raising funds		194,565	-	-	194,565	248,143
Charitable activities:						
Academy trust educational operational		158,674	8,842,804	655,866	9,657,344	9,341,909
Teaching School		102,992	106,636	-	209,628	123,000
Total expenditure	7	456,231	8,949,440	655,866	10,061,537	9,713,052
Net income/(expenditure)		108,534	(254,168)	(171,957)	(317,591)	1,881,535
Transfers between funds	18	(2,575)	(120,005)	122,580	-	-
Net movement in funds before other recognised gains/(losses)		105,959	(374,173)	(49,377)	(317,591)	1,881,535
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,273,000)	-	(1,273,000)	800,000
Net movement in funds		105,959	(1,647,173)	(49,377)	(1,590,591)	2,681,535
Reconciliation of funds:						
Total funds brought forward		429,736	(2,044,053)	24,521,982	22,907,665	20,226,130
Net movement in funds		105,959	(1,647,173)	(49,377)	(1,590,591)	2,681,535
Total funds carried forward		535,695	(3,691,226)	24,472,605	21,317,074	22,907,665

The notes on pages 39 to 64 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	24,456,803	24,513,450
		<u>24,456,803</u>	<u>24,513,450</u>
Current assets			
Stocks	15	7,049	5,070
Debtors	16	287,848	260,487
Cash at bank and in hand		1,883,174	1,687,137
		<u>2,178,071</u>	<u>1,952,694</u>
Creditors: amounts falling due within one year	17	(717,800)	(694,479)
Net current assets		<u>1,460,271</u>	<u>1,258,215</u>
Total assets less current liabilities		<u>25,917,074</u>	<u>25,771,665</u>
Net assets excluding pension liability		<u>25,917,074</u>	<u>25,771,665</u>
Defined benefit pension scheme liability	24	(4,600,000)	(2,864,000)
Total net assets		<u><u>21,317,074</u></u>	<u><u>22,907,665</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset fund	18	24,472,605	24,521,982
Restricted income fund	18	908,774	819,947
		<u>25,381,379</u>	<u>25,341,929</u>
Restricted funds excluding pension liability	18	25,381,379	25,341,929
Pension reserve	18	(4,600,000)	(2,864,000)
Total restricted funds	18	<u>20,781,379</u>	<u>22,477,929</u>
Unrestricted income funds	18	535,695	429,736
Total funds		<u><u>21,317,074</u></u>	<u><u>22,907,665</u></u>

The financial statements on pages 35 to 64 were approved by the Trustees, and authorised for issue on 04 December 2019 and are signed on their behalf, by:

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019



M Booley
Chair of Trustees

The notes on pages 39 to 64 form part of these financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	283,459	574,368
Cash flows from investing activities	21	(87,422)	(200,007)
Change in cash and cash equivalents in the year		196,037	374,361
Cash and cash equivalents at the beginning of the year		1,687,137	1,312,776
Cash and cash equivalents at the end of the year	22	<u>1,883,174</u>	<u>1,687,137</u>

The notes on pages 39 to 64 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 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 Academy 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.

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income (continued)

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at using the ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold buildings	- 2% straight line
Leasehold land (125 year lease)	- over 125 years
Furniture and fittings	- 25% straight line
Computer equipment	- 33% straight line
Assets under construction	- not depreciated

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

1.8 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.9 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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of 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.

1.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 16. 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 cost as detailed in note 17. 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 instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the

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FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Pensions (continued)

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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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2. 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.

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.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Parental contributions	-	135,979	-	135,979	253,937
Capital grants	-	-	483,909	483,909	190,235
Donated fixed assets	-	-	-	-	2,361,527
Donations	3,534	-	-	3,534	-
	<u>3,534</u>	<u>135,979</u>	<u>483,909</u>	<u>623,422</u>	<u>2,805,699</u>
Total 2018	<u>-</u>	<u>253,937</u>	<u>2,551,762</u>	<u>2,805,699</u>	

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4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,406,460	7,406,460	7,224,746
Other DfE Group grants	-	583,925	583,925	470,713
Teaching School income	165,636	106,636	272,272	137,508
	<u>165,636</u>	<u>8,097,021</u>	<u>8,262,657</u>	<u>7,832,967</u>
Other government grants				
Local Authority grants	-	224,327	224,327	257,415
Apprenticeship funding	-	4,322	4,322	6,344
Nursery income	162,890	-	162,890	144,122
	<u>162,890</u>	<u>228,649</u>	<u>391,539</u>	<u>407,881</u>
Other funding				
Catering income	-	212,481	212,481	217,016
Other income	11,250	21,142	32,392	51,139
	<u>339,776</u>	<u>8,559,293</u>	<u>8,899,069</u>	<u>8,509,003</u>
Total 2018	<u><u>185,513</u></u>	<u><u>8,323,490</u></u>	<u><u>8,509,003</u></u>	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Nursery and extended services	134,193	134,193	121,381
Lettings income	50,139	50,139	50,675
Other trading income	32,185	32,185	106,100
	<u>216,517</u>	<u>216,517</u>	<u>278,156</u>

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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	4,938	4,938	1,729

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising funds:					
Allocated support costs	117,765	36,795	40,005	194,565	248,143
Educational Operations:					
Direct costs	6,262,195	491,900	823,333	7,577,428	6,992,064
Allocated support costs	1,251,195	325,149	713,200	2,289,544	2,472,845
	<u>7,631,155</u>	<u>853,844</u>	<u>1,576,538</u>	<u>10,061,537</u>	<u>9,713,052</u>
Total 2018	<u>7,255,679</u>	<u>996,526</u>	<u>1,460,847</u>	<u>9,713,052</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	7,577,428	2,289,544	9,866,972	9,464,909
Total 2018	<u>6,992,064</u>	<u>2,472,845</u>	<u>9,464,909</u>	

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
LGPS pension interest cost (£202,000) less return on assets (£119,000)	83,000	85,000
Staff costs	6,142,360	5,655,694
Depreciation	491,900	395,944
Supply staff costs	119,835	75,045
Technology costs	62,728	81,514
Educational supplies	239,383	207,291
Staff development	131,585	104,211
Educational consultancy	160,658	113,755
Other direct costs	145,979	273,610
	<u>7,577,428</u>	<u>6,992,064</u>

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,251,195	1,389,926
Depreciation	163,966	131,981
Legal and professional fees	62,899	59,952
Recruitment and support	7	4,534
Maintenance of premises and equipment	156,125	133,805
Cleaning	26,330	25,977
Rates	64,817	52,118
Energy costs	91,630	95,124
Insurance	60,226	96,111
Security and transport	2,107	6,133
Catering	297,377	310,135
Bank charges	8,881	8,794
Other support costs	83,809	138,255
Governance costs	20,175	20,000
	<u>2,289,544</u>	<u>2,472,845</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	9,003	16,450
Depreciation of tangible fixed assets	655,866	573,171
Fees paid to auditors for:		
- audit	16,800	16,450
- other services	3,375	4,850
	<u>16,800</u>	<u>16,450</u>
	<u>3,375</u>	<u>4,850</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,601,515	5,403,439
Social security costs	498,609	482,650
Pension costs	1,411,196	1,294,545
	<u>7,511,320</u>	<u>7,180,634</u>
Agency staff costs	119,835	75,045
	<u>7,631,155</u>	<u>7,255,679</u>

b. Staff numbers

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

	2019 No.	2018 No.
Management	11	10
Teachers	98	107
Administration and support	170	166
	<u>279</u>	<u>283</u>

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10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1
	<u> </u>	<u> </u>

Five 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 2019, teachers pension and local government pension contributions for these staff amounted to £60,806 (2018 - £59,013) and £15,531 (2018 - £14,535) respectively.

d. Key management personnel

The key management personnel of the Academy Trust comprise of the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £462,686 (2018 - £453,752). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

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11. Central services

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

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

3.5% of GAG funding (2018 - 2%).

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Thomas Estley Community College	144,739	82,416
Cosby Primary School	26,933	15,828
Richmond Primary School	56,135	28,824
Hallbrook Primary School	30,056	17,052
Total	257,863	144,120

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 staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

A Collins (Trust Principal and Trustee)
Remuneration £95,000 - £100,000 (2018: £90,000 - £95,000)
Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the scheme.

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

14. Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	25,044,734	-	695,278	240,931	25,980,943
Additions	220,866	106,209	130,369	141,775	599,219
At 31 August 2019	<u>25,265,600</u>	<u>106,209</u>	<u>825,647</u>	<u>382,706</u>	<u>26,580,162</u>
Depreciation					
At 1 September 2018	1,016,934	-	315,785	134,774	1,467,493
Charge for the year	420,919	-	161,923	73,024	655,866
At 31 August 2019	<u>1,437,853</u>	<u>-</u>	<u>477,708</u>	<u>207,798</u>	<u>2,123,359</u>
Net book value					
At 31 August 2019	<u>23,827,747</u>	<u>106,209</u>	<u>347,939</u>	<u>174,908</u>	<u>24,456,803</u>
At 31 August 2018	<u>24,027,800</u>	<u>-</u>	<u>379,493</u>	<u>106,157</u>	<u>24,513,450</u>

See note 1.3 regarding assets transferred on conversion.

15. Stocks

	2019 £	2018 £
Classroom and other materials	<u>7,049</u>	<u>5,070</u>

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	26,493	34,499
VAT recoverable	99,942	71,996
Prepayments and accrued income	161,413	153,992
	<u>287,848</u>	<u>260,487</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	(9,302)	-
Other taxation and social security	118,670	120,900
Other creditors	124,148	120,688
Accruals and deferred income	484,284	452,891
	<u>717,800</u>	<u>694,479</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	266,136	188,479
Resources deferred during the year	257,784	266,136
Amounts released from previous periods	(266,136)	(188,479)
	<u>257,784</u>	<u>266,136</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	429,736	564,765	(456,231)	(2,575)	-	535,695
Restricted general funds						
General Annual Grant (GAG)	638,376	7,407,060	(7,140,110)	(120,005)	-	785,321
Pupil Premium	31,186	289,406	(305,121)	-	-	15,471
Other DfE Group grants	27,846	400,555	(420,212)	-	-	8,189
Other government grants	69,689	228,649	(223,130)	-	-	75,208
Catering income	1,512	212,481	(213,993)	-	-	-
Other income	27,969	21,142	(24,526)	-	-	24,585
Parental Contributions	23,369	135,979	(159,348)	-	-	-
Pension reserve	(2,864,000)	-	(463,000)	-	(1,273,000)	(4,600,000)
	<u>(2,044,053)</u>	<u>8,695,272</u>	<u>(8,949,440)</u>	<u>(120,005)</u>	<u>(1,273,000)</u>	<u>(3,691,226)</u>
Restricted fixed asset funds						
DfE Group capital grants	52,187	121,598	(26,016)	-	-	147,769
Transfer from ESFA	3,704,898	-	(62,890)	-	-	3,642,008
Transfer for Local Authority	16,602,777	-	(279,885)	-	-	16,322,892
Local Authority donation	2,705,052	-	(54,723)	-	-	2,650,329
Condition Improvement Funding	94,295	358,062	(23,776)	46,973	-	475,554
Capital expenditure from GAG	1,310,513	-	(190,716)	75,607	-	1,195,404
Other government grants	52,260	4,249	(17,860)	-	-	38,649
	<u>24,521,982</u>	<u>483,909</u>	<u>(655,866)</u>	<u>122,580</u>	<u>-</u>	<u>24,472,605</u>
Total Restricted funds	<u>22,477,929</u>	<u>9,179,181</u>	<u>(9,605,306)</u>	<u>2,575</u>	<u>(1,273,000)</u>	<u>20,781,379</u>

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18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	22,907,665	9,743,946	(10,061,537)	-	(1,273,000)	21,317,074

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers.

The DfE Group grants consist of Universal Infant Free School Meals (UIFSM), PE Sports Grant, Year 7 catch up grant and NLE income grant. The balance relates to unspent PE Sports Grant at the year end.

Teaching School income relates to Teaching School grant income which enables the school to build the leadership and administrative capacity to lead the teaching school alliance.

Other government grants consist of Special Educational Needs (SEN) funding, School 2 School Support income, Apprenticeship funding, Looked After Children funding and a Travel Grant.

Catering income is income associated with the statutory obligation within the Academy's funding agreement.

Other income consists of SSIF £18,512, Affinity Teaching School Alliance income of £9,025 and various other grants totalling £2,630.

Parental Contributions includes funds generated from parents of students for use towards specific educational expenditure such as trips.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from the ESFA relates to the value of leasehold land and buildings plus moveable assets transferred from the ESFA to the Academy on conversion to a Multi-Academy Trust. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to leasehold land and buildings transferred from the Local Authority into the Academy Trust on conversion. The closing balance relates to the net book value of the assets concerned.

The donation from the Local Authority consists of leasehold buildings donated to the Trust at a value of £2,736,160.

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18. Statement of funds (continued)

The Condition Improvement Fund (CIF) relates to funding received in relation to roofing and safeguarding projects. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Thomas Estley Community College	1,120,503	927,052
Cosby Primary School	228,313	235,968
Richmond Primary School	(51,857)	(10,737)
Hallbrook Primary School	127,074	97,521
Central Services	20,436	(121)
Total before fixed asset funds and pension reserve	1,444,469	1,249,683
Restricted fixed asset fund	24,472,605	24,521,982
Pension reserve	(4,600,000)	(2,864,000)
Total	21,317,074	22,907,665

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Richmond Primary School	(51,857)

The deficit in Richmond Primary School has arisen during a time of accelerated growth in student numbers and mainly due to an under estimation of supply costs and school meal costs. This position has now stabilised and school has been able to set a revised 2019/20 budget to start to pay this deficit back with the agreement of working towards a surplus position by the end of 2021/22.

The Academy Trust is taking the following action to return the academy to surplus:

The Trust continues to work closely with the school to ensure this is achieved including the monitoring of the position on a monthly basis whilst also looking for additional funding wherever opportunities arise.

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18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	391,040	536,982	(471,865)	-	-	429,736
Restricted general funds						
General Annual Grant (GAG)	439,166	7,224,746	(6,923,220)	(109,293)	-	631,399
Pupil Premium	35,330	272,846	(272,728)	-	-	35,448
Other DfE Group grants	74,388	197,867	(251,543)	-	-	20,712
Teaching School income	-	40,000	(40,000)	-	-	-
National Leader of Education income	16,500	-	(6,650)	-	-	9,850
Other government grants	31,420	261,259	(222,990)	-	-	69,689
Catering income	35,413	217,016	(250,918)	-	-	1,511
Other income	27,807	38,172	(38,010)	-	-	27,969
Parental Contributions	7,389	253,937	(237,957)	-	-	23,369
Pension reserve	(3,240,000)	-	(424,000)	-	800,000	(2,864,000)
	<u>(2,572,587)</u>	<u>8,505,843</u>	<u>(8,668,016)</u>	<u>(109,293)</u>	<u>800,000</u>	<u>(2,044,053)</u>
Restricted fixed asset funds						
DfE Group capital grants	18,868	40,076	(6,757)	-	-	52,187
Transfer from ESFA	3,767,788	-	(62,890)	-	-	3,704,898
Transfer from Local Authority	16,882,662	-	(279,885)	-	-	16,602,777
Local Authority donation	374,633	2,361,527	(31,108)	-	-	2,705,052
Condition Improvement Funding	17,690	94,473	(17,868)	-	-	94,295
Capital expenditure from GAG	1,346,036	-	(171,237)	-	-	1,310,513

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Other government grants	-	55,686	(3,426)	-	-	52,260
	<u>22,407,677</u>	<u>2,551,762</u>	<u>(573,171)</u>	<u>-</u>	<u>-</u>	<u>24,521,982</u>
Total Restricted funds	<u>19,835,090</u>	<u>11,057,605</u>	<u>(9,241,187)</u>	<u>(109,293)</u>	<u>800,000</u>	<u>22,477,929</u>
Total funds	<u>20,226,130</u>	<u>11,594,587</u>	<u>(9,713,052)</u>	<u>(109,293)</u>	<u>800,000</u>	<u>22,907,665</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	24,456,803	24,456,803
Current assets	535,695	1,626,574	15,802	2,178,071
Creditors due within one year	-	(717,800)	-	(717,800)
Pension scheme liability	-	(4,600,000)	-	(4,600,000)
Total	<u>535,695</u>	<u>(3,691,226)</u>	<u>24,472,605</u>	<u>21,317,074</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	24,513,450	24,513,450
Current assets	429,736	1,514,426	8,532	1,952,694
Creditors due within one year	-	(694,479)	-	(694,479)
Pension scheme liability	-	(2,864,000)	-	(2,864,000)
Total	<u>429,736</u>	<u>(2,044,053)</u>	<u>24,521,982</u>	<u>22,907,665</u>

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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(317,591)	1,881,535
Adjustments for:		
Depreciation	655,866	573,171
Capital grants from DfE and other capital income	(506,859)	(134,549)
Interest receivable	(4,938)	(1,729)
Defined benefit pension scheme past service cost	133,000	-
Defined benefit pension scheme cost less contributions payable	247,000	339,000
Defined benefit pension scheme finance cost	83,000	85,000
(Increase)/decrease in stocks	(1,979)	1,983
(Increase)/decrease in debtors	(27,361)	41,189
Increase in creditors	23,321	150,295
Tangible fixed assets donated from the Local Authority	-	(2,361,527)
Net cash provided by operating activities	283,459	574,368

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	4,938	1,729
Purchase of tangible fixed assets	(599,219)	(336,285)
Capital grants from DfE Group and other capital income	506,859	134,549
Net cash used in investing activities	(87,422)	(200,007)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,883,174	1,687,137
Total cash and cash equivalents	1,883,174	1,687,137

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23. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	701,824	161,826

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Leicestershire County Council. Both are multi-employer defined benefit 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 £124,148 were payable to the schemes at 31 August 2019 (2018 - £120,688) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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)
- 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%.

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24. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £530,794 (2018 - £564,948).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £534,000 (2018 - £483,000), of which employer's contributions totalled £428,000 (2018 - £384,000) and employees' contributions totalled £ 106,000 (2018 - £99,000). The agreed contribution rates for future years are 24.4 - 25.4 per cent for employers and 5 - 12.5 per cent 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

	2019 %	2018 %
Rate of increase in salaries	3.3	3.3
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.3	2.3
Commutation of pensions to lump sums	50.0	50.0

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.2	22.1
Females	23.4	24.3
<i>Retiring in 20 years</i>		
Males	22.2	23.8
Females	24.7	26.2

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24. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate -0.5%	1,242	894
Salary increase rate +0.5%	229	190
Pension increase rate +0.5%	984	688

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	2,768,000	2,468,000
Corporate bonds	1,480,000	1,075,000
Property	382,000	358,000
Cash and other liquid assets	143,000	79,000
Total market value of assets	4,773,000	3,980,000

The actual return on scheme assets was £274,000 (2018 - £169,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(675,000)	(723,000)
Past service cost	(133,000)	-
Interest income	119,000	89,000
Interest cost	(202,000)	(174,000)
Total amount recognised in the Statement of Financial Activities	(891,000)	(808,000)

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24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	6,844,000	6,584,000
Current service cost	675,000	723,000
Interest cost	202,000	174,000
Employee contributions	106,000	99,000
Actuarial losses/(gains)	1,428,000	(720,000)
Benefits paid	(15,000)	(16,000)
Past service costs	133,000	-
At 31 August	9,373,000	6,844,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	3,980,000	3,344,000
Interest income	119,000	89,000
Actuarial gains	155,000	80,000
Employer contributions	428,000	384,000
Employee contributions	106,000	99,000
Benefits paid	(15,000)	(16,000)
At 31 August	4,773,000	3,980,000

25. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	9,004	9,004
Later than 1 year and not later than 5 years	6,557	15,561
	15,561	24,565

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26. Members' liability

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

27. Related party transactions

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

Expenditure Related Party Transaction

Ace Cleaning Company (Leicester) Ltd - a company in which Mr M Booley (The Chair of Trustees of the Academy Trust) is a director and shareholder:

- The Academy Trust purchased cleaning services from Ace Cleaning Company (Leicester) Ltd totalling £942 (2018 - £635) during the period. There were no amounts outstanding at 31 August 2019.
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Booley neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

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

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28. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Government grants	94,636		40,000	
Other incoming resources	177,636		97,508	
Total income		272,272		137,508
Expenditure				
Direct staff costs	52,000		49,302	
Staff development costs	47,832		38,811	
Total direct expenditure	99,832		88,113	
Other staff costs	42,351		18,600	
Other support costs	67,445		16,287	
Total other expenditure	109,796		34,887	
Total expenditure		209,628		123,000
Surplus from all sources		62,644		14,508
Teaching school balances at 1 September 2018		15,825		1,317
Teaching school balances at 31 August 2019		78,469		15,825

29. Connected charities

The Friends of Cosby School (charity number 1042888) raises money for the Academy Trust and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy Trust. The charity's net assets at 31 August 2018 were £358. The charity's annual gross income was £5,583, its expenditure was £12,475 and its deficit for the year was £6,892. The organisation operated at a similar level in the year to 31 August 2019, but at the time of preparation the annual figures were not available.

The Friends of Richmond School (charity number 1151562) raises money for the Academy Trust and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy Trust. The charity's net assets at 31 August 2019 were £7,915. The charity's annual gross income was £6,644 (2018 - £2,411), its expenditure was £6,961 (2018 - £1,172) and its deficit for the year was £317 (2018 - surplus £1,239).