



SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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SUCCESS ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Gelsthorpe J Hemes S Lamprell (resigned 18 May 2020) B Perrett D Vernon T Moralee (appointed 4 July 2020)
Trustees	M Booley, Chair ¹ G Crofts C Stansfield ¹ S Tomlinson (appointed 23 September 2019) ¹ J Horan ¹ A Collins, Trust Principal and Accounting Officer ¹ S Lamprell (resigned 18 May 2020) C Southwell (appointed 1 July 2020) B Shah (resigned 3 November 2020) ¹ ¹ Finance, Audit and Risk Committee
Company registered number	08135389
Company name	Success Academy Trust
Principal and registered office	Thomas Estley Community College Station Road Broughton Astley Leicester Leicestershire LE9 6PT
Company secretary	AM Willett
Senior management team	A Collins, Trust Principal T Withers, Heads Advisory Group C Munton, 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)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

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

SUCCESS ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 1,850 in the schools' October 2020 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, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

● **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 2019 to 31 August 2020, all Academies within the Trust were part of 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• Method of recruitment and appointment or election of Trustees

The initial 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 works in partnership with Academy Ambassadors to help recruit additional Trustees with the appropriate skills and experience to align with the requirements of the Trust.

Members

- Bruce Perrett is also the Chair of the LGB of Thomas Estley Community College
- Tony Gelsthorpe
- Di Vernon
- John Hemes
- Tim Moralee

Trustees

- Melvyn Booley is also the Vice Chair of Governors at Cosby Primary LGB
- Gemma Crofts
- John Horan
- Christine Stansfield
- Bhavesh Shah (resigned 3 November 2020)
- Stephen Tomlinson
- Chris Southwell
- 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **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.

• **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 (T Withers is Head Teacher across both Hallbrook and Cosby Primary schools) 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **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 2019/20. During 2019/20 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.

• **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	1,324
Total pay bill	7,886,948
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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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

● **Related parties and other connected charities and 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, and is the lead license holder for TELA National Professional Qualifications. The TELA wider alliance membership consists of 13 Secondary and 36 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, and is a Local Leader of Education. 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 organiser of Leicestershire Leaders, which aims to offer support to headteachers across Leicestershire and Leicester City.

Thomas Estley, Hallbrook Primary 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.

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 and supports other local governing bodies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• Engagement with employees (including disabled persons)

During the 2019/20 financial year, Success Academy Trust, through its delegated academies, preschool and teaching school has engaged with employees through a range of strategies, including but not exclusively:

- Weekly updates and briefings for all employees - face to face and by email, as appropriate
- Training Day information sharing sessions twice annually which share key pertinent information and allow chances to feedback
- Each academy, setting and teaching school has an agreed informal email communication channel for its employees to feedback on issues and concerns, in addition to the Trust's consultation@ email address which is dedicated to formal consultation - eg this year this was used both within the Trust (for primary leadership restructure) and within the college/ preschool (for Covid specific feedback in September)
- The Trust has three union representatives who meet regularly with the Headteachers/ Trust Principal to discuss employee concerns and ensure that communication flow is effective, and meet with employees to discuss issues, concerns and to share important information
- Improvement Plans and quality assurance/ self-evaluation processes fully involve employees who have delegated responsibilities to feed into sections of the plans and evaluation as well as to comment on draft documents.
- Updates are regularly shared on factors - both internal and external (eg. national benchmarking, Covid factors) affecting the Trust's performance and that of its academies, preschool and Teaching School.

In respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons, the Trust has a clear policy and processes to ensure that disabled persons are not disadvantaged during recruitment, receive appropriate reasonable adjustments during employment with regular risk assessment carried out by the headteachers and HR manager according to Trust guidelines, and are treated equally in regard to career development and promotion opportunities. The latter are designed around career stage criteria rather than subjective criteria, so that all employees can benefit from appropriate developmental opportunities, eg. NPQML, NPQSL, NPQH programmes for teaching and leadership staff, which are an entitlement for all.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• Engagement with suppliers, customers and others in a business relationship with the Academy Trust

In accordance with the large and medium sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies (Miscellaneous Reporting) Regulations 2018, this section also constitutes the Company's statement on engagement with, and having due regard to the interest of our key stakeholders.

The Trust holds engagement with its stakeholders at the heart of what it was formed to do with its key ethos being "Building Leadership and Character together", its key aims are to:

- Understand, value and respect everyone.
- Collaborate and contribute within a supportive community of learning and partnerships.
- Challenge every barrier to success.
- Excel in all we do.
- Share and celebrate best practice, expertise and achievements.
- Strengthen opportunities for partnership, process and people.

The Trust engages with its suppliers through its procurement procedures and ongoing contract monitoring through the lifecycle of those contracts to ensure compliance to expected standards. The majority of the Trust's purchases are paid from public funds and as such the Trust will look to achieve best value for money on all purchases as well as maintaining the integrity of this funding by following the general principles of probity, accountability and fairness through its procurement arrangements which includes clear levels of financial delegation for spending decisions.

The Trust and its Academies actively engages with its parents and carers of its pupils via a variety of methods in order to gain "parent voice" feedback including meetings, telephone calls, parents' evenings, online communication platforms, personal emails, websites and social media as well as seeking the views of parents and carers through parent forum meetings, parental questionnaires and associated Parent Teacher Associations collaboration. Communication methods are personalised where needed to support accessibility arrangements. This year, the Academies have moved some of its usual events online into zoom/teams meetings where possible which has enabled the Trust to continue to capture feedback which would previously happened through on site events which had to be suspended as a result of COVID.

Where any concerns are raised through our engagement with parents and carers, we aim to resolve these as quickly and as efficiently as possible and usually these can be resolved through our Academies day to day communications routes. However, for those situations where this isn't the case, the Trust has a clear complaints policy and procedure in place to support any required escalation to resolve.

The views of our pupils are also gathered through a variety of routes such as questionnaires, school councils and daily communications through a variety of class tutors, teachers and other staff.

Other key stakeholders that the Trust has business relationships with, include Leicestershire County Council, with whom the Trust has regular meetings with their appropriate representatives and where the Trust has purchases some services from them these are monitored through clear service level agreements or where they have purchased services from us, through commissioning agreements for example to provide support to other schools through our TELA teaching school alliance.

The Trust works closely with the Regional Schools Commissioner to discuss performance of the Trust as well as being commissioned by them for school to school support of other local schools from time to time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 is 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 Leadership and Character together'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

ACHIEVEMENT

Achievement in the Success AT academies will build on their 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 2020

Strategic report

Achievements and performance

● **Key performance indicators**

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
- Quality of teaching is at least good
- Ethos and behaviour are at least good
- Personal development, including leadership and character development, is at least good
- 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: 19th November 2019 - Good
Richmond Primary: 26th November 2019 - Good
Thomas Estley Community College: 29th January 2019 - Good
Thomas Estley Preschool: 22nd May 2013 - Outstanding

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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 (Thomas Estley preschool) and out of school club primary provision. SIQA Review Autumn 2020 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 2020

Strategic report (continued)

Achievements and performance (continued)

Secondary Key Performance Indicators	Summer 2020
Children achieve to their full potential and make expected progress	Maths and English – attainment and progress above national comparators. Girls /students with SEND above national attainment and progress comparators overall. Boys/ students in receipt of pupil premium just below national attainment and progress comparators overall. Maths, English, EBacc baskets above national benchmarking. Open basket below national benchmarking.
Positive Progress Eight score	Not able to make official comparisons as no examinations in 2020 but benchmarking suggests both overall attainment and progress are above national averages.
Attainment Eight above national comparators	
Grade 4 or above in both English and Maths above national comparators	All above national comparators Maths 86% English 79% Combined 76%
Grade 5 or above in both English and Maths above national comparators	Maths and Combined above national comparators Maths 65% English 60% Combined 53%
EBacc entry above national comparators and approaching 75% target	EBacc just below national comparators and well below 75% target (35%) – however current Y10 with changes to KS4 curriculum are now above the 75% target.
Gaps between pupil groups narrowing including disadvantaged students	PP/non PP Gap narrowing SEND gap narrowing Gender gap increasing * (may be due to lack of terminal exams)
Performance Trend	Upwards trend generally, particularly in English and Open basket
School Level Governance	Graded good by Ofsted in 2019, no grade change
School Level Leadership	Graded good by Ofsted in 2019, no grade change
Safeguarding	Graded effective by Ofsted in 2019, no change
Curriculum	Graded good by Ofsted in 2019, strengthened in 2019-20
Quality of Teaching	Graded good by Ofsted in 2019, no grade change
Ethos and behaviour	Graded good by Ofsted in 2019, no grade change
Personal development	Graded good by Ofsted in 2019, no grade change
Overall effectiveness	Graded good by Ofsted in 2019, no grade change
Teaching School ITT	Partner with Leicester Secondary SCITT, University of Leicester (Primary and Secondary School Direct), University of Loughborough (Secondary School Direct), Warwick University (Secondary School Direct) Recruitment increased by around 100% across both primary and secondary phases in 2019-20.
Teaching School CPD	Alliance membership increased this year in both secondary and primary – CPD programmes effective and increasing in coverage, although operating virtually only since mid-March.
Teaching School S2SS	Currently supporting one secondary and five primary schools across the alliance (using national and local funding).
Teaching School NPQ (national license)	Around 350 delegates enrolled over the 2019-20 academic year on NPQML. NPQSL. NPQH programmes. Pass rate around 95%. Operating virtually only since mid-March.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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. SIQA Review Autumn 2019 retained its MAT category as Sufficient capacity to improve own school with School Improvement Support'. Support is currently being provided by Cosby Preschool and Richmond EYFS SLE.

Preschool Key Performance Indicators	Summer 2020
School Level Governance	Good
School Level Leadership	Generally good, receiving some support
Safeguarding	Graded effective by Ofsted no change
Curriculum	Generally good, receiving some support
Quality of Teaching	Generally good, receiving some support
Ethos and behaviour	Generally good, receiving some support
Personal development	Good
Overall effectiveness	Good

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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 2020 SIQA Review retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity.'

Primary Key Performance Indicators	Summer 2020
KS1 Standards	Reading 74% / Writing 74% / Maths 86%/ Combined 71% Outcomes around national, Maths well above national.
KS2 Standards	Reading 86%/ Writing 89%/ Maths 86%/ Combined 75% Reading, Writing, Combined above national, Maths around national
Performance Trend	Sharp upwards trend in KS2 and in KS1 Maths
School Level Governance	Graded good by Ofsted in 2017, no grade change
School Level Leadership	Graded good by Ofsted in 2017, no grade change
Safeguarding	Graded effective by Ofsted in 2017, no change
Curriculum	Graded good by Ofsted in 2017, strengthened in 2019-20
Quality of Teaching	Graded good by Ofsted in 2017, no grade change
Ethos and behaviour	Graded good by Ofsted in 2017, no grade change
Personal development	Graded good by Ofsted in 2017, no grade change
Overall effectiveness	Graded good by Ofsted in 2017, no grade change

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Hallbrook Primary School

Context

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 three years have improved significantly, after significant support and change of leadership, and the school is now in a much better position, graded Good by Ofsted in November 2019. SIQA Review Autumn 2020 retained its MAT category as 'Sufficient capacity to improve own school'.

Primary Key Performance Indicators	Summer 2020
KS1 Standards	Reading 79% / Writing 69% / Maths 87%/ Combined 69% Outcomes around national, Reading and Maths above national.
KS2 Standards	Reading 81%/ Writing 78%/ Maths 78% Combined 69% Outcomes around national
Performance Trend	Sharp upwards trend in KS2 R&W and in KS1 Maths (both Trust supported school improvement foci in 2018-20)
School Level Governance	Receiving support to improve to Good
School Level Leadership	Graded good by Ofsted in 2019, no grade change
Safeguarding	Graded effective by Ofsted in 2019, no change
Curriculum	Receiving support to improve to Good
Quality of Teaching	Receiving support to improve to Good
Ethos and behaviour	Graded good by Ofsted in 2019, no grade change
Personal development	Graded good by Ofsted in 2019, no grade change
Overall effectiveness	Graded good (but at risk of declining grade) by Ofsted in 2019, no grade change

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

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 grade Good by Ofsted in November 2019. SIQA Review Autumn 2019 upgraded its MAT category to 'Sufficient capacity to improve own school'.

Primary Key Performance Indicators	Summer 2020
KS1 Standards	Reading 71% / Writing 76% / Maths 78% Outcomes around national.
KS2 Standards	Reading 92% / Writing 90% / Maths 92% Outcomes well above national.
Performance Trend	Sharp upwards trend in KS2 and in KS1 Maths
School Level Governance	Graded good by Ofsted in 2019, no grade change
School Level Leadership	Graded good by Ofsted in 2019, no grade change
Safeguarding	Graded effective by Ofsted in 2019, no change
Curriculum	Graded good by Ofsted in 2019, strengthened in 2019-20
Quality of Teaching	Graded good by Ofsted in 2019, no grade change
Ethos and behaviour	Graded good by Ofsted in 2019, no grade change
Personal development	Graded good by Ofsted in 2019, no grade change
Overall effectiveness	Graded good by Ofsted in 2019, no grade change

● **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 2020

Strategic report (continued)

Achievements and performance (continued)

● **Promoting the success of the company**

Success Academy Trust's core purpose of "Building Leadership and Character together" signifies our determination to collaborate for improvement with leadership and character development being the driving force to raise aspiration and life chances, and a focus on smooth transition for pupils at the heart of our work.

Our Trust includes the Teaching School within TELA Teaching School Alliance, sharing, leading and benefiting from its collaborative partnership ethos, its nationally accredited leadership programmes, its initial teacher training and professional development provision and its school improvement work across Leicestershire supports the promotion of the Trust.

The Trust provides the underpinning systems, structures and the internal and external networks to support the work in our schools, enabling them to prioritise their time on the teaching and learning strategies and outcomes at their schools. The central Trust team provides expertise to address issues and risks in a timely manner and to support school leaders to develop practice in their school.

The Trust's "Three Steps to Success" commitment for all our Success Academy Trust Staff provides clear entitlement to our Trust Training Package as appropriate to career stage development, role and experience; talent management development routes within the Trust with a personalised career plan; and Wellbeing for Success – our own personal wellbeing and support package for staff to flourish. We deliver effective, progressive, professional development opportunities for all staff who work within our schools. Talent spotting and succession planning throughout the Trust is an essential contributor to staff recruitment, retention and development.

The trustees are committed working for the benefit of the wider community. For example the Trust Principal has led on various local authority LEEP projects and acted as a Head Teacher hub leader to support other Heads/Principals through sharing school's planning arrangements and risk assessments around COVID.

During the COVID lockdown from March to June 2020, our schools and pre schools stayed open for key worker and vulnerable children, including through the Easter and half term holidays. The schools were committed to helping families in need, distributing food parcels and referring families to food banks and appropriate charities.

We ensure our school environments are fit for purpose and consider the environmental impact when making decisions with regards to our infrastructure. Some of the recent building developments in our schools have improved energy efficiency such as upgrading the integrity and insulation of our academies roofing structures and LED lighting.

As a Trust, we place an important emphasis on the professional conduct of our staff, trustees and visitors and all abide by a clear framework and policy. This includes being aware of equality, impartiality and the need to act fairly.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

● **Financial review**

The Academy Trust had a net increase in funds for the year ended 31 August 2020 of £886,425 including fixed assets movements but excluding pension reserve movements. As at 31 August 2020 the Academy Trust held £798,587 of unrestricted reserves plus £1,061,034 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 £1,859,621.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £5,192,000 at 31 August 2020 and a fixed asset reserve of £24,943,877 being the book value of past purchases plus unspent capital income of £5,230.

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy, as core funding from both the Government and Local Authorities is currently expected to continue. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

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 one months' worth of expenditure, both in terms of salaries and other payments, this equates to approximately £585,000.

The Trustees consider that a reserves target of one months' 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 2020 were £1,720,744, 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 £138,877 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 2020 were £1,859,621. Cash at bank at 31 August 2020 was £93,529 higher than total available reserves which is due principally to PAYE/NI and pension costs for August 2020 being paid over in September 2020 and Universal Infant Free School Meal income received in advance of 2020/21.

At 31 August 2020 the Academy's fixed asset reserve of £24,943,877 represented £24,938,647 of funds which could only be realised if the assets were sold, plus £5,230 of unspent devolved capital formula.

The only reserve in deficit at the year end was the pension reserve (deficit of £5,192,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. The deficit has

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **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:

- On going impact of COVID on finance and performance
- MAT Trustees having the appropriate skills
- Core central service team having capacity to support existing and future schools
- Unable to grow the MAT to sufficient size and at a suitable pace
- Academies within the Trust unable to set balanced budgets
- Falling standards in one or more of the academies
- 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:

- The Trust has taken advantage of the furlough scheme where possible; consideration of areas where ongoing reduced income is expected as a result of COVID have been reflected in future forecasting; the Trust has worked collaboratively to provide online learning portals in the event of any future lockdowns or individuals requiring to isolate; attendance and wellbeing support in place in all schools through Trust and local provision. Some shared recruitment has taken place across schools and posts been temporarily deployed to offset financial risks.
- The Trust is working with Academy Ambassadors and through local teaching school and school/business Based networks to help recruit additional Trustees with appropriate skills.
- For 2020/21 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; a Trust School Business Manager and the Trust's Data Protection Officer.
- 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.
- All academies have been able to show through their local budget plans that they are able to set budgets in 2020/21 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.
- 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.
- The Academy Trust and the Trustees are aware of the significant pension fund deficit of £5,192,000 as at 31 August 2020 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.

SUCCESS ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **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.

● **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 0.00% (for balances less than £1 million)
- Reserve or Special interest bearing accounts 0.01% balances < £1million or 0.01% for balances above £1 million

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 understand 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.

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.

As a result of COVID lockdown, most fundraising activities within 2019/20 were curtailed from March and impact into 2020/21 is to expect that our second funding raising goal will not be achieved.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption for the period 1 September 2019 to 31 August 2020 are as follows:

	2020
Energy consumption used to calculate emissions (kWh)	1,941,342
Energy consumption breakdown (kWh):	
Gas	1,268,372
Electricity	670,140
Transport fuel	2,830
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	233
Total scope 1	<u>233</u>
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	<u>156</u>
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	<u>1</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>390</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for company reporting.

Intensity Ratio

Tonnes of CO2 equivalent per pupil is 0.21.

Intensity measurement

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Some additional LED lighting has been installed in 2 of the Trust's academies during the year to improve energy efficiency. In addition, practical roof upgrades through CIF bids have improved the energy efficiency of 2 of our academy buildings. Energy usage was reduced due to partial closure of the school's sites from March 2020 due to COVID-19. More staff have been working from home which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way in the future by holding more meetings virtually where appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 7 January 2021 and signed on its behalf by:



M Booley
Chair of Trustees



A Collins
Accounting Office

SUCCESS ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Full Board of Trustees has formally met 8 times during the year - 3 in person (prior to COVID-19 outbreak) with a further 6 remote meetings.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Booley, Chair	8	8
G Crofts	6	8
C Stansfield	3	8
S Tomlinson	8	8
J Horan	7	8
A Collins, Trust Principal and Accounting Officer	8	8
S Lamprell	5	5
C Southwell	2	2
B Shah	7	7

During this accounting period the Trust Board has had a resignation although an additional appointment was made during the Summer of 2020 which supported audited skills gaps on the Board. In addition, there was one Member resignation and a Member appointment. An additional resignation was received after the reporting period on 3 November 2020.

The Board sets out its annual calendar of Full Board meetings and subcommittee meetings prior to the start of each year although as a result of COVID-19, a number of additional meetings were held remotely. The Board recognises the requirement for the Board to consider the financial affairs of the Trust at least 6 times a year. As part of the Trust's delegation arrangements, its Academies Local Governance Boards monitor their own finances locally. In addition, to ensure this requirement 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 central and consolidated 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. Currently only one conflict remains but is transparent.

The Trustee Board, supported by the Heads Advisory Group (HAG) and Business Managers group has, during 2019/20, carried out work including:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Consolidating the School Improvement Quality Assurance Model (SIQA) including four levels of support, challenge, delegation, review, depending on the capacity, outcomes, and OFSTED rating of each school.
- Deploying the Trust School Improvement team as needed into each school to quality assure/support/monitor as appropriate as a result of due diligence, SIQA rating and provision in order to support improvement in outcomes.
- Monitoring and quality assuring impact of school improvement and quality assurance through KPIs, outcome monitoring, 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.
- Implementing the Strategic Plan for the Trust to meet its main priority outcomes.
- 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 three FAR meetings were held separate to the Full Board meetings.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Booley, Chair	3	3
J Horan	2	3
B Shah	2	3
A Collins	3	3
S Tomlinson	3	3

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	2	2
S Lamprell, Chair	2	2
G Crofts	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

C Stansfield	2	2
A Collins	2	2

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.

Review of value for money

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

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:

- Standardised financial planning, forecasting, monitoring and reporting of the trust's academies through imbedding use of the Centralised Financial Management System and budgeting tool.
- Carrying out a number of central contract checks across the Trust including energy and grounds maintenance to ensure best value is achieved.
- An Internal audit undertaken by external consultant to look at areas of risk management, payroll, bank and cash management, ordering and invoicing.
- Central management, preparation and submitting of statutory consolidated returns and quarterly VAT (MTD) returns.
- Working collaboratively to support best value decisions purchases – and support particularly during COVID lockdown period including financial support from Central reserves to support local academy additional spending as a result of additional costs around COVID.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

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 2019 to 31 August 2020 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, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function for the year 1 September 2019 to 31 August 2020 and agreed to appoint Lote Tree Consultancy Limited to undertake the internal audit work.

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 reviewer reports to the Board of Trustees through the Finance, Audit and Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The latest internal audit was carried out in July/August 2020. No material control issues were identified as a result of the internal audit review work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the reviewer;
- 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 7 January 2021 and signed on their behalf by:



M Booley
Chair of Trustees



A Collins
Accounting Officer

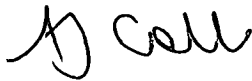
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Success Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2019.

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 2019.

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: 7 January 2021

SUCCESS ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 January 2021 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 2020 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', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

15/1/21

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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:

15/1/21

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	105,079	929,130	1,034,209	623,422
Charitable activities:	4					
Funding for the academy trust's educational operations		187,368	8,861,523	-	9,048,891	8,626,797
Teaching school		396,394	40,000	-	436,394	272,272
Other trading activities	5	167,794	-	-	167,794	216,517
Investments	6	4,420	-	-	4,420	4,938
Total income		755,976	9,006,602	929,130	10,691,708	9,743,946
Expenditure on:						
Raising funds		131,695	-	-	131,695	194,565
Charitable activities:						
Academy trust educational operations		195,678	9,085,086	702,114	9,982,878	9,657,344
Teaching school		165,711	40,000	-	205,711	209,628
Total expenditure	7	493,084	9,125,086	702,114	10,320,284	10,061,537
Net income/(expenditure)		262,892	(118,484)	227,016	371,424	(317,591)
Transfers between funds	18	-	(244,256)	244,256	-	-
Net movement in funds before other recognised gains/(losses)		262,892	(362,740)	471,272	371,424	(317,591)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(77,000)	-	(77,000)	(1,273,000)
Net movement in funds		262,892	(439,740)	471,272	294,424	(1,590,591)
Reconciliation of funds:						

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Note					
Total funds brought forward	535,695	(3,691,226)	24,472,605	21,317,074	22,907,665
Net movement in funds	262,892	(439,740)	471,272	294,424	(1,590,591)
Total funds carried forward	798,587	(4,130,966)	24,943,877	21,611,498	21,317,074

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 43 to 72 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	24,938,647	24,456,803
		<u>24,938,647</u>	<u>24,456,803</u>
Current assets			
Stocks	15	6,827	7,049
Debtors	16	560,360	287,848
Cash at bank and in hand		1,953,150	1,883,174
		<u>2,520,337</u>	<u>2,178,071</u>
Creditors: amounts falling due within one year	17	(655,486)	(717,800)
Net current assets		- 1,864,851	1,460,271
Total assets less current liabilities		<u>26,803,498</u>	<u>25,917,074</u>
Net assets excluding pension liability		<u>26,803,498</u>	<u>25,917,074</u>
Defined benefit pension scheme liability	25	(5,192,000)	(4,600,000)
Total net assets		<u><u>21,611,498</u></u>	<u><u>21,317,074</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset fund	18	24,943,877	24,472,605
Restricted income fund	18	1,061,034	908,774
		<u>26,004,911</u>	<u>25,381,379</u>
Restricted funds excluding pension asset	18	26,004,911	25,381,379
Pension reserve	18	(5,192,000)	(4,600,000)
Total restricted funds	18	<u>20,812,911</u>	<u>20,781,379</u>
Unrestricted income funds	18	798,587	535,695
Total funds		<u><u>21,611,498</u></u>	<u><u>21,317,074</u></u>

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 07 January 2021 and are signed on their behalf, by:

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



M Booley
Chair of Trustees

The notes on pages 43 to 72 form part of these financial statements.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	320,384	283,459
Cash flows from investing activities	21	(250,408)	(87,422)
Change in cash and cash equivalents in the year		69,976	196,037
Cash and cash equivalents at the beginning of the year		1,883,174	1,687,137
Cash and cash equivalents at the end of the year	22, 23	<u><u>1,953,150</u></u>	<u><u>1,883,174</u></u>

The notes on pages 43 to 72 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 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2019 to 2020 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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **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.

- **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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

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.

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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local 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 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.

SUCCESS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Parental contributions	-	105,079	-	105,079	135,979
Capital grants	-	-	929,130	929,130	483,909
Donations	-	-	-	-	3,534
	-	105,079	929,130	1,034,209	623,422
<i>Total 2019</i>	3,534	135,979	483,909	623,422	

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,575,960	7,575,960	7,406,460
Other DfE Group Grants	-	935,308	935,308	583,925
Teaching School Income	396,994	40,000	436,994	272,272
	396,994	8,551,268	8,948,262	8,262,657
Other government grants				
Local Authority grants	-	210,247	210,247	224,327
Apprenticeship funding	-	-	-	4,322
Nursery income	173,597	-	173,597	162,890
	173,597	210,247	383,844	391,539
Other funding				
Catering income	-	139,423	139,423	212,481
Other income	13,171	585	13,756	32,392
	583,762	8,901,523	9,485,285	8,899,069
Total 2019	339,776	8,559,293	8,899,069	

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Nursery and extended services	98,776	98,776	134,193
Lettings income	34,796	34,796	50,139
Other trading income	34,222	34,222	32,185
	167,794	167,794	216,517
Total 2019	216,517	216,517	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	4,420	4,420	4,938
<i>Total 2019</i>	4,938	4,938	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Allocated support costs	109,152	-	22,543	131,695	194,565
Educational Operations:					
Direct costs	6,487,428	702,114	587,897	7,777,439	7,577,428
Allocated support costs	1,366,346	413,754	631,050	2,411,150	2,289,544
	7,962,926	1,115,868	1,241,490	10,320,284	10,061,537
<i>Total 2019</i>	7,631,155	853,844	1,576,538	10,061,537	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations	7,777,439	2,411,150	10,188,589	9,866,972
<i>Total 2019</i>	7,577,428	2,289,544	9,866,972	

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FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension finance costs	92,000	92,000	83,000
Staff costs	6,487,428	6,487,428	6,142,360
Depreciation	526,585	526,585	491,900
Supply staff costs	75,978	75,978	119,835
Technology costs	72,325	72,325	62,728
Educational supplies	137,440	137,440	239,383
Staff development	81,083	81,083	131,585
Educational consultancy	178,122	178,122	160,658
Other direct costs	126,478	126,478	145,979
	<u>7,777,439</u>	<u>7,777,439</u>	<u>7,577,428</u>
<i>Total 2019</i>	<u>7,577,428</u>	<u>7,577,428</u>	

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FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,290,368	1,290,368	1,251,195
Depreciation	175,529	175,529	163,966
Legal and professional fees	47,103	47,103	62,899
Recruitment and support	3,565	3,565	7
Maintenance of premises and equipment	173,355	173,355	156,125
Cleaning	37,928	37,928	26,330
Rates	66,604	66,604	64,817
Energy costs	135,867	135,867	91,630
Insurance	61,403	61,403	60,226
Security and transport	1,983	1,983	2,107
Catering	266,102	266,102	297,377
Bank charges	7,098	7,098	8,881
Other support costs	123,200	123,200	83,809
Governance costs	21,045	21,045	20,175
	<u>2,411,150</u>	<u>2,411,150</u>	<u>2,289,544</u>
<i>Total 2019</i>	<u>2,289,544</u>	<u>2,289,544</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	9,003	9,003
Depreciation of tangible fixed assets	702,114	655,866
Fees paid to auditors for:		
- audit	17,200	16,800
- other services	2,900	3,375

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,648,267	5,601,515
Social security costs	498,613	498,609
Pension costs	1,740,068	1,411,196
	<u>7,886,948</u>	<u>7,511,320</u>
Agency staff costs	75,978	119,835
	<u><u>7,962,926</u></u>	<u><u>7,631,155</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Management	11	11
Teachers	90	98
Administration and support	187	170
	<u>288</u>	<u>279</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £426,709 (2019 - £462,686). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

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 (2019 - 3.5%).

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Thomas Estley Community College	147,336	144,739
Cosby Primary School	28,245	26,933
Richmond Primary School	60,107	56,135
Hallbrook Primary School	28,048	30,056
Total	263,736	257,863

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 £100,000 - £105,000 (2019: £95,000 - £100,000)

Employer's pension contributions £20,000 - £25,000 (2019: £15,000 - £20,000)

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	25,265,600	106,209	825,647	382,706	26,580,162
Additions	736,607	-	360,052	87,299	1,183,958
Transfers between classes	106,209	(106,209)	-	-	-
At 31 August 2020	26,108,416	-	1,185,699	470,005	27,764,120
Depreciation					
At 1 September 2019	1,437,853	-	477,708	207,798	2,123,359
Charge for the year	439,820	-	181,379	80,915	702,114
At 31 August 2020	1,877,673	-	659,087	288,713	2,825,473

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets (continued)

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Net book value					
At 31 August 2020	<u>24,230,743</u>	<u>-</u>	<u>526,612</u>	<u>181,292</u>	<u>24,938,647</u>
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>

See note 1.3 regarding assets transferred on conversion.

15. Stocks

	2020 £	2019 £
Classroom and other materials	<u>6,827</u>	<u>7,049</u>

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	19,012	26,493
VAT recoverable	97,729	99,942
Prepayments and accrued income	443,619	161,413
	<u>560,360</u>	<u>287,848</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	(6,685)	(9,302)
Other taxation and social security	115,007	118,670
Other creditors	146,832	124,148
Accruals and deferred income	400,332	484,284
	<u>655,486</u>	<u>717,800</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year (continued)

	2020	2019
	£	£
	2020	2019
	£	£
Deferred income		
Deferred income at 1 September 2019	257,784	266,136
Resources deferred during the year	200,899	257,784
Amounts released from previous periods	(257,784)	(266,136)
	<u>200,899</u>	<u>257,784</u>

The closing balance of deferred income mainly relates to parental contributions and Universal Infant Free School Meals income received in advance of the 2020/21 academic year and rates income in relation to the post year end period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	535,695	755,976	(493,084)	-	-	798,587
Restricted general funds						
General Annual Grant (GAG)	785,321	7,575,961	(7,194,869)	(244,256)	-	922,157
Pupil Premium	15,471	291,284	(271,483)	-	-	35,272
Other DfE Group grants	8,189	684,023	(686,560)	-	-	5,652
Other government grants	75,208	210,247	(208,601)	-	-	76,854
Catering income	-	139,423	(139,423)	-	-	-
Other income	24,585	-	(4,683)	-	-	19,902
Parental Contributions	-	105,664	(104,467)	-	-	1,197
Pension reserve	(4,600,000)	-	(515,000)	-	(77,000)	(5,192,000)
	<u>(3,691,226)</u>	<u>9,006,602</u>	<u>(9,125,086)</u>	<u>(244,256)</u>	<u>(77,000)</u>	<u>(4,130,966)</u>
Restricted fixed asset funds						
DfE Group capital grants	623,323	929,130	(85,446)	105,074	-	1,572,081
Transfer from ESFA	3,642,008	-	(62,890)	-	-	3,579,118
Transfer for Local Authority	16,322,892	-	(279,885)	-	-	16,043,007
Local Authority donation	2,650,329	-	(54,723)	-	-	2,595,606
Capital expenditure from GAG	1,195,404	-	(200,843)	139,182	-	1,133,743
Other government grants	38,649	-	(18,327)	-	-	20,322
	<u>24,472,605</u>	<u>929,130</u>	<u>(702,114)</u>	<u>244,256</u>	<u>-</u>	<u>24,943,877</u>
Total Restricted funds	<u>20,781,379</u>	<u>9,935,732</u>	<u>(9,827,200)</u>	<u>-</u>	<u>(77,000)</u>	<u>20,812,911</u>
Total funds	<u>21,317,074</u>	<u>10,691,708</u>	<u>(10,320,284)</u>	<u>-</u>	<u>(77,000)</u>	<u>21,611,498</u>

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18. Statement of funds (continued)

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 balance is unspent funds at the year end.

The DfE Group grants consist of Universal Infant Free School Meals (UIFSM), PE Sports Grant, Year 7 catch up grant, Free School Meal (FSM), Teachers Pay and Pension grant income. The balance relates to unspent PE Sports Grant and Year 7 Catchup grant.

Other government grants consist of Special Educational Needs (SEN) funding and apprenticeship funding. The balance mainly relates to School 2 School Support funding.

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

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.

The Condition Improvement Fund (CIF) relates to funding received in relation to roofing, fire compliance 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 2020.

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Thomas Estley Community College	1,425,349	1,120,503
Cosby Primary School	227,625	228,313
Richmond Primary School	33,808	(51,857)
Hallbrook Primary School	154,254	127,074
Central Services	18,585	20,436
Total before fixed asset funds and pension reserve	1,859,621	1,444,469
Restricted fixed asset fund	24,943,877	24,472,605
Pension reserve	(5,192,000)	(4,600,000)
Total	21,611,498	21,317,074

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Thomas Estley Community College	3,335,285	791,376	380,169	472,068	4,978,898	4,900,242
Cosby Primary School	719,026	237,608	39,073	70,889	1,066,596	1,026,836
Richmond Primary School	1,465,355	243,723	75,580	305,137	2,089,795	2,034,397
Hallbrook Primary School	544,762	201,691	33,918	185,661	966,032	1,001,751
Central Services	-	516,100	-	749	516,849	442,445
Academy Trust	6,064,428	1,990,498	528,740	1,034,504	9,618,170	9,405,671

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

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
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

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

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	24,938,647	24,938,647
Current assets	798,587	1,716,520	5,230	2,520,337
Creditors due within one year	-	(655,486)	-	(655,486)
Pension scheme liabilities	-	(5,192,000)	-	(5,192,000)
Total	<u><u>798,587</u></u>	<u><u>(4,130,966)</u></u>	<u><u>24,943,877</u></u>	<u><u>21,611,498</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
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 liabilities	-	(4,600,000)	-	(4,600,000)
Total	535,695	(3,691,226)	24,472,605	21,317,074

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	371,424	(317,591)
Adjustments for:		
Depreciation	702,114	655,866
Capital grants from DfE and other capital income	(929,130)	(506,859)
Interest receivable	(4,420)	(4,938)
Defined benefit pension scheme past service cost	-	133,000
Defined benefit pension scheme cost less contributions payable	423,000	247,000
Defined benefit pension scheme finance cost	92,000	83,000
(Increase)/decrease in stocks	222	(1,979)
(Increase)/decrease in debtors	(272,512)	(27,361)
(Decrease)/increase in creditors	(62,314)	23,321
Net cash provided by operating activities	320,384	283,459

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	4,420	4,938
Purchase of tangible fixed assets	(1,183,958)	(599,219)
Capital grants from DfE Group and other capital income	929,130	506,859
Net cash used in investing activities	(250,408)	(87,422)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,953,150	1,883,174
Total cash and cash equivalents	1,953,150	1,883,174

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,883,174	69,976	1,953,150
	1,883,174	69,976	1,953,150

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	429,027	701,824

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25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £144,021 were payable to the schemes at 31 August 2020 (2019 - £124,148) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £772,372 (2019 - £530,794).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £566,000 (2019 - £534,000), of which employer's contributions totalled £457,000 (2019 - £428,000) and employees' contributions totalled £109,000 (2019 - £106,000). The agreed contribution rates for future years are 25.4 - 26.4 per cent for employers and 6 - 13.5 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

	2020	2019
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

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25. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.5%	1,241	1,242
Salary increase rate +0.5%	123	229
Pension increase rate +0.5%	1,097	984

Share of scheme assets

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

	2020 £	2019 £
Equities	3,082,000	2,768,000
Corporate bonds	1,515,000	1,480,000
Property	418,000	382,000
Cash and other liquid assets	209,000	143,000
Total market value of assets	5,224,000	4,773,000

The actual return on scheme assets was £(27,000) (2019 - £274,000).

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25. Pension commitments (continued)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2019 for the year to 31 August 2020, or date of joining the fund if later).

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

	2020 £	2019 £
Current service cost	(880,000)	(675,000)
Past service cost	-	(133,000)
Interest income	95,000	119,000
Interest cost	(187,000)	(202,000)
Total amount recognised in the Statement of Financial Activities	(972,000)	(891,000)

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	9,373,000	6,844,000
Current service cost	880,000	675,000
Interest cost	187,000	202,000
Employee contributions	109,000	106,000
Actuarial (gains)/losses	(45,000)	1,428,000
Benefits paid	(88,000)	(15,000)
Past service costs	-	133,000
At 31 August	10,416,000	9,373,000

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

	2020 £	2019 £
At 1 September	4,773,000	3,980,000
Interest income	95,000	119,000
Actuarial (losses)/gains	(122,000)	155,000
Employer contributions	457,000	428,000
Employee contributions	109,000	106,000
Benefits paid	(88,000)	(15,000)
At 31 August	5,224,000	4,773,000

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	2,713	9,004
Later than 1 year and not later than 5 years	1,131	6,557
	3,844	15,561

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NOTES TO THE FINANCIAL STATEMENTS
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27. 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.

28. Related party transactions

Owing to the nature of the Academy Trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £1,294 (2019 - £942) during the period. There were no amounts outstanding at 31 August 2020.
- 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 2019.

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.

29. Post balance sheet events

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. The Trustees have considered the effect this may have on the Academy Trust post year end, and although unclear what impact this will have in the longer term they are informed by the Government's guidance that the issue will be time limited. This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the Academy Trust cannot feasibly be made. The Trustees have assessed the situation and on the basis that core funding from both the Government and Local Authorities is expected to continue, they consider the Academy Trust to be a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

30. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Government grants	40,000		94,636	
Other incoming resources	396,394		177,636	
Total direct income	436,394		272,272	
Total income		436,394		272,272
Expenditure				
Direct staff costs	55,000		52,000	
Staff development costs	22,788		47,832	
Total direct expenditure	77,788		99,832	
Other staff costs	42,655		42,351	
Other support costs	85,268		67,445	
Total other expenditure	127,923		109,796	
Total expenditure		205,711		209,628
Surplus from all sources		230,683		62,644
Teaching school balances at 1 September 2019		78,469		15,825
Teaching school balances at 31 August 2020		309,152		78,469

31. 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 2020 were £2,750. The charity's annual gross income was £2,352, its expenditure was £3,258 and its deficit for the year was £906.

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 2020 were £4,650. The charity's annual gross income was £8,560 (2019 - £6,644), its expenditure was £7,167 (2019 - £6,961) and its surplus for the year was £1,393 (2019 - deficit £317).