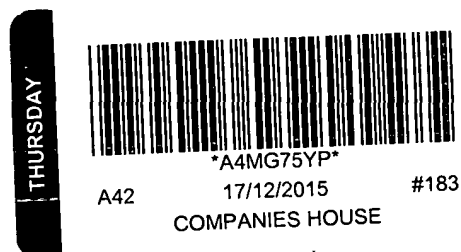


CHILDREN OF SUCCESS SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

CHILDREN OF SUCCESS SCHOOLS TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 – 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 – 16
Independent reporting accountant's assurance report on regularity	17 – 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the financial statements	22 – 39

CHILDREN OF SUCCESS SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees		Appointed	Resigned
	Professor Mel Ainscow CBE		
	Diane Bell		
	Sheila Cairns		
	Richard Dyson (Chair from 9 October 2015)		
	James Eldon		
	Mark Glynn	28 November 2014	
	Linda Hamilton		
	Rebecca Hodgkins		
	Linda Jackson		
	Heath Johnson		13 January 2015
	Alison Jurkowski		
	Stuart Leeming		
	Sarah Murray		
	Andy Rawlins		
	Hon. Robert Rayne		
	Benita Refson OBE		
	Sue Spiteri		
	Daniel Stalford		
	Judith Summers (Chair from 2 October 2013)		9 October 2015
	Dr. Paul Thompson	13 March 2015	

Members

Professor Mel Ainscow CBE (Chair)
 Sheila Cairns
 Richard Dyson (appointed 9 October 2015)
 Stuart Leeming
 Benita Refson
 Hon. Robert Rayne
 Judith Summers (resigned 9 October 2015)

Senior management team

Sue Spiteri Headteacher, The Willows Primary School
 Sarah Murray Headteacher, Haveley Hey Community School
 Alison Jurkowski Finance Director and Operations Manager and CEO

Company registration number 08438964 (England and Wales)

Registered office The Willows Primary School
 Tayfield Road
 Manchester
 M22 1BQ

Academies operated	Location	Headteacher
The Willows	Tayfield Road, Wythenshawe	S Spiteri
Haveley Hey	Nearbrook Road, Wythenshawe	S Murray

Independent auditor Haines Watts
 Chartered Accountants
 Statutory Auditor
 Bridge House
 Ashley Road
 Hale
 Altrincham
 WA14 2UT

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees of the Children of Success Schools Trust ('the Trust'), who are also directors of the Trust for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2015.

The Trust is an academy trust operating two academies: The Willows and Haveley Hey Primary Schools, in Wythenshawe, Manchester. The Willows has a pupil capacity of 485, including 65 nursery places, and had 457 pupils on roll at the 2015 spring census date. Haveley Hey has a pupil capacity of 480, including 60 nursery places, and had 447 pupils on roll at the 2015 spring census date.

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 Trust. Details of the trustees who served during the period 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 company in the event of its being wound up while s/he is a member, or within one year after s/he ceases to be a member, such amount as may be requested, not exceeding £10, for the debts and liabilities contracted before s/he ceases to be a member.

Trustees' indemnities

The Trust has opted into the Department for Education's Risk Protection Arrangement to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring while on trust business. As explained in note 10 to the financial statements the limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of trustees

The Board of Trustees is made up of:

- Eight trustees appointed by the members (of which one is to be nominated by Manchester Grammar School and one by Manchester Enterprise Academy).
- Two parent trustees (one from each school, chosen from elected parent representatives on the school's governing committee).
- Five trustees co-opted by the Board.
- The Headteachers of the two schools and the Trust Finance Director/ CEO ex officio.
- The Secretary of State for Education has the right to appoint one person to the Board. This right has not been exercised.

The Board conducts an annual skills audit and recruits new trustees on the basis of needs identified through this process. Prospective trustees (other than parents) are identified through partners and stakeholders or SGOSS (School Governors' One Stop Shop). They are asked to provide relevant information and referees and are advised of the Code of Conduct and the expectations of trustees. They are invited to visit the schools and are interviewed by the Chair of the Board and at least one other trustee, who will then make a recommendation on appointment.

Policies and procedures adopted for the induction and training of trustees

Newly appointed trustees are referred to relevant documents on the Trust's website as their information pack. They are briefed by the Chair of the Board and invited to visit the two schools and meet the Headteachers and the Finance Director to be briefed on the educational profiles, financial position and any key issues. They are expected to take new trustee training in their first year.

Trustees' training needs are identified through the annual skills audit and self-review, in the context of the Trust's strategic plan, and in response to government policies or requirements. Some training needs are met internally, for example by briefing trustees on educational developments, arranging school visits or inviting an outside expert to provide training. Where appropriate, needs are met externally, for example safer recruitment and chairs' training. Trustees are advised of training opportunities offered through the Manchester Schools Alliance, One Education, the National College for Teaching and Learning and online providers.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The Board of Trustees is responsible for the overall direction and control of the Trust and meets four times per year. The Board is responsible for setting strategy and objectives; setting policies including the admissions policy for the schools; ensuring the quality of educational provision; challenging and monitoring the schools' performance; managing the Trust's finances and property and approving the annual budget; approving capital expenditure and property purchase; acting as employer; appointing auditors to the Trust and approving the annual report and financial statements of the Trust. The Board has the following sub-committees: Finance and Human Resources; Pay; Audit and Risk Assurance; and a Governing Committee for each school. The Governing Committee for each school is responsible for monitoring the school improvement plan; monitoring performance including pupil progress; and for quality assurance. Each committee has terms of reference set by the Board, which are reviewed annually.

The Headteacher of each school, supported by a leadership team with defined areas of responsibility, is responsible for its operational management and for the curriculum and standards of the school. The Finance Director/Operations Manager is responsible for managing the financial and physical resources of the Trust and for administrative and site staff. The Headteachers and Finance Director/Operations Manager are appointed by and accountable to the Board.

Related parties and other connected charities and organisations

- Of the Trust's two schools, The Willows is a converter academy, sponsoring Haveley Hey. The role of The Willows as sponsor was concerned with providing leadership and professional resources to improve the performance of Haveley Hey. Following Haveley Hey's last two inspections judging the School as 'good' in July 2012 and February 2015 the relationship remains to support performance across both schools.
- The Trust is a founder member of the Manchester Schools Alliance ('the Alliance') which comprises a network of schools within the Manchester City Council area, with the City Council as a partner. The Chair of the Board until 9 October 2015 was a director of the Alliance. Each school pays an annual subscription to the Alliance, which is non profit-making. The purpose of the Alliance is to enable school to school support to improve educational performance and to develop a common voice for Manchester schools. Membership of the Alliance has no impact on the operating policies of the Trust.
- Manchester Grammar School as an educational partner provides support and guidance to the Trust educationally, particularly in relationship to provision for gifted and talented pupils, and also by advising on matters of financial management and governance, drawing on its experience of establishing a free school.
- Each school contracts with Place2Be, a national charity providing mental health support services on site for children to enable them to benefit from learning. Two members of the Board of Trustees are trustees of Place2Be. The Finance and HR Committee has reviewed the contracts with Place2Be and determined that this is an appropriate choice for the schools. The two trustees concerned played no part in this consideration.

Objectives and activities

Objects and aims

The principal activity of the Trust as set out in the Articles of Association is to:

- (a) advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- (b) promote for the benefit of the inhabitants of Wythenshawe and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, affinity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities

The Schools aim to provide the highest standard of academic and creative education, based on respect for the rights of every child. This aim is delivered through:

- Engaging and supporting the most vulnerable and marginalised members of our communities
- Driving forward aspirations for every child and their family
- Providing every child with an academic education that equips them for a successful transition into the next phase of their learning
- Developing each child as a Rights Respecting citizen who will be an active and upstanding member of their local and future community

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Following a number of changes in the leadership of the Trust in 2014/5 the key strategic objective in 2014/5 was to consolidate the new professional leadership so that the Schools could improve educational progress and outcomes and for the Trust to strengthen its business functions to deliver financial stability and security.

Key strategies adopted to improve educational progress and outcomes included:

- Developing a community facility 'The Bridge' which aims to link the community to the school with a key aspect being the provision of a playgroup for 2 year olds to improve development in preparation for the school nursery.
- On-going implementation of the rights respecting agenda and working towards level 2 of the Unicef Rights respecting School Award to improve social and behaviour skills of the pupils thereby improving education.
- Building partnership development work and sharing good practise both within the Trust and with other schools and external organisations.
- A focus to develop more secure learners to raise attainment.
- Development of the new curriculum to inspire learning.

Key strategies to strengthen our business functions and financial stability and security involved the implementation of detailed monthly financial reporting to the Board, review of financial procedures and controls, the development of five year financial plans and a detailed analysis of the risks facing the organisation.

Public benefit

In setting our objectives and planning our activities the trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report and key performance indicators

Both schools are located in an inner city area with a high level of deprivation which brings extra challenges. 70% of children at Haveley Hey and 59% of those at The Willows are entitled to free school meals, compared to the national average of 26.7%. Over 20% of children are recognised as having special educational needs compared to the national average of 17%.

Pupil achievement and performance

Pupil numbers

Both schools have rising numbers of pupils, in particular Haveley Hey Primary School, which has increased its roll to 447 pupils, an increase of 22% from the previous year.

Pupil attainment 2015

	The Willows	Haveley Hey	National average
Early Years Good Level of development	62%	46%	66%
Y1 Phonics	80%	76%	77%
KS1 Y2 L2+ Reading	82%	78%	91%
Writing	87%	68%	88%
Maths	87%	81%	93%
KS2 Y6 L4+ Reading	91%	77%	91%
Writing	84%	81%	88%
Maths	89%	91%	93%
KS2 Y6 L4+ Combined	75%	72%	80%

The Willows has seen year on year increases on 2014 in KS2 across all reading, writing and maths. Haveley Hey has seen improvement against 2014 in both writing and maths. The KS2 Y6 L4+ combined results for both schools saw an increase for a third year in succession.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Pupil progress

	The Willows	Haveley Hey	National average
KS2 - 2 + levels Progress Reading	90%	90%	91%
Writing	93%	93%	93%
Maths	95%	95%	89%

Ofsted inspections

Haveley Hey was inspected in January 2015 and all areas were judged good, confirming the previous judgement in 2012. The Willows was inspected in February 2015. Whilst leadership and management and the behaviour and safety of pupils was judged good, we were very disappointed that the quality of teaching, achievement of pupils and early years provision were judged requiring improvement and the overall effectiveness was requiring improvement. We are however pleased to report that the data from The Willows at the end of academic year indicates an upward trend in attainment.

Attendance

Attendance at The Willows was 97.1% and at Haveley Hey 95.3% compared to the National average of 96.1%.

Other significant factors

- During the year both schools have achieved level 2 of the 'Rights Respecting School' award. This underpins our ethos and culture and supports behaviour in the schools.
- Both schools have used pupil premium successfully to reduce the gap between the achievement of disadvantaged pupils and others. The gap in achievement is now narrower than the national average.
- The schools have strong links with two South African schools. Staff have gone to South Africa to demonstrate teaching and learning approaches and South African staff have visited Wythenshawe. Children communicate electronically. Both schools have achieved the International Schools Award.
- The Trust has continued to develop 'The Bridge', a building purchased in 2014. The two year old playgroup provision is now fully operational. The break-out facility is also well established providing children with additional or special needs from both schools nurturing to allow them to access education. We continue to share the facilities with Homestart, Wythenshawe and EQE (Equilibrium and Enablement) which have aims in keeping with the Trust's. A steering group includes stakeholder, community and parent members.
- Links with other schools have been maintained and developed through the Manchester Schools Alliance, the network of Wythenshawe primary schools, and two further partnerships which are working on developing the rights respecting curriculum, assertive mentoring and Singapore Maths.

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 the Trust has adopted the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The main source of income for the Trust is revenue funding from the EFA and Manchester City Council (for nursery children), both restricted to use for particular purposes. This funding is based primarily on pupil numbers which remain high and growing, in particular at Haveley Hey School with an extra class in 2014/5.

The total income in the period was £5,305,000 (2014- £6,463,000). Costs for the period, excluding depreciation but after charging £75,000 (2014 - £55,000) in respect of liabilities for the Local Government Pension Scheme, totalled £5,288,000 (2014- £6,046,000), generating an operating surplus of £17,000 (2014 - £417,000).

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The reduction in operating surplus partly reflects that the prior period which was for seventeen months rather than a year and included £90,000 in respect of start-up grants on conversion of the schools to academies. It also reflects a rapid increase in pupil numbers at Haveley Hey, resulting in an extra class for which funding of around £135,000 will not be received until 2015-16, and support of £25,000 during the initial development of the provision of a playgroup for 2 year olds at 'The Bridge'.

At 31 August 2015 the funds of the Trust were £5,376,000 (2014 - £5,521,000), all of which were restricted funds.

The outlook for the coming year remains positive with a continuing but reduced operating surplus. Beyond 2015/16 the implications of rising pension and national insurance costs combined with the changes in funding levels from the EFA will need to be carefully considered.

Reserves policy

The trustees recognise that it is important to build up and maintain free reserves to meet the future working capital needs of the Trust and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in fixed assets and pension reserve funds) is £264,000 (2014 - £220,000) and the trustees consider that these reserves need to be built to the equivalent to one month's GAG, currently £281,000 (2014 - £266,000).

Investment policy

The trustees have delegated authority to the Finance Director to utilise term deposit arrangements for any funds not required for the furtherance of its charitable objectives in order that interest receipts are maximised in a low risk investment. Unless authorised by the trustees, term deposits will not exceed 12 months and the current account balance will not be allowed to fall below £250,000 at any point as a result of deposits.

Principal risks and uncertainties

The Trust has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management. Risks are categorised under four headings Strategic, Operational, Finance, Knowledge Management and Compliance and are scored on the basis of probability and impact and an overall risk score determined. On that basis, the most significant risks identified by the trustees are: any adverse change in current government policy and the current public funding, which could significantly impact on the continued viability of the Trust; a failure to achieve the educational standards expected by the Department for Education; failure to ensure that the financial systems of the Trust are secure; failure to monitor the exposure to the pension scheme deficit; and failure to ensure compliance with current regulatory requirements which might result in reputational damage and/or financial loss. The Trust actively seeks to manage these risks and prioritises time and resources to reducing, avoiding or mitigating these risks.

Plans for future periods

The Trust has set the following strategic objectives for the next 3/5 years:

1. To provide a broad-based education extending beyond the formal classroom and into the community which gives all children the best possible transition to secondary education.
2. To have outstanding teaching and learning and to achieve and maintain outstanding status for all schools in the Trust.
3. To maintain the Trust in a financially sound position with reserves of 5% of turnover (subject to any decision to set aside finance for any specific project).
4. To ensure that the Trust is well-managed, with a leadership structure which enables educational success and secures sound business management, using the Trust's resources to best effect.
5. To expand the family of schools within the Trust.

Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as custodian trustee on behalf of others

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

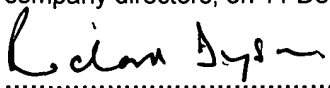
Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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 auditor is aware of that information.

Haines Watts have been re-appointed by the trustees as the Trust's auditors.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2015 and signed on the Board's behalf by:



Richard Dyson
Chair of Trustees

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Finance Director, 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 the Trust and the Secretary of State for Education. She is 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 the statement of trustees responsibilities. During the year, the members met formally on 2 occasions and the Board of Trustees held 4 meetings. Attendance at meetings was as follows:

Members' meetings attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Prof. Mel Ainscow CBE	1	2
Sheila Cairns	2	2
Stuart Leeming	1	2
Benita Refson	2	2
Hon. Robert Rayne	2	2
Judith Summers	2	2

Board of Trustees' attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Prof. Mel Ainscow CBE	1	4
Diane Bell	3	4
Sheila Cairns	4	4
Richard Dyson	3	4
James Eldon	2	4
Mark Glynn	3	3
Linda Hamilton	3	4
Becky Hodgkins	2	4
Linda Jackson	4	4
Heath Johnson	2	2
Alison Jurkowski	4	4
Stuart Leeming	2	4
Sarah Murray	4	4
Andy Rawlins	4	4
Hon. Robert Rayne	2	4
Benita Refson	3	4
Sue Spiteri	3	4
Dan Stalford	3	4
Judith Summers	4	4
Paul Thompson	2	2

Changes in membership of the Board of Trustees are given above under reference and administrative details on page 1.

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Governance review

- A self-review day was held in October 2015, where the results of the review of Governance were discussed and used to update the Governance Action Plan for 2015/6. Key challenges are: maintaining and the focus on school improvement and sharpening the role of governors in this; ensuring that different audiences understood the new assessment system and could evaluate pupil progress; developing KPIs for school and Trust effectiveness; sustaining support for SEND pupils; ensuring stability of staffing; ensuring that information for governance is adequate and timely; improving communications between the different 'layers' of governance and with stakeholders.
- A skills audit was carried out to inform the review. Succession planning was a priority identified by the audit.

Finance and Human Resources Committee

The Finance and Human Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to set and monitor the annual budget; consider reports from the Finance Director and auditors; report on financial projections and plans; exercise delegated powers in accordance with the Finance Procedures Manual; monitor compliance with the funding agreement and statutory requirements; oversee the management of the Trust's property and assets; discharge the Trust's functions as employer including approving the staffing structures, annual pay budget, and human resources policies; approve and review data protection and freedom of information policies and compliance with these.

Finance and Human Resources Committee attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Diane Bell	2	2
Sheila Cairns	5	6
Richard Dyson	5	6
James Eldon	3	5
Alison Jurkowski	6	6
Stuart Leeming	2	6
Sarah Murray	5	6
Robert Rayne	1	4
Sue Spiteri	6	6
Dan Stalford (Chair)	5	6
Judith Summers	5	6

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is a sub-committee of the Board of Trustees. Its purpose is to: assess the effectiveness of the audit process and recommend the appointment of external auditor; review management's response to the auditor's management letter; assess and report on the effectiveness of the risk management framework; maintain the risk register; review the Trust's whistleblowing procedures and procedures for detecting fraud and financial crime; review the actions and judgements of management in relation to the annual financial statements, the effectiveness of internal control systems and to make recommendations to the Board of Trustees for the approval of the annual report and financial statements.

Audit and Risk Assurance Committee attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Sheila Cairns	4	4
Richard Dyson (Chair)	4	4
Alison Jurkowski	4	4
Stuart Leeming	1	4
Dan Stalford	2	4

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Pay Committee

The Pay Committee is a sub-committee of the Board of Trustees. Its purpose is to review pay policies; ensure that they are statutorily compliant; determine pay ranges for staff; review staffing structures in respect to relativities and make recommendations on the annual pay budget; establish sub-committees for performance review of the Headteachers and Finance Director/Operations Manager; review the outcomes of appraisal and recommendations for performance-related pay and pay progression for staff.

Particular issues dealt with in the period for this report were: establishment of the Trust's pay and appraisal policies for teachers; and the Headteachers' performance review.

Name	Meetings attended	Out of a possible
Sheila Cairns	4	4
James Eldon (Chair)	4	4
Linda Hamilton	2	4
Andy Rawlins	0	4

School Governing Committees

Each School has a governing committee which is a sub-committee of the Board of Trustees. The committees are made up of Board members, elected parent and staff members, and co-optees from the community. The committees' purpose is to monitor and challenge the schools' performance and standards, including pupil progress, attendance, behaviour and the quality of teaching and learning; review progress on the school improvement plans; monitor the use of pupil premium; obtain feedback from pupils, parents and stakeholders; and approve school-specific policies.

The Willows Governing Committee attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Pat Adams	1	5
Sheila Cairns (Chair)	5	5
Mark Glynn	4	4
Becky Hodgkins	3	5
Linda Jackson	5	5
Heath Johnson	1	1
Alison Jurkowski	5	5
Donna Nield	5	5
Jenna Pugh	5	5
Sue Spiteri	5	5
Dan Stalford	1	5
Nicola Walsh	2	3
Alison Whiteley	4	5

Haveley Hey Governing Committee attendance September 2014 – August 2015

Name	Meetings attended	Out of a possible
Diane Bell	5	5
Kelly Butler	1	1
Karen Jarmany	4	5
Christina Jeal	4	5
Alison Jurkowski	3	3
Gary London	4	5
Mary Mallick	5	5
Sarah Murray	5	5
Andy Rawlins (Chair)	5	5
Dan Stalford	1	1
Judith Summers	4	5
Paul Thompson	2	2
Kelly Wilson	1	1

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money

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

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

- we have sought to gain financial benefit from tendering for services across both academies within the Trust. This has led to significant savings, in particular in photocopying and computer equipment where the added volume increased the discounts and administration time has been saved by dealing with such costs centrally. This has saved in the region of £20,000 on the annual costs. We will continue with this approach to drive savings over a wider range of purchases;
- we have also sought to limit cost increases to below inflation by active financial management of the provision of services through service agreements and to reduce costs generally by negotiating a combined contract for both academies where this is practicable; and
- in delivering the extended curriculum we have re-organised the way services such as breakfast club are delivered which has minimised additional staff costs, thus allowing greater time for classroom support to increase educational outcomes. We have also brought in-house the delivery of life skills which has significantly improved the impact on our pupils increasing quality at limited additional cost. Over the longer term we will seek to deliver in-house more vital services, for example speech and language therapy, and educational psychology where we can find costs saving whilst retaining the high quality we demand.

The purpose of the system of financial control

The system of internal control, which has been in place in the Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements, 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.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for year ended 31 August 2015 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 environment

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Human Resources 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; and
- identification and management of risks.

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Board of Trustees appointed a finance director from another academy to carry out peer review for the year ended 31 August 2015. Two internal reviews were undertaken and the reports received by the Audit and Risk Assurance Committee. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems on a termly basis. The reviewer reports to the Board of Trustees, through the Audit and Risk Assurance Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities

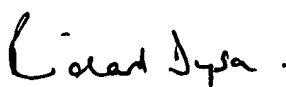
Review of effectiveness

The Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work carried out by peer review;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 is advised by the Audit and Risk Assurance Committee of the implications of their reviews of the system of internal control and, if considered necessary, a plan to address weaknesses and ensure continuous improvement of the system will be put in place.

Approved by order of the members of the Board of Trustees on 11 December 2015 and signed on its behalf by:



.....
Richard Dyson
Chair of Trustees



.....
Alison Jurkowski
Accounting Officer

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

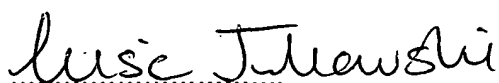
FOR THE YEAR ENDED 31 AUGUST 2015

As Accounting Officer of Children of Success Schools Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed:



Alison Jurkowski
Accounting Officer

11 December 2015

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees (who also act as governors for Children of Success Schools Trust and are also the directors of Children of Success Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

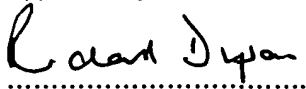
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the board of trustees on 11 December 2015 and signed on its behalf by:



Richard Dyson
Chair of Trustees

CHILDREN OF SUCCESS SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN OF SUCCESS SCHOOLS TRUST

FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the accounts of Children of Success Schools Trust for the year ended 31 August 2015 which comprise income and expenditure account and statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of Children of Success Schools Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

CHILDREN OF SUCCESS SCHOOLS TRUST


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN OF SUCCESS SCHOOLS TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

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



John Whittick (Senior Statutory Auditor)

Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 19/05/15

CHILDREN OF SUCCESS SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN OF SUCCESS SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Children of Success Schools Trust during the period 1 September 2014 to 31 August 2015 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 Children of Success Schools Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Children of Success Schools Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Children of Success Schools Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Children of Success Schools Trust's funding agreement with the Secretary of State for Education dated 26 March 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CHILDREN OF SUCCESS SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN OF SUCCESS SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

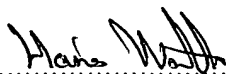
FOR THE YEAR ENDED 31 AUGUST 2015

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Dated: 

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset Funds	Total 2015	Total 2014
		£(000)	£(000)	£(000)	£(000)	17 months £(000)
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	12	6	-	18	69
- Voluntary income transfer from local authority on conversion		-	-	-	-	5,475
- Activities for generating funds	3	37	41	-	78	105
- Investment income	4	1	-	-	1	1
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	4,572	636	5,208	6,288
Total incoming resources		50	4,619	636	5,305	11,938
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	-	5,272	145	5,417	6,187
Governance costs	8	-	16	-	16	29
Total resources expended	6	-	5,288	145	5,433	6,216
Net incoming/(outgoing) resources before transfers		50	(669)	491	(128)	5,722
Gross transfers between funds		(50)	638	(588)	-	-
Net income/(expenditure) for the year		-	(31)	(97)	(128)	5,722
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(17)	-	(17)	(201)
Net movement in funds		-	(48)	(97)	(145)	5,521
Fund balances at 1 September 2014		-	(487)	6,008	5,521	-
Fund balances at 31 August 2015		-	(535)	5,911	5,376	5,521

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from acquisitions in the two financial periods above.

The notes on pages 22 to 39 form part of these financial statements.

CHILDREN OF SUCCESS SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £(000)	£(000)	2014 £(000)	£(000)
Fixed assets					
Tangible assets	11		5,911		6,008
Current assets					
Debtors	12	258		241	
Cash at bank and in hand		480		634	
		738		875	
Current liabilities					
Creditors: amounts falling due within one year	13	(474)		(655)	
Net current assets			264		220
Net assets excluding pension liability			6,175		6,228
Defined benefit pension liability	17		(799)		(707)
Net assets			5,376		5,521
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			5,911		6,008
- General funds			264		220
- Pension reserve			(799)		(707)
Total restricted funds			5,376		5,521
Unrestricted income funds	15		-		-
Total funds			5,376		5,521

The accounts were approved by order of the board of trustees and authorised for issue on 11 Dec 2015

Richard Dyson

Richard Dyson
Chair of Trustees

Company Number 08438964

The notes on pages 22 to 39 form part of these financial statements.

CHILDREN OF SUCCESS SCHOOLS TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		2015	2014
	Notes	£	17 months £
Net cash inflow/(outflow) from operating activities	18	(743)	877
Cash funds transferred on conversion to an academy trust		-	30
Returns on investments and servicing of finance			
Investment income	1	1	1
Net cash inflow/(outflow) from returns on investments and servicing of finance		1	1
		(742)	908
Capital expenditure and financial investments			
Capital grants received	636	8	
Payments to acquire tangible fixed assets	(49)	(282)	
Net cash flow from capital activities		587	(274)
Increase/(decrease) in cash	19	(155)	634

The notes on pages 22 to 39 form part of these financial statements.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 is certainty of receipt and the amount can be reliably measured.

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 and leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land	nil
Leasehold Buildings	50 years
Computer equipment and software	3 years
Fixtures, fittings & equipment	3-5 years

1.6 Leasing and hire purchase commitments

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

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (continued)

1.7 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 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 Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education/local authority.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
Other donations	12	6	18	69

3 Activities for generating funds

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
Hire of facilities	29	-	29	25
Catering income	-	31	31	61
Parental contributions	8	-	8	17
Staff insurance receipts	-	10	10	-
Other income	-	-	-	2
	37	41	78	105

4 Investment income

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
Short term deposits	1	-	1	1

5 Funding for the academy trust's educational operations

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
DfE / EFA grants				
General annual grant (GAG)	-	3,377	3,377	4,767
Start up grants	-	-	-	90
Capital grants	-	636	636	8
Other DfE / EFA grants	-	798	798	889
	-	4,811	4,811	5,754
Other government grants				
Local authority grants	-	397	397	534
Total funding	-	5,208	5,208	6,288

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs	Premises & equipment	Other costs	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)	£(000)
Academy's educational operations					
- Direct costs	2,634	131	582	3,347	4,269
- Allocated support costs	760	774	536	2,070	1,918
	<u>3,394</u>	<u>905</u>	<u>1,118</u>	<u>5,417</u>	<u>6,187</u>
Other expenditure					
Governance costs	-	-	16	16	29
	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>29</u>
Total expenditure	<u>3,400</u>	<u>905</u>	<u>1,128</u>	<u>5,433</u>	<u>6,216</u>
Incoming/outgoing resources for the year include:				2015 £(000)	2014 £(000)
Operating leases					
- Plant and machinery				3	3
- Audit				11	11
- Other services				<u>1</u>	<u>2</u>

Central services

There were no central services charged from the trust to the academies.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
Direct costs				
Teaching and educational support staff costs	-	2,597	2,597	3,398
Depreciation	-	131	131	161
Educational supplies and services	-	576	576	638
Staff development	-	43	43	72
	-	3,347	3,347	4,269
Allocated support costs				
Support staff costs	-	680	680	828
Depreciation	-	15	15	9
Recruitment and support	-	5	5	17
Maintenance of premises and equipment	-	759	759	160
Cleaning	-	8	8	10
Energy costs	-	72	72	95
Rent and rates	-	51	51	72
Insurance	-	31	31	70
Additional pension costs	-	75	75	55
Other support costs	-	374	374	602
	-	2,070	2,070	1,918
Total costs	-	5,417	5,417	6,187

8 Governance costs

	Unrestricted funds	Restricted funds	Total 2015	Total 2014 17 months
	£(000)	£(000)	£(000)	£(000)
Legal and professional fees	-	4	4	17
Auditor's remuneration				
- Audit of financial statements	-	12	12	11
Other governance costs	-	-	-	1
	-	16	16	29

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	85	79
Administration and support	21	23
Management	3	4
	<u>109</u>	<u>106</u>

Costs included within the accounts:	2015 £(000)	2014 17 months £(000)
Wages and salaries	2,694	3,497
Social security costs	178	235
Other pension costs	427	484
	<u>3,299</u>	<u>4,216</u>
Supply teacher costs	51	65
Staff development and other staff costs	44	72
	<u>3,394</u>	<u>4,353</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£75,000 to £80,000	-	1
£60,000 to £65,000	2	-
	<u>2</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£000	<u>9</u>	<u>12</u>
Local Government Pension Scheme	Numbers	-	-
	£000	<u>-</u>	<u>-</u>

Included in staff costs are non-statutory/non-contractual severance payments totalling £3,694 (2014: £nil). Individually, the payments were £1,992 and £1,702.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking their staff roles, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, payments totalling £1,231 (2014: £73) in relation to travel, subsistence and supplies were reimbursed to 4 trustees (2014: 1 trustee).

Of these expenses £686 (£nil) related to out of pocket expenses for staff trustees undertaking their staff roles and £544 (£73) in respect of out of pocket expenses for a trustee to carry out her role as National Leader of Governance for which a grant was received.

The value of trustees' remuneration was as follows:

S Spiteri (Headteacher The Willows)

Remuneration £60,000 - £65,000 (2014: £75,000 - £80,000)

Employers pension contributions £5,000 - £10,000 (2014: £10,000 - £15,000)

S Murray (Headteacher Haveley Hey)

Remuneration £60,000 - £65,000 (2014: £75,000 - £80,000)

Employers pension contributions £nil (2014: £nil)

L Jackson (Staff trustee)

Remuneration £10,000 - £15,000 (2014: £15,000 - £20,000)

Employers pension contributions £nil - £5,000 (2014: £nil - £5,000)

A Jurkowski (Staff trustee)

Remuneration £45,000 - £50,000 (2014: £5,000 - £10,000)

Employers pension contributions £5,000 - £10,000 (2014: £nil - £5,000)

D Bell (Staff trustee)

Remuneration £nil - £5,000 (2014: £nil - £5,000)

Employers pension contributions £nil - £5,000 (2014: £nil - £5,000)

Other related party transactions involving the trustees are set out in note 22.

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.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)
Cost				
At 1 September 2014	6,136	32	10	6,178
Additions	-	49	-	49
At 31 August 2015	6,136	81	10	6,227
Depreciation				
At 1 September 2014	159	8	3	171
Charge for the year	115	27	3	145
At 31 August 2015	274	36	6	316
Net book value				
At 31 August 2015	5,862	45	4	5,911
At 31 August 2014	5,977	24	7	6,008

The land and buildings were valued in May 2014 by Mouchel, chartered surveyors, on a fair value basis at £5,896,000. This value attributed £378,000 to the land.

12 Debtors

	2015 £(000)	2014 £(000)
Trade debtors	1	-
VAT recoverable	49	72
Other debtors	3	6
Prepayments and accrued income	205	163
	258	241

13 Creditors: amounts falling due within one year

	2015 £(000)	2014 £(000)
Trade creditors	134	111
Other creditors	8	100
Accruals	199	92
Deferred income	133	352
	474	655

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Deferred income	2015 £(000)	2014 £(000)
Deferred income is included within:		
Creditors due within one year	<u>133</u>	<u>352</u>
 Total deferred income at 1 September 2014	 352	 -
Amounts credited to the statement of financial activities	(352)	-
Amounts deferred in the year	<u>133</u>	<u>352</u>
 Total deferred income at 31 August 2015	 <u>133</u>	 <u>352</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

	2015 £(000)	2014 £(000)
Capital funds	34	352
Capital funds repayable	33	-
Universal Free School Meals 2015/16	39	-
Pupil Premium	17	-
SEN funding repayable to MCC	<u>10</u>	<u>-</u>
	<u>133</u>	<u>352</u>

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£(000)	£(000)	£(000)	£(000)	£(000)
Restricted general funds					
General Annual Grant	110	3,377	(4,014)	659	132
Other DfE / EFA grants	110	798	(802)	26	132
Other government grants	-	397	(397)	-	-
Other restricted funds	-	47	-	(47)	-
	<u>220</u>	<u>4,619</u>	<u>(5,213)</u>	<u>638</u>	<u>264</u>
Funds excluding pensions	220	4,619	(5,213)	638	264
Pension reserve	(707)	-	(75)	(17)	(799)
	<u>(487)</u>	<u>4,619</u>	<u>(5,288)</u>	<u>621</u>	<u>(535)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	9	636	-	(637)	8
Inherited fixed asset fund	5,730	-	(110)	10	5,630
Capital expenditure from GAG or other funds	140	-	(18)	-	122
Private sector capital sponsorship	129	-	(17)	39	151
	<u>6,008</u>	<u>636</u>	<u>(145)</u>	<u>(588)</u>	<u>5,911</u>
Total restricted funds	<u>5,521</u>	<u>5,255</u>	<u>(5,433)</u>	<u>33</u>	<u>5,376</u>
Unrestricted funds					
General funds	-	50	-	(50)	-
	<u>-</u>	<u>50</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
Total funds	<u>5,521</u>	<u>5,305</u>	<u>(5,433)</u>	<u>(17)</u>	<u>5,376</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the general objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds (continued)

Analysis of academies by fund balance

	Total £(000)
Fund balances at 31 August 2015 were allocated as follows:	
The Willows Primary School	208
Haveley Hey Primary School	56
Funds excluding fixed asset fund and pensions reserve	264
Restricted fixed asset fund	5,911
Pension reserve	(799)
Total funds	5,376

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

	Teaching and educational support staff costs £(000)	Other support staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total £(000)
The Willows Primary School	1,358	256	276	993	2,883
Haveley Hey Primary School	1,468	260	351	325	2,404
	2,826	516	627	1,318	5,287

16 Analysis of net assets between funds

	Unrestricted funds £(000)	Restricted funds £(000)	Fixed asset funds £(000)	Total funds £(000)
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	5,911	5,911
Current assets	11	727	-	738
Creditors falling due within one year	(11)	(463)	-	(474)
Defined benefit pension liability	-	(799)	-	(799)
	-	(535)	5,911	5,376

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (continued)

The pension costs paid to the TPS in the period amounted to £189,836 (2014: £182,572).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and 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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.3 per cent for employers and 2.5-12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £111,000.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

	2015	2014
	£(000)	17 months £(000)
Employer's contributions	94	85
Employees' contributions	123	106
Total contributions	217	191

Principal actuarial assumptions

	2015	2014
	%	%
Rate of increase in salaries	3.9	3.8
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Expected return on assets	3.8	5.5

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

	2015	2014
	Years	Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (continued)

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

Changes in assumptions at 31 August 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	375
1 year increase in member life expectancy	3%	85
0.5% increase in the Salary Increase Rate	6%	170
0.5% increase in the Pension Increase Rate	7%	193

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £(000)	2014 Expected return %	2014 Fair value £(000)
Equities	72	1,464	71	1,258
Bonds	18	366	18	320
Property	6	122	6	106
Other assets	4	81	5	89
Total market value of assets		2,033		1,773
Present value of scheme liabilities - funded		(2,832)		(2,480)
Net pension asset / (liability)		(799)		(707)

The rates of return have been determined using the Hymans Robertson Asset Model (HRAM). 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. The expected returns shown in this report have been calculated using 5,000 simulations of HRAM, calibrated using market data as at a recent date.

The actual return on scheme assets was £24,000.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (continued)

Operating costs and income recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Financial expenditure/(income)		
Expected return on pension scheme assets	(104)	(90)
Interest on pension liabilities	98	92
	<u>(6)</u>	<u>2</u>
Other expenditure/(income)		
Current service cost	243	192
Past service cost	-	-
	<u>243</u>	<u>192</u>
Total operating charge/(income)	<u>237</u>	<u>194</u>

Actuarial gains and losses recognised in the statement of financial activities

	2015 £(000)	2014 £(000)
Actuarial (gains)/losses on assets: actual return less expected	61	(62)
Experience (gains)/losses on liabilities	(44)	263
(Gains)/losses arising from changes in assumptions	-	-
	<u>17</u>	<u>201</u>
Total (gains)/losses	<u>17</u>	<u>201</u>
Cumulative (gains)/losses to date	<u>218</u>	<u>201</u>

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

	2015 £(000)	2014 £(000)
Opening defined benefit obligations	(2,480)	(1,884)
Current service cost	(243)	(192)
Interest cost	(98)	(92)
Contributions by employees	(55)	(52)
Actuarial gains/(losses)	44	(263)
Benefits paid	-	3
	<u>(2,832)</u>	<u>(2,480)</u>

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (continued)

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

	2015	2014
	£(000)	£(000)
Opening fair value of scheme assets	1,773	1,433
Expected return on assets	104	90
Actuarial gains/(losses)	(61)	62
Contributions by employers	94	85
Contributions by employees	123	106
Benefits paid	-	(3)
	<u>2,033</u>	<u>1,773</u>

History of experience gains and losses:

	2015	2014
	£(000)	£(000)
Present value of defined benefit obligations	(2,832)	(2,480)
Fair value of share of scheme assets	<u>2,033</u>	<u>1,773</u>
Surplus / (deficit)	<u>(799)</u>	<u>(707)</u>
Experience adjustment on scheme liabilities	-	-
Experience adjustment on scheme assets	<u>(61)</u>	<u>62</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015	2014
	£(000)	17 months
		£(000)
Net (expenditure)/income	(128)	5,722
Capital grants and similar income	(636)	(8)
Net deficit/(surplus) transferred on conversion	-	(5,475)
Investment income	(1)	(1)
Defined benefit pension costs less contributions payable	81	53
Defined benefit pension finance costs/(income)	(6)	2
Depreciation of tangible fixed assets	145	170
(Increase)/decrease in debtors	(17)	(241)
Increase/(decrease) in creditors	<u>(181)</u>	<u>655</u>
Net cash inflow/(outflow) from operating activities	<u>(743)</u>	<u>877</u>

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19	Reconciliation of net cash flow to movement in net funds	2015 £(000)	2014 £(000)
	Increase/(decrease) in cash	(154)	634
	Net funds at 1 September 2014	634	-
	Net funds at 31 August 2015	480	634

20	Analysis of net funds	At 1 September 2014 £(000)	Cash flows £(000)	Non-cash changes £(000)	At 31 August 2015 £(000)
	Cash at bank and in hand	634	(154)	-	480

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £(000)	2014 £(000)
Expiry date:		
- Within one year	-	3

22 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

Purchases of £81,544 (2014: £82,254) were made during the year from Place2Be, a charitable company providing mental health services to both schools. There was a balance of £nil (2014: £30,810) owing to Place2Be as at 31 August 2015. Benita Refson and the Hon Robert Rayne of whom are trustees of the Trust are also directors of Place2Be.

Purchases of £3,507.20 were made during the year from Manchester Schools Alliance. No balance was due to Manchester Schools Alliance as at 31 August 2015. Judith Summers who was a trustee of the Trust is also a director of Manchester Schools Alliance.

23 Members' liability

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