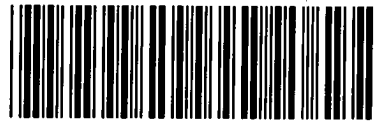


Company Registration No. 08438964 (England and Wales)

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

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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COMPANIES HOUSE

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

CHILDREN OF SUCCESS SCHOOLS TRUST

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CHILDREN OF SUCCESS SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Professor Mel Ainscow CBE (Chair) Sheila Cairns Richard Dyson Stuart Leeming Dame Benita Refson DBE Hon. Robert Rayne
Trustees	Professor Mel Ainscow CBE (Resigned 28 February 2019) Sally Barratt (Appointed 1 April 2019) David Bell (Appointed 5 October 2018) Richard Dyson (Chair) Mark Glynn Rebecca Hodgkins Alison Jurkowski Stuart Leeming Sue Spiteri (Executive Headteacher and Accounting Officer) Daniel Stafford Dr Paul Thompson Karen White (Appointed 1 March 2019)
Senior management team - Sue Spiteri - Alison Jurkowski - Lucy Croke - Katherine Price	Executive Headteacher Finance Director and Operations Manager Head of School (The Willows) (Appointed September 2019) Head of School (Haveley Hey)
Company registration number	08438964 (England and Wales)
Registered office	Willows Primary School Tayfield Road Woodhouse Park Manchester M22 1BQ
Academies operated The Willows Primary School Haveley Hey Community School	Location Tayfield Road, Woodhouse Park, Manchester Nearbrook Road, Wythenshawe, Manchester
Independent auditor	Haines Watts Bridge House Ashley Road Hale Altrincham WA14 2UT

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019.

The Trust is an academy trust operating two academies: The Willows Primary School and Haveley Hey Community School, in Wythenshawe, Manchester. The Willows has a pupil capacity of 485, including 65 nursery places, and had 471 pupils on roll at the 2019 spring census date. Haveley Hey has a pupil capacity of 496, including 60 nursery places and had 457 pupils on roll at the 2019 spring census date. In addition the Trust operates 'The Bridge' which is a community building also located in Wythenshawe next to Haveley Hey where the Trust runs a two year old nursery for 24 pupils, a nurture group for pupils and provides space to other organisations who share our aims.

Structure, governance and management

Constitution

The 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 it 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 12 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:

- Three trustees appointed by the members (of which one is nominated by Manchester Grammar School and one by Manchester Enterprise Academy);
- One parent trustee (chosen from elected parent representatives on the school's governing committee);
- Five trustees co-opted by the Board.
- The Executive Headteacher 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 Executive Headteacher, the two Heads of School 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 2019

Organisational structure

The Board of Trustees is responsible for the overall direction and control of the Trust and meets five 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 committees: Academic Outcomes, Finance and General Purposes, Pay, Safeguarding and a School Community Group for each school.

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

Arrangements for setting pay and remuneration of key management personnel

The Executive Headteacher is paid in accordance with the School Teachers Pay and Conditions document with reference to the relevant pay range based on the school group determined from school size and age range. An annual review of performance is carried out by members of the Board in conjunction with an independent adviser and pay progression is awarded on achievement of objectives. The pay of the Finance Director and Operations Manager is not based on a scale but is reviewed by reference to market conditions. There is an element of performance related pay which is awarded based on the achievement against objectives which is determined by a sub-committee of the Board.

Trade Union facility time

There were no relevant Union Officials during 2018/19 and consequently there was no time or pay bill spent on either facility time or any paid trade union activities.

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 three inspections judging the school as 'good' in July 2012, February 2015 and March 2019 the relationship remains to support performance across both schools.
- Manchester Grammar School provides support and guidance to the Trust educationally, particularly in relation to provision for pupils working at greater depth and through the support of a Trustee who sits on the Board.
- Each school contracts with Place2Be, a national charity providing mental health support services on site for children to enable them to benefit from learning. One Member of the Trust is also a Trustee of Place2be. The Finance and Human Resources Committee has reviewed the contracts with Place2Be and determined that this is an appropriate choice for the schools. The Member concerned played no part in this consideration.

Objectives and activities

Objects and aims

The principal activities of the Trust as set out in the Articles of Association are 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.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The two 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

In 2018/19 our key objectives have been to continue to improve the attainment and progress of our pupils in both schools, develop our leadership capacity to support continuous improvement and future expansion and continue to maintain and develop links across the two schools and with other primary schools.

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

Achievements and key performance indicators

Both schools are located in an inner city area with a high level of deprivation which brings extra challenges. Pupil premium entitlement at both schools is far in excess of the national average with 69% of children at Haveley Hey and 57% of those at The Willows receiving pupil premium funding, compared to the national average (Primary School) of 22%. Both schools also have high levels of children with special educational needs with 19.7% at Haveley Hey Community School and 25.3% at The Willows compared to the national average of 13%. We also have high numbers of white British boys, a group identified to struggle in education.

Financial data

The Trust produces management accounts each month which compare the operating results to the established annual budget. The key financial performance indicators relating to operating results are shown below and demonstrate how the schools and Trust remain within their financial plans despite the pressures on funding and costs.

£000's	Actual 2018/19	Budget 2018/9	Variance to budget	Actual 2017/18	Variance to 2017/18
Net revenue	37	(38)	75	261	(224)

The reduction in net revenue from the prior year reflects the static income, with rising staff costs due to pay awards. Although we have reduced other costs year on year this reduction could not match the rise in other costs.

Pupil numbers

Uptake of nursery places at The Willows and Haveley Hey in 2018 was low and in September 2019 we have significantly lower numbers joining nursery which we believe is linked to changes in the government funding for childcare places, leading to younger children remaining in private nurseries until starting in school reception classes. This accounts for all the fall in pupil numbers from 2018 to 2019 at the Willows and 60% of the fall at Haveley with the remaining fall coming from year 5 due to in year movers.

School	Pupil numbers (Autumn Census)							Maximum capacity
	2013	2014	2015	2016	2017	2018	2019	
Haveley Hey	402	437	450	464	467	455	440	480
The Willows	440	458	466	473	459	465	456	485
The Bridge	-	-	26	32	31	24	23	32

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Pupil attainment and progress 2019

	The Willows				Haveley Hey				National average 2019
	2016	2017	2018	2019	2016	2017	2018	2019	
Early Years Good Level of development	57%	58%	69%	62%	63%	67%	56%	62%	72%
Y1 Phonics	76%	83%	73%	72%	78%	75%	75%	68%	83%
KS1 % achieving expected standard									
Reading	75%	63%	73%	73%	74%	56%	70%	71%	75%
Writing	61%	55%	63%	65%	71%	51%	66%	68%	69%
Maths	70%	58%	80%	70%	71%	59%	81%	73%	76%
KS1 Combined(R,W,M)	60%	47%	63%	63%	66%	51%	64%	68%	65%
KS2 % reaching expected standard									
Reading	74%	62%	67%	77%	44%	62%	73%	70%	73%
Writing	72%	66%	78%	67%	69%	64%	69%	70%	78%
Maths	78%	74%	69%	82%	69%	68%	71%	75%	79%
KS2 Combined (R,W,M)	59%	57%	50%	67%	37%	58%	60%	64%	65%
KS2 Progress scores									
Reading	1.1	0.7	0.6	4.42	0.4	0.2	1.1	0.81	0
Writing	-1.2	-0.6	1.4	-0.36	0.8	-2.3	-0.8	0.47	0
Maths	1.4	0.5	1.3	2.8	1.3	1.0	-0.3	0.08	0
Pupils Attendance Data									
Percentage attendance	96.4	96.8	96.1	96.5	95.4	94.8	93.7	95.5	96.1

Early years outcomes in each school were 62% for the good level of development. Many children are not school ready with more children entering school with complex needs. Attainment on entry is low with deficiencies specifically in oracy, speech, communication and language. Throughout Early Years children make good progress from their starting point.

Results in Key Stage 1 have improved across both schools over the last three years. Haveley Hey combined outcome was 3% above the national average with The Willows just 2% points below. This has been driven by the actions from the School Improvement Plan and close monitoring of children at termly pupil progress meetings and meetings of the Academic Outcomes Committee.

At Key Stage 2 the Willows attainment in reading, writing and maths combined significantly improved by 17% taking this to 2% above national average. Further improvements were also seen in the increase of greater depth standard across reading, writing and maths at The Willows with an increase of 8% to 13% combined.

At Haveley Hey reading, writing and maths combined attainment was 64% further consolidating the improvements made in 2018. Increasing the percentage working at the greater depth standard will remain a priority at Haveley Hey.

Ofsted inspections

Haveley Hey was last inspected in March 2019 and all areas were judged good. The Willows was inspected in December 2016 and all areas were judged good.

Other significant factors

- The development of the SEND provision at both schools has led to a significant increase in the percentage of pupils with significant SEND. Across the Trust 22.5% of pupils are SEND; almost double the NA.
- As a Trust 79% percent of pupils live within the top 10% most deprived postcodes within the city; 95% of these at Haveley Hey.
- To support both these issues A Team Around the Trust approach has been established to work closely with external partners and professionals in 2019/20.
- In March 2019, Chris Beesley Head of School at The Willows Primary School left the Trust with a replacement appointment in place for September 2019; Lucy Croke.
- In October 2018 the schools were two of the first of only three schools in the city to be awarded UNICEF Rights Respecting Gold level status.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 ESFA and Manchester City Council (for nursery children), both restricted to use for particular purposes. This funding is based primarily on pupil numbers based on the October census from the previous year which remained stable except for nursery numbers.

The total income in the period was £5,334,000 (2018- £5,300,000). Costs for the period, excluding depreciation but after charging £324,000 (2018- £313,000) in respect of liabilities for the Local Government Pension Scheme, totalled £5,574,000 (2018- £5,240,000), generating an operating deficit of £240,000 (2018 – surplus £60,000). The in-year surplus excluding the pension liability charges was £84,000.

The operating surplus is significantly lower than last year with costs rising far in excess of income with the increase in devolved capital funding being the only significant increase in income during the year. Cost increases were primarily staff costs which rose by 10% reflecting inflationary and staff grade costs as well as changes in leadership with a view to expanding the Trust in the coming years. The in-year results were better than we had budgeted.

At 31 August 2019 the funds of the Trust were £4,263,000 (2018 - £5,591,000), of which restricted funds made up £4,168,000 (2018 – £5,487,000) and unrestricted £95,000 (£104,000). The sharp fall in funds is primarily due to the impact of the FRS102 adjustment to the pension reserve which increased by £1,262,000 to £2,248,000. It is concerning that this pension reserve could be reflected in higher pension contributions from employers in future years and the ability of the public sector to provide the defined benefit pensions to employees. This rise in the pension liability is a result of the changes in assumptions over the discount rate at which the present value of liabilities is discounted to a present value. This has resulted in the LGPS liabilities in respect of the Trust rising from £4.8 million to £6.6 million.

The outlook for the coming year indicates that the trust will need to use reserves to cover the shortfall in income against expenditure. Pupil premium income has fallen due to a fall in pupils entitled and pupil numbers in nursery have fallen due to the government's changes to funding for working parents. Beyond 2019-20 the impact of the National Funding Formula and the education spending review could provide significant challenges. Staffing expenditure continues to be the key risk with pay awards and the impact of inflation increases. The living wage continues to drive wage inflation. With no capacity to increase pupil numbers, static or reduced funding per pupil as a result of changes to the funding formula funding levels will be reduced and could impact on our ability to maintain staffing levels.

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 £778,000 (2018 - £824,000) and the Trustees consider that these reserves need to be maintained at a level at least equivalent to one month's GAG, currently £315,000 (2018 - £315,000).

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 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 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust's risk management process categorises risks under five headings Strategic, Operational, Finance, Knowledge Management and Compliance which are scored on the basis of probability and impact with an overall risk score determined. On that basis, the most significant risks identified by the trustees and the strategies and plans to mitigate the risks are shown below:

Risks identified	Strategy/plan to address risk
Changes in Government policy resulting in reduced funding levels leading to reduced staffing and resources which prevents us from maintaining standards.	Increase business efficiency including a programme of zero budgeting and contingency plans for possible reduced funding.
Strategic plans are not realised which limit the ability of the Board to drive the future of the Trust.	Development of Governance structure to support management and ongoing development of staff through continuing professional development and succession planning.
Safeguarding in our challenging schools is high risk and requires significant management and control.	Safeguarding committee continues to focus Governance on Safeguarding.
The issues associated with the challenging school context, including high levels of deprivation, high SEND, mental health issues and low levels of attainment and knowledge on entry to school, combined with the weakening of the wider multi-agency support leading to unsustainable pressure on school resources.	Continue to invest in internal systems/support to deal with the wide range of issues and develop more effective communication with external multi-agency team.

The Trust actively seeks to manage all risks and prioritises time and resources to reducing, avoiding or mitigating these risks.

Fundraising

The Trust undertakes fundraising in a legal, open, honest and respectful manner within the school communities to contribute to school funds and also on behalf of various charities through activities such as summer and Christmas fairs, dressing up days, book sales and raffles. We do not work with any commercial participators or professional fundraisers as events are organised by staff in school. The Trust will occasionally approach grant making trusts for specific projects and this is always done with integrity.

We respect the school communities and their needs and consequently we limit fundraising to ensure we are not putting any undue obligation on parents to donate or participate in fundraising events.

Any fundraising activities and funds raised are monitored by the Head of School and the funds raised are widely published within our school newsletters and managed within our financial procedures. We have received no complaints about our fundraising.

Plans for future periods

Since 2018/19 the Trust has appointed two Heads of School to work under the Executive Headteacher. This has brought greater synergies across the Trust, with each school supporting the other based on their strengths. The Trust remains focussed on raising the standards of progress and attainment in our current schools before we expand the number of academies in the Trust. We have consolidated the business processes of the Trust during 2017/18 and 2018/19 maintaining efficiency, and this work will continue so that we can offer business services that attract other academies to the Trust in the longer term.

Our objectives over the next three to five years are as follows:

- Secure improvements in educational outcomes at both schools.
- Develop business services to serve the schools effectively and efficiently.
- Focus resources on educational priorities whilst achieving savings in business processes.
- Maintain and develop links across the Trust's two schools and with other primary schools.
- Continue the development of leadership capacity to allow expansion of the Trust in the medium term allowing us to welcome further primary schools to the Trust that share our ethos and vision.

CHILDREN OF SUCCESS SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Funds held as custodian trustee on behalf of others

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

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 has 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 15 January 2019 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 2019

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 the Trust 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 Board of Trustees held 5 meetings. Attendance at meetings was as follows:

Board of Trustees' attendance September 2018 – August 2019

Name	Meetings attended	Out of a possible
Prof. Mel Ainscow CBE	0	2
Sally Barrett	2	2
David Bell	3	4
Sheila Cairns	1	2
Richard Dyson (Chair)	5	5
Mark Glynn	5	5
Becky Hodgkins	3	5
Alison Jurkowski	5	5
Stuart Leeming	2	5
Sue Spiteri	5	5
Dan Stalford	4	5
Paul Thompson	2	5
Karen White	1	2

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

Governance review

- The main Board met 5 times during the year; however, the extensive subcommittees of the Board have met a further 16 times. Reporting between the subcommittees and Board ensure that the detailed work carried out in the subcommittees, in particular the Finance Committee ensure that the oversight of funds is strong.
- A review of governance effectiveness was held on 14 December 2018 which concluded that encouraging progress had been made during 2017-18. Key challenges were identified as: maintaining the focus on school improvement and sharpening the role of governors; developing KPIs for the school and Trust effectiveness; sustaining support for SEND pupils; ensuring stability of staffing and adequate succession planning; ensuring that information for governance is adequate and timely; improving communications between different 'layers' of governance and with stakeholders and increasing the focus on safeguarding within the Governing body.
- Whilst we have recruited a governor with senior academic experience in 2019 we are still looking to strengthen the numbers of governors with senior academic experience, using the services of SGOSS. We have strengthened our School Community Groups with the recruitment of community members and filling vacancies for parent governors.

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Finance and General Purposes Committee

The Finance and General Purposes Committee is a 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; assess the effectiveness of the audit process and recommend the appointment of the 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.

Committee attendance September 2018 – August 2019

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

Pay Committee

The Pay Committee is a 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 Headteacher and Finance Director/Operations Manager; review the outcomes of appraisal and recommendations for performance-related pay and pay progression for staff.

Committee attendance September 2018 – August 2019

Name	Meetings attended	Out of a possible
David Bell (Chair)	1	1
Sheila Cairns (Chair)	1	1
Richard Dyson	1	1
Linda Hamilton	1	1
Stuart Leeming	1	1
Dan Stalford	1	1

Academic Outcomes Committee

The Academic Outcomes Committee is responsible for agreeing targets for pupil achievement, receiving regular reports on pupil progress and achievement and towards achieving those targets and monitoring information on the quality and effectiveness of teaching and learning in the target related curriculum.

Committee attendance September 2018 – August 2019

Name	Meetings attended	Out of a possible
Sheila Cairns (Chair)	1	1
Richard Dyson (Chair)	1	1
Mark Glynn	2	2
Sue Spiteri	2	2

School Community Groups

Each school has a Governing Committee (a School Community Group) which is a 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. Under the Scheme of Delegation, the School Community Group for each school is responsible for ensuring the delivery of a broad and balanced curriculum, that all pupils have access to a high quality education provision in line with the shared mission and values, that feedback from pupils and parents and stakeholders is obtained systematically and acted on and reported back and that the School Improvement Plan is monitored and implemented.

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Willows School Community Group attendance September 2018 – August 2019

Name	Meetings attended	Out of a possible
Sheila Cairns (Chair)	1	1
Richard Dyson (Interim Chair)	2	2
Mark Glynn	1	3
Tania Graham	2	3
Becky Hodgkins	0	3
Alison Jurkowski	3	3
Maggie Karwat	3	3
Steve Kay	3	3
Jenna Livingston	3	3
Sue Spiteri	3	3
Dan Stalford	3	3
Karen White	3	3

Haveley Hey School Community Group September 2018 – August 2019

Name	Meetings attended	Out of a possible
Sally Barratt (Chair)	1	2
Andy Clarke	0	1
Richard Dyson (Interim Chair)	3	3
Alison Jurkowski	3	3
Gary London	2	3
Mary Mallick	2	3
Liam McGonagle	3	3
Liam McWhirter	1	3
Dawn Riley	3	3
Sue Spiteri	3	3
Paul Thompson	3	3
Heidi Treffa	3	3
Samantha Wallwork	2	3

Safeguarding Committee

The Safeguarding Committee meets once per term. The committee is responsible for monitoring the school arrangements for ensuring the children are safeguarded within the schools.

Committee attendance September 2018 to August 2019

Name	Meetings Attended	Out of a possible
Alison Jurkowski	3	3
Sue Spiteri	3	3
Paul Thompson (Chair)	3	3

Review of value for money

As Accounting Officer the Executive Headteacher 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:

CHILDREN OF SUCCESS SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

- we have 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;
- we have brought catering in-house which will reduce costs from the external provider and allow us to deliver an improved menu; and
- we have used the Government procurement service to compare costs of existing contracts.

The purpose of the system of internal control

The system of internal control, which has been in place in the Trust for the year ended 31 August 2019 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's 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

Our capacity to handle risk is detailed in the trustees' report in the section on principal risks and uncertainties.

The risk and control framework

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

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

The Board of Trustees appointed an experienced external consultant to carry out a review of financial controls for the year ended 31 August 2019. One internal review was undertaken and the report received by the Finance and General Purposes Committee. The consultant's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

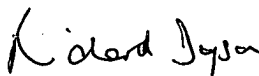
Review of effectiveness

The Accounting Officer 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 the external consultant;
- the work of the external auditor; 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 Finance and General Purposes Committee of the implications of its 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 15 October 2019 and signed on its behalf by:



Richard Dyson
Chair of Trustees



Sue Spiteri
Accounting Officer

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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

I confirm that I and the academy trust'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 2018.

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



Sue Spiteri
Accounting Officer

Date: 15.12.19

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who 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 Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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:

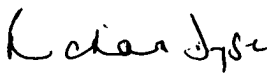
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 15 June 2019 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 2019

Opinion

We have audited the accounts of Children of Success Schools Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

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 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

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 2019

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts

John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: *15/12/19*

CHILDREN OF SUCCESS SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Children of Success Schools Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Children of Success Schools Trust and ESFA 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 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 Children of Success Schools Trust and ESFA, 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CHILDREN OF SUCCESS SCHOOLS TRUST

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

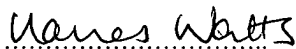
FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Haines Watts
Reporting Accountant

Date: 15/12/19

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 2019

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2019 £(000)	Total 2018 £(000)
Income and endowments from:						
Donations and capital grants	3	1	3	59	63	40
Charitable activities:						
- Funding for educational operations	4	-	5,183	-	5,183	5,178
Other trading activities	5	57	27	-	84	81
Investments	6	4	-	-	4	1
Total		<u>62</u>	<u>5,213</u>	<u>59</u>	<u>5,334</u>	<u>5,300</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	5,574	150	5,724	5,391
Total	7	<u>-</u>	<u>5,574</u>	<u>150</u>	<u>5,724</u>	<u>5,391</u>
Net income/(expenditure)		62	(361)	(91)	(390)	(91)
Transfers between funds	17	(71)	-	71	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(938)	-	(938)	474
Net movement in funds		(9)	(1,299)	(20)	(1,328)	383
Reconciliation of funds						
Total funds brought forward		<u>104</u>	<u>(266)</u>	<u>5,753</u>	<u>5,591</u>	<u>5,208</u>
Total funds carried forward		<u>95</u>	<u>(1,565)</u>	<u>5,733</u>	<u>4,263</u>	<u>5,591</u>

CHILDREN OF SUCCESS SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2018 £(000)
Income and endowments from:					
Donations and capital grants	3	7	-	33	40
Charitable activities:					
- Funding for educational operations	4	-	5,178	-	5,178
Other trading activities	5	54	27	-	81
Investments	6	1	-	-	1
Total		<u>62</u>	<u>5,205</u>	<u>33</u>	<u>5,300</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	5,240	151	5,391
Total	7	<u>-</u>	<u>5,240</u>	<u>151</u>	<u>5,391</u>
Net income/(expenditure)		62	(35)	(118)	(91)
Transfers between funds	17	-	(60)	60	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	474	-	474
Net movement in funds		62	379	(58)	383
Reconciliation of funds					
Total funds brought forward		<u>42</u>	<u>(645)</u>	<u>5,811</u>	<u>5,208</u>
Total funds carried forward		<u>104</u>	<u>(266)</u>	<u>5,753</u>	<u>5,591</u>

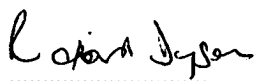
CHILDREN OF SUCCESS SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£(000)	£(000)
Fixed assets			
Tangible assets	13	5,733	5,753
Current assets			
Debtors	14	205	203
Cash at bank and in hand		1,156	1,081
		1,361	1,284
Current liabilities			
Creditors: amounts falling due within one year	15	(583)	(460)
Net current assets		778	824
Net assets excluding pension liability		6,511	6,577
Defined benefit pension scheme liability	20	(2,248)	(986)
Total net assets		4,263	5,591
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		5,733	5,753
- Restricted income funds		683	720
- Pension reserve		(2,248)	(986)
Total restricted funds		4,168	5,487
Unrestricted income funds	17	95	104
Total funds		4,263	5,591

The accounts were approved by the Trustees and authorised for issue on 15 Dec 2019 and are signed on their behalf by:



Richard Dyson
Chair of Trustees

Company Number 08438964

CHILDREN OF SUCCESS SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £(000)	2018 £(000)
Cash flows from operating activities			
Net cash provided by operating activities	19	142	254
Cash flows from investing activities			
Dividends, interest and rents from investments		4	1
Capital grants from DfE Group		59	33
Purchase of tangible fixed assets		(130)	(93)
Net cash used in investing activities		(67)	(59)
Net increase in cash and cash equivalents in the reporting period		75	195
Cash and cash equivalents at beginning of the year		1,081	886
Cash and cash equivalents at end of the year		1,156	1,081

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The trustees have assessed 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 and there is not unconditional entitlement to the income, 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 period for which it is receivable. Any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

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. 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.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 and buildings	50 years
Assets under construction	Nil
Computer equipment	3 years
Furniture & equipment	3-5 years
Leasehold improvements	5-50 years

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

1.6 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.

1.7 Leased assets

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

1.8 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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. 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.

1.9 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.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.10 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.

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. The 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 are 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.

1.11 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 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.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Capital grants	-	59	59	33
Other donations	1	3	4	7
	<u>1</u>	<u>62</u>	<u>63</u>	<u>40</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
DfE / ESFA grants				
General annual grant (GAG)	-	3,792	3,792	3,786
Other DfE group grants	-	885	885	881
	<u>-</u>	<u>4,677</u>	<u>4,677</u>	<u>4,667</u>
Other government grants				
Local authority grants	-	506	506	511
	<u>-</u>	<u>506</u>	<u>506</u>	<u>511</u>
Total funding	<u>-</u>	<u>5,183</u>	<u>5,183</u>	<u>5,178</u>

The academy trust received £506,000 from the local authority in the year, being £91,000 high needs funding, £343,000 early years funding, £62,000 for pupil funding for children at The Bridge playgroup and £10,000 of funding for miscellaneous purposes.

There were no unfulfilled conditions or other contingencies relating to the grants received during the year.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Provision of facilities and services	37	-	37	36
Catering income	-	27	27	27
Parental contributions	20	-	20	18
	<u>57</u>	<u>27</u>	<u>84</u>	<u>81</u>

6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2019 £(000)	Total 2018 £(000)
Short term deposits	<u>4</u>	<u>-</u>	<u>4</u>	<u>1</u>

7 Expenditure

	Staff costs £(000)	Non Pay Expenditure Premises £(000)	Other £(000)	Total 2019 £(000)	Total 2018 £(000)
Academy's educational operations					
- Direct costs	3,276	135	504	3,915	3,684
- Allocated support costs	<u>1,156</u>	<u>308</u>	<u>345</u>	<u>1,809</u>	<u>1,707</u>
	<u>4,432</u>	<u>443</u>	<u>849</u>	<u>5,724</u>	<u>5,391</u>

Net income/(expenditure) for the year includes:

	2019 £(000)	2018 £(000)
Fees payable to auditor for:		
- Audit	10	10
- Other services	1	1
Operating lease rentals	8	-
Depreciation of tangible fixed assets	150	151
Net interest on defined benefit pension liability	<u>31</u>	<u>32</u>

8 Central services

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

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	2019	2018
	£(000)	£(000)
All from restricted funds:		
Direct costs		
Educational operations	3,915	3,684
Support costs		
Educational operations	1,809	1,707
	<u>5,724</u>	<u>5,391</u>
 Analysis of costs	 2019	 2018
	£(000)	£(000)
Direct costs		
Teaching and educational support staff costs	3,276	2,947
Staff development	29	33
Depreciation	135	136
Educational supplies and services	475	568
	<u>3,915</u>	<u>3,684</u>
 Support costs		
Support staff costs	1,156	1,089
Depreciation	15	15
Recruitment and support	10	12
Maintenance of premises and equipment	130	105
Cleaning	10	11
Energy costs	67	63
Rent, rates and other occupancy costs	52	48
Insurance	34	33
Interest on defined benefit pension scheme	31	32
Other support costs	293	288
Governance costs	11	11
	<u>1,809</u>	<u>1,707</u>

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£(000)	£(000)
Wages and salaries	3,206	2,923
Social security costs	273	247
Pension costs	823	779
	<hr/>	<hr/>
Amounts paid to employees	4,302	3,949
Agency staff costs	130	81
Staff restructuring costs	-	6
	<hr/>	<hr/>
Amounts paid to staff	4,432	4,036
Staff development and other staff costs	29	33
	<hr/>	<hr/>
Total staff expenditure	<u>4,461</u>	<u>4,069</u>

Staff restructuring costs comprise:

Severance payments	-	6
	<hr/>	<hr/>

Staff numbers

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

	2019	2018
	Number	Number
Teachers	108	108
Administration and support	59	57
Management	4	3
	<hr/>	<hr/>
	<u>171</u>	<u>168</u>

Higher paid staff

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

	2019	2018
	Number	Number
£60,001 to £70,000	1	-
£80,001 to £90,000	1	1
	<hr/>	<hr/>

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

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) received by key management personnel for their services to the academy trust was £305,548 (2018: £243,190).

11 Trustees' remuneration and expenses

One or more trustees have 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 was as follows:

S Spiteri (Headteacher The Willows)

Remuneration £85,000 - £90,000 (2018: £80,000 - £85,000)

Employers pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

A Jurkowski (Staff trustee)

Remuneration £55,000 - £60,000 (2018: £55,000 - £60,000)

Employers pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000)

During the year, expenses totalling £459 (2018: £1,466) in relation to travel, subsistence and supplies were reimbursed to 2 trustees (2018: 2 trustees).

Other related party transactions involving the trustees are set out in note 23.

12 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 2019

13 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Furniture & equipment	Total
	£(000)	£(000)	£(000)	£(000)	£(000)
Cost					
At 1 September 2018	6,372	-	143	13	6,528
Additions	14	105	11	-	130
At 31 August 2019	6,386	105	154	13	6,658
Depreciation					
At 1 September 2018	640	-	124	11	775
Charge for the year	136	-	13	1	150
At 31 August 2019	776	-	137	12	925
Net book value					
At 31 August 2019	5,610	105	17	1	5,733
At 31 August 2018	5,732	-	19	2	5,753

The net book value of land and buildings comprises:

	2019 £(000)	2018 £(000)
Long leaseholds (over 50 years)	5,188	5,298

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.

14 Debtors

	2019 £(000)	2018 £(000)
Trade debtors	1	1
VAT recoverable	42	37
Other debtors	112	120
Prepayments and accrued income	50	45
	205	203

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year	2019 £(000)	2018 £(000)
Trade creditors	59	79
Other taxation and social security	124	96
Other creditors	16	14
Accruals and deferred income	384	271
	<u>583</u>	<u>460</u>

16 Deferred income	2019 £(000)	2018 £(000)
Deferred income is included within:		
Creditors due within one year	<u>123</u>	<u>90</u>
Deferred income at 1 September 2018	90	129
Released from previous years	(90)	90
Resources deferred in the year	<u>123</u>	<u>(129)</u>
Deferred income at 31 August 2019	<u>123</u>	<u>90</u>

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

	2019 £(000)	2018 £(000)
High needs funding	15	8
Capital funds repayable	33	33
Universal Free School Meals 2018/19	46	48
Pupil Premium	12	8
Playgroup funding	2	(14)
Early years funding	4	4
LAC funding	7	-
Welfare fund	1	1
Miscellaneous	3	2
Total	<u>123</u>	<u>90</u>

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2019 £(000)
Restricted general funds					
General Annual Grant (GAG)	360	3,792	(3,811)	-	341
Other DfE / ESFA grants	360	885	(903)	-	342
Other government grants	-	506	(506)	-	-
Other restricted funds	-	30	(30)	-	-
Pension reserve	(986)	-	(324)	(938)	(2,248)
	<u>(266)</u>	<u>5,213</u>	<u>(5,574)</u>	<u>(938)</u>	<u>(1,565)</u>
Restricted fixed asset funds					
Inherited on conversion	5,298	-	(111)	-	5,187
DfE group capital grants	156	59	(6)	-	209
Capital expenditure from GAG	191	-	(19)	-	172
Capital expenditure from unrestricted funds	108	-	(14)	71	165
	<u>5,753</u>	<u>59</u>	<u>(150)</u>	<u>71</u>	<u>5,733</u>
Total restricted funds	<u>5,487</u>	<u>5,272</u>	<u>(5,724)</u>	<u>(867)</u>	<u>4,168</u>
Unrestricted funds					
General funds	<u>104</u>	<u>62</u>	<u>-</u>	<u>(71)</u>	<u>95</u>
Total funds	<u>5,591</u>	<u>5,334</u>	<u>(5,724)</u>	<u>(938)</u>	<u>4,263</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 2019.

A transfer between unrestricted funds and restricted fixed asset funds has been made to match the costs incurred.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

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

	Balance at 1 September 2017 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2018 £(000)
Restricted general funds					
General Annual Grant (GAG)	251	3,786	(3,617)	(60)	360
Other DfE / ESFA grants	251	881	(772)	-	360
Other government grants	-	511	(511)	-	-
Other restricted funds	-	27	(27)	-	-
Pension reserve	(1,147)	-	(313)	474	(986)
	<u>(645)</u>	<u>5,205</u>	<u>(5,240)</u>	<u>414</u>	<u>(266)</u>
Restricted fixed asset funds					
Transfer on conversion	5,409	-	(111)	-	5,298
DfE group capital grants	130	33	(7)	-	156
Capital expenditure from GAG	152	-	(21)	60	191
Private sector capital sponsorship	120	-	(12)	-	108
	<u>5,811</u>	<u>33</u>	<u>(151)</u>	<u>60</u>	<u>5,753</u>
Total restricted funds	<u>5,166</u>	<u>5,238</u>	<u>(5,391)</u>	<u>474</u>	<u>5,487</u>
Unrestricted funds					
General funds	<u>42</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>104</u>
Total funds	<u>5,208</u>	<u>5,300</u>	<u>(5,391)</u>	<u>474</u>	<u>5,591</u>

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

Total funds analysis by academy

	2019	2018
	£(000)	£(000)
Fund balances at 31 August 2019 were allocated as follows:		
The Willows Primary School	320	435
Haveley Hey Community School	458	389
	<u>778</u>	<u>824</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	5,733	5,753
Pension reserve	(2,248)	(986)
	<u>4,263</u>	<u>5,591</u>
Total funds		

Total cost analysis by academy

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

	Teaching educational support staff £(000)	Other staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2019 £(000)	Total 2018 £(000)
The Willows Primary School	1,759	441	265	338	2,803	2,464
Haveley Hey Community School	1,968	308	209	286	2,771	2,776
	<u>3,727</u>	<u>749</u>	<u>474</u>	<u>624</u>	<u>5,574</u>	<u>5,240</u>

18 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	5,733	5,733
Current assets	95	1,266	-	1,361
Creditors falling due within one year	-	(583)	-	(583)
Defined benefit pension liability	-	(2,248)	-	(2,248)
	<u>95</u>	<u>(1,565)</u>	<u>5,733</u>	<u>4,263</u>
Total net assets				

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	5,753	5,753
Current assets	104	1,180	-	1,284
Creditors falling due within one year	-	(460)	-	(460)
Defined benefit pension liability	-	(986)	-	(986)
Total net assets	104	(266)	5,753	5,591

19 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £(000)	2018 £(000)
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(390)	(91)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(59)	(33)
Investment income receivable	(4)	(1)
Defined benefit pension costs less contributions payable	293	281
Defined benefit pension net finance cost	31	32
Depreciation of tangible fixed assets	150	151
(Increase)/decrease in debtors	(2)	49
Increase in creditors	123	269
Net cash provided by operating activities	142	657

20 Pension 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 multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £62,339 were payable to the schemes at 31 August 2019 (2018: £33,555) and are included within creditors.

CHILDREN OF SUCCESS SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £274,887 (2018: £253,438).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.1% for employers and 2.5-12.5% for employees.

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.

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

Total contributions made	2019 £(000)	2018 £(000)
Employer's contributions	254	246
Employees' contributions	82	79
	<hr/>	<hr/>
Total contributions	336	325
	<hr/>	<hr/>
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
	<hr/>	<hr/>

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2
	<hr/>	<hr/>

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

Sensitivity analysis

Changes in assumptions at 31 August 2019	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13.5%	884
0.5% increase in the Salary Increase Rate	2%	119
0.5% increase in the Pension Increase Rate	11%	746

CHILDREN OF SUCCESS SCHOOLS TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

The academy trust's share of the assets in the scheme	2019 Fair value £(000)	2018 Fair value £(000)
Equities	2,946	2,602
Bonds	650	612
Property	347	268
Other assets	389	344
Total market value of assets	4,332	3,826

The actual return on scheme assets was £191,000 (2018: £190,000).

Amount recognised in the Statement of Financial Activities	2019 £(000)	2018 £(000)
Current service cost	481	527
Past service cost	66	-
Interest income	(111)	(87)
Interest cost	142	119
Total operating charge	578	559

Changes in the present value of defined benefit obligations	2019 £(000)	2018 £(000)
At 1 September 2018	4,812	4,477
Current service cost	481	527
Interest cost	142	119
Employee contributions	82	79
Actuarial loss/(gain)	1,018	(371)
Benefits paid	(21)	(19)
Past service cost	66	-
At 31 August 2019	6,580	4,812

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20 Pension and similar obligations

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

	2019	2018
	£(000)	£(000)
At 1 September 2018	3,826	3,330
Interest income	111	87
Actuarial gain	80	103
Employer contributions	254	246
Employee contributions	82	79
Benefits paid	(21)	(19)
At 31 August 2019	<u>4,332</u>	<u>3,826</u>

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£(000)	£(000)
Amounts due within one year	4,016	-
Amounts due in two and five years	4,016	-
	<u>8,032</u>	<u>-</u>

22 Capital commitments

	2019	2018
	£(000)	£(000)
Expenditure contracted for but not provided in the accounts	<u>183,621</u>	<u>-</u>

23 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 AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

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23 Related party transactions

Expenditure related party transactions

Place2Be - a charitable company in which Dame Benita Refson (member) and Hon. Robert Rayne (member) have an interest.

- The academy trust made purchases of £62,708 (2018: £69,656) during the year from Place2Be. There were no amounts outstanding at 31 August 2019 (2017: £nil).
- The academy trust made the purchases at arms' length in accordance with its financial regulations, which Dame Benita Refson and Hon. Robert Rayne neither participated in, nor influenced.
- In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2018.
- The element above £2,500 has been provided at 'no more than cost' and Place2Be has provided a statement of assurance confirming this.

24 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.