

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



**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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SUCCESS ACADEMY TRUST

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## SUCCESS ACADEMY TRUST

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### REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	A Gelsthorpe (deceased 23 April 2022) C Freeman B Perrett D Vernon T Moralee G Place (appointed 1 September 2022)
<b>Trustees</b>	M Booley, Chair <sup>1</sup> G Crofts (resigned 10 July 2022) C Stansfield (resigned 15 September 2022) <sup>1</sup> J Horan (resigned 10 July 2022) <sup>1</sup> A Collins, Trust Principal and Accounting Officer <sup>1</sup> S Allen <sup>1</sup> C Southwell A M Blewitt (appointed 18 June 2022) P Karran (appointed 31 March 2022) N Marriott (appointed 18 June 2022) G Smith (appointed 31 March 2022)  <sup>1</sup> Finance, Audit and Risk Committee
<b>Company registered number</b>	08135389
<b>Company name</b>	Success Academy Trust
<b>Principal and registered office</b>	Thomas Estley Community College Station Road Broughton Astley Leicester Leicestershire LE9 6PT
<b>Company secretary</b>	A M Willett
<b>Senior management team</b>	A Collins, Trust Principal T Withers, Heads Advisory Group C Muntun, Heads Advisory Group (Resigned 31 August 2022) A M Willett, Trust Operations and Finance Officer E Clarke, Heads Advisory Group (Appointed 25 August 2022) R Lawrence, Primary School Improvement Partner (Appointed April 2022)
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ

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SUCCESS ACADEMY TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022

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**Bankers**

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates three primary academies and one secondary academy, including two school-based preschools, and one privately run preschool and out of school club, in Leicestershire. The Primary academies joined the Trust on 1 February 2017 - two as academising Local Authority schools and one as a transferring academy. The Trust's academies have a combined pupil capacity of 2,020 and had a combined number on roll of 1,887 in the schools' October 2022 census. The Trust also runs the TELA learning alliance which provides initial teacher training and professional development for education staff across Leicestershire, leads NPQ delivery for the Leicester and Leicestershire Teaching School Hub and also provides support for some Leicestershire primary schools (DfE and LA programmes).

#### **Structure, governance and management**

##### **Constitution**

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

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

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

##### **Trustees' indemnities**

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

During the period, all Academies within the Trust were part of the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers' indemnity element from the overall cost of the RPA scheme.

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Structure, governance and management (continued)**

##### **Method of recruitment and appointment or election of Trustees**

Members may appoint up to 7 Trustees. The Trustees have appointed Local Governing Bodies within each Academy to which a minimum of two parent governors are appointed. The Trust Principal shall be treated for all purposes as being an ex-officio Trustee.

The Members select Trustees based on the skills of the Board with a focus on appointing Trustees to fill skills gaps identified through the annual Trustee skills audit and having regard to the current needs and strategic priorities of the Trust. The term of office for any Trustee is four years (apart from Trust Principal's ex officio role) Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting or Annual General Meeting. The Trustees may appoint Co-opted Trustees in line with the Articles.

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

To support communication across the Trust to ensure objective communication, Trustees with no previous connection to a particular school within the Trust can be delegated as that school's link Trustee to ensure that information flow between the LGB and Trust Board remains effective, and there is one delegated Trustee per school.

##### **Policies adopted for the induction and training of Trustees**

The Chair of Trustees is currently inducted and initial training provided through the regional training provided by RSC and local experienced Trusts, as well as applicable national training.

New Trustees are inducted through a comprehensive programme of visits and discussions involving the Trust Principal, Chair of Trustees, existing Trustees and visits to and experience in our Trust schools. They also access national and local training programmes as appropriate.

Trustees attend full Board meetings and are appointed to one or more of the Board Committees, usually according to their interests and personal expertise

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

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Structure, governance and management (continued)

##### Organisational structure

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

The senior management team as noted on page 1 consists of the Head Teachers and Principal of the four academies within the Trust (T Withers is Head Teacher across both Hallbrook and Cosby Primary schools) plus the Trust Finance and Operations Officer (CFO) and Trust Primary School Improvement Lead.

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

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

Each academy develops its own annual improvement plan and ensures that the budget reflects priorities within the plan. The Trust Principal is involved at the formative stage of annual strategic planning to aid alignment of priorities and to inform the Trust Raising Achievement Plan. Academy improvement plans and Headteacher's / Principal's Reports to the Governors are also shared with Trustees and scrutinised alongside the Trust's own Strategic Plan and the KPIs, which are reviewed on a termly basis.

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

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

##### Arrangements for setting pay and remuneration of key management personnel

Academy Trustees receive no remuneration for their role, other than the Trust Principal, part of whose salary is offset as part of the core services top slice from 2021/22. During 2021/22 the top slice also offsets some of the salary of the Chief Financial Officer's (Trust Operations and Finance Officer's) time. Additional time from the strategic members of the Heads Advisory Board and other employees within the Trust will be identified and recharged where/when additional specific duties for the Trust are identified and top slice permits.

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Structure, governance and management (continued)

##### Trade union facility time

##### Relevant union officials

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

##### Percentage of time spent on facility time

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

##### Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	9,025,402
Percentage of total pay bill spent on facility time	- %

##### Paid trade union activities

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

##### Related parties and other connected charities and organisations

All academies within the Trust are members of Thomas Estley Learning Alliance (TELA). The Trust Principal, Amanda Collins, is also Head of the Learning Alliance. As such, she networks with Learning Alliance Hubs and national/local delivery partners across Leicestershire and beyond, including leading the local delivery of Teach First National Professional Qualifications. The TELA wider alliance membership consists of 10 Secondary and almost 30 Primary schools across Leicestershire. TELA as an arm of Success Academy Trust delivers school improvement work across Leicestershire through the Leicestershire local authority brokering partnership, and through national school support funding and other funding bids, and is a Local Leader of Education and National Leader of Education equivalent. Amanda is part of the Leicestershire Education and Excellence Partnership.

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

Both primary headteachers are strategic leads for TELA, with Tracy Withers having responsibility for Primary ITT development and Carolyn Munton covering early career phase training post ECT Year One, in particular prior to her retirement in the summer.

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

The Trust Finance and Operations Officer is also College Manager of Thomas Estley Community College and is



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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Structure, governance and management (continued)**

a member of a number of professional bodies, a Trustee of another school which is a member of TELA.

#### **Engagement with employees (including disabled persons)**

During the 2021/22 financial year, Success Academy Trust, through its delegated academies, preschool and learning alliance has engaged with employees through a range of strategies, including but not exclusively:

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

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Structure, governance and management (continued)

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

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

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

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

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

The Trust and its Academies actively engage with its parents and carers of its pupils via a variety of methods in order to gain "parent voice" feedback including meetings, telephone calls, parents' evenings, online communication platforms, personal emails, websites and social media as well as seeking the views of parents and carers through parent forum meetings, parental questionnaires and associated Parent Teacher Associations collaboration. Communication methods are personalised where needed to support accessibility arrangements.

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

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

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

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives and activities

##### Objects and aims

Success Academy Trust (Success AT) aims to provide world class education and care that allows every young person to reach their potential in an environment where there is a commitment to work collaboratively and share each other's successes; it recognises the importance of high quality teaching and learning and an embedded leadership and character development provision that is an entitlement for all students and staff. It operates a robust school improvement system with the aim of improving provision and outcomes for your people in the Trust, so that they are safe, supported and engaged learners, whatever their needs, who can achieve their full academic, social and leadership potential.

The Success AT vision is based on 'Building Leadership and Character Together'.

- Secure high achievement for all
- Understand, value and respect everyone
- Collaborate and contribute within a supportive community of learning and partnerships
- Challenge every barrier to success
- Excel in building leadership and character
- Share and celebrate best practice, expertise and achievements
- Strengthen opportunities for partnership, processes and people

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives and activities (continued)

##### Objectives, strategies and activities

#### CORE OFFER

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

#### STRATEGY FOR GROWTH

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

#### COLLABORATION FOR IMPACT

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

#### VISION AND VALUES

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

#### ACHIEVEMENT

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

#### QUALITY ASSURANCE & DATA

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

#### FINANCIAL STRATEGY & CONTROL

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives and activities (continued)

#### GOVERNANCE

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

#### WORKFORCE DEVELOPMENT

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

#### Public benefit

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

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Trustees have complied with their duty to have due regard to the guidance on the public benefit published by the Charity Commission in exercising their powers or duties.

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Strategic report

#### Achievements and performance

The Key Performance Indicators for the Trust are as follows:

#### Outcomes for pupils – Primary

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

#### Outcomes for pupils – Secondary

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

#### Leadership and management

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

#### OFSTED ratings

Cosby Primary: 12th October 2022 Good  
Hallbrook Primary: 19th November 2019 Good  
Richmond Primary: 26th November 2019 Good  
Thomas Estley Community College: 29th January 2019 Good  
Thomas Estley Preschool: 28th June 2022 Good

#### Thomas Estley Community College

Thomas Estley Community College joined Success Academy Trust on 1 September 2016. The school was inspected in January 2019 and judged Good. It was a National Teaching School 2013-2021, is the lead school in the Thomas Estley Learning Alliance, and has its own preschool (Thomas Estley preschool) and out of school club primary provision. SIQA Review Autumn 2022 retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity.'

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### Thomas Estley PreSchool and Out of School Club

Thomas Estley PreSchool and Out of School Club joined Success Academy Trust on 1 September 2016. The setting was inspected in June 2022 and judged Good in all areas. SIQA Review Autumn 2022 retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity. Support is being provided to other Trust and external preschools by the leads.

##### Cosby Primary School

Cosby Primary School joined Success Academy Trust on 1 February 2017. The school was last inspected on 1 February 2017 and maintained its "Good" judgment. September 2021 SIQA Review retained its MAT category as 'Sufficient capacity to improve own school and some system leadership capacity.'

##### Hallbrook Primary School

In January 2017 the school was notified by the DfE that it had met the coasting definition based on its performance in 2014, 2015 and 2016. Results over the last three years have improved significantly, after significant support and change of leadership, and the school is now in a much better position, graded interim Good by Ofsted in November 2019. SIQA Review Autumn 2022 judged its MAT category as 'Sufficient capacity to improve own school with some Trust support'.

##### Richmond Primary School

Richmond Primary School joined Success Academy Trust on 1st February 2017. The school changed from a Maintained School to an Academy on this date. The school was grade Good by Ofsted in November 2019. SIQA Review Autumn 2022 judged its MAT category as 'Sufficient capacity to improve own school with some Trust support'.

#### Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### Promoting the success of the company

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

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

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

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

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

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

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



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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Strategic report (continued)

#### Financial review

##### Financial review

The Academy Trust had a net increase in funds for the year ended 31 August 2022 of £428,286 including fixed assets movements but excluding pension reserve movements. As at 31 August 2022 the Academy Trust held £913,863 of unrestricted reserves plus £2,199,895 of unspent (non fixed asset) restricted funds. The Academy Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £3,113,758.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £1,091,000 at 31 August 2022 and a fixed asset reserve of £25,109,411 being the book value of past purchases plus unspent fixed asset reserves of £37,460.

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

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

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Reserves policy

The Trustees have determined that the appropriate level of free cash reserves from a combination of restricted or unrestricted funds (excluding pension deficit restricted fund) should be equivalent to one month's worth of GAG income, this equates to approximately £730,000.

The Trustees consider that a reserves target of one month's worth of income provides sufficient working capital to enable the Trust to manage its cash flow efficiently; to cover any delays between spending and receipt of grants; to manage annual variations in pupil numbers; to provide a cushion to deal with any unexpected emergencies; and build sufficient funding to support longer term capital spending plans for the Trust's buildings.

Actual free reserves plus unspent GAG as at 31 August 2022 were £2,923,638, being higher than the target level set by the Trustees. The excess reserves above target will contribute towards the future capital improvements and additional support for post Covid catch up. The Academy Trust also held other available restricted funds at the year end of £190,120 mainly in relation to Pupil Premium, School to School Support, PE Sports Grant and SSIF funding. Total available reserves, being both the above figures at 31 August 2022 were £3,113,758. Cash at bank at 31 August 2022 was £622,880 higher than total available reserves which is due principally to PAYE/NI and pension costs for August 2022 being paid over in September 2022 and Universal Infant Free School Meal income received in advance of 2022/23.

At 31 August 2022 the Academy's fixed asset reserve of £25,109,411 of funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £1,091,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. The deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Principal risks and uncertainties

The Trust has risk management procedures and the Trustees have assessed the principal risks to which the Trust is exposed to. The most significant principal risks split between reputational; financial viability and performance are:

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

Summary of plans and strategies for managing these risks:

- The Trust is working with Academy Ambassadors and through local teaching school and school/business based networks to help recruit additional Trustees with appropriate skills.
- For 2021/22 the Trust has in place a Core service level agreement with the schools which includes time for the Trust Principal and the Trust Finance and Operations Officer.
- Working with teaching school and local partners, prospective academies and the Regional Schools Commissioner Team to manage sustainable and realistic growth in line with the balance of improvement capacity and needs within the MAT.
- All academies have been able to show through their local budget plans that they are able to set budgets in 2021/22 that do not put them into a deficit position. A key driver in the funding of schools is pupil numbers so the Trust recognise the need to support schools where parental choice is driving increases the SBMs across the Trust work together to share best practice and share group procurement.
- All of the academies within the Trust work in close partnership to support and act as a critical friend in the pursuit of school improvement. The close ties within the wider Thomas Estley Learning Alliance TSA provides capacity to the Trust to support improvement according to identified need and improvement partners are brokered and deployed as needed, including NLEs and SLEs.
- The Academy Trust and the Trustees are aware of the significant pension fund deficit of £1,091,000 as at 31 August 2022 for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pensions Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Academy Trust has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

#### Financial risk management objectives and policies

The Trust has developed risk management procedures as outlined above. The Trustees have assessed the major risks to which the Trust is exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Investment policy

The Academy Trust's investment strategy is to:

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

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

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

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

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

- Nominated bank – NatWest Bank Plc
- Current Account 0.00% (for balances less than £1 million)
- Reserve or Special interest bearing accounts 1.00% balances < £1million or 1.00% for balances above £1 million

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Fundraising**

Success Academy Trust has developed a fundraising strategy to help to increase the income streams of the charity and to help build the Trust's financial resilience. The Strategy will be reviewed in 2022/23 following much of the activities being interrupted through COVID.

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

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

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

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

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## SUCCESS ACADEMY TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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#### Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption for the period 1 September 2021 to 31 August 2022 are as follows:

	2022	2021
Energy consumption used to calculate emissions (kWh)	1,930,771	2,033,076
<b>Energy consumption breakdown (kWh):</b>		
Gas	1,249,508	1,395,114
Electricity	678,267	637,084
Transport fuel	2,996	878
<b>Scope 1 emissions (in tonnes of CO2 equivalent):</b>		
Gas consumption	327	257
<b>Total scope 1</b>	<u>327</u>	<u>257</u>
<b>Scope 2 emissions (in tonnes of CO2 equivalent):</b>		
Purchased electricity	198	149
<b>Total gross emissions (in tonnes of CO2 equivalent):</b>	<u>525</u>	<u>406</u>
<b>Intensity ratio:</b>		
Tonnes of CO2 equivalent per pupil	<u>0.28</u>	<u>0.22</u>

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for company reporting.

#### Intensity measurement

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

#### Measures taken to improve energy efficiency

The Trust has continued to replace with LED lighting as opportunities arose where areas are refurbished. With return to school following previous years COVID lock downs, energy consumption has increased. The Trust has increased use of video conference technology for meetings to reduce the need for travel. The Trust has an Estates Strategy which has taken into account the advice within the Good Estate Management for Schools (GEMS) toolkit that includes action/targets around sustainability which will support further improvements.

#### Plans for future periods

Trustees are looking to grow the MAT through thoughtful expansion which ensures appropriate capacity whilst remaining committed to our core purpose and values and balancing improvement capacity and needs within the MAT so that learner outcomes improve sustainability.

#### Funds held as custodian on behalf of others

No funds are held on behalf of others.

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**SUCCESS ACADEMY TRUST**

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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2022 and signed on its behalf by:

**M Booley**  
Chair of Trustees

**A Collins**  
Accounting Officer

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## SUCCESS ACADEMY TRUST

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### GOVERNANCE STATEMENT

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#### Scope of responsibility

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

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

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

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Full Board of Trustees has formally met 4 times during the year - all remotely.

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

Trustee	Meetings attended	Out of a possible
M Booley, Chair	4	4
G Crofts	1	4
C Stansfield	4	4
J Horan	2	4
A Collins, Trust Principal and Accounting Officer	4	4
S Allen	4	4
C Southwell	4	4
A M Blewitt	1	1
P Karran	2	2
N Marriott	1	1
G Smith	2	2

During this accounting period the Trust Board has had a change of four Trustees – two for stepping down at normal end of term of service, one for a slightly early end of service due to workload and one death in service. All have been replaced by Trustees with appropriate skills. In addition, there was one Member death in service with the appointment of another at the start of the new year.

The Board sets out its annual calendar of Full Board meetings and subcommittee meetings prior to the start of each year. The Board recognises the requirement for the Board to consider the financial affairs of the Trust at least 6 times a year. As part of the Trust's delegation arrangements, its Academies Local Governance Boards monitor their own finances locally. In addition, to ensure this is requirement is fulfilled, in addition to scrutiny at the Full Board meetings, the Board delegates this function to its Finance, Audit and Risk Committee which ensures the central and consolidated position is reviewed more than the requirement of the Academies Finance Handbook.

It was agreed on set up of the Trust that local conflicts of interest would be worked out of the Board of Trustees over the first two years in order to ensure clear delegation and tight accountability. Currently only one conflict remains but is transparent. In addition, we declare interests at the start of every meeting and new staff/trustees are required to complete business interest forms.

The Trustee Board, supported by the Heads Advisory Group (HAG) and Business Managers group has, during 2021/22, carried out work including:



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## SUCCESS ACADEMY TRUST

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Governance (continued)

- Consolidating the School Improvement Quality Assurance Model (SIQA) including four levels of support, challenge, delegation, review, depending on the capacity, outcomes, and OFSTED rating of each school.
- Deploying the Trust School Improvement team as needed into each school to quality assure/support/monitor as appropriate as a result of due diligence, SIQA rating and provision in order to support improvement in outcomes.
- Monitoring and quality assuring impact of school improvement and quality assurance through KPIs, outcome monitoring, and headteacher/ Trust Principal reports to the Trustee Board.
- Developing and pursuing models for Trust growth including marketing and future based planning
- Establishing and reviewing performance against appropriate KPIs (both primary and secondary outcome focused as well as Trustwide KPIs).
- Self evaluating the Trust against DfE recommended models of best practice and setting up Trust peer review for Autumn 2022.
- Implementing the Strategic Plan for the Trust to meet its main priority outcomes.
- Continued to develop a central core service model.
- Establishing appropriate reporting arrangements, partly through two sub committees of the Board.

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

Specific work during the year included review of Principal Risk Register for the Trust; to consider the development of the core services offer; to organise internal audit services and shared financial controls; to review 3 year budget plans and consolidated budget forecast return; and to start to consolidate efficiencies of contracts and collaborative working.

During the year four FAR meetings were held separate to the Full Board meetings. Consideration of Finance matters was also made at Full meetings to ensure six reviews during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	3	4
S Allen, Chair	3	4
A Collins	3	3
J Horan	4	4
G Smith	1	1

The Curriculum, Standards and Performance Committee is a sub committee of the Board of Trustees. Its purpose is to evaluate the performance of the Academies against KPIs set by the Trust Board (in consultation with the relevant Local Governance Board). The Heads Advisory Group work collaboratively to supply appropriate data to the committee in an agreed format to aid comparison.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Booley	1	3
G Crofts	2	2
C Southwell	2	3
C Stanfield, Chair	3	3

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## SUCCESS ACADEMY TRUST

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Governance (continued)

A Collins

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

#### Review of value for money

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

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

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

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Success Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and

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## SUCCESS ACADEMY TRUST

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### GOVERNANCE STATEMENT (CONTINUED)

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#### **The risk and control framework (continued)**

accountability. In particular, it includes:

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

The Board of Trustees has decided to employ Amsden Young as internal auditor.

This option to provide independent assurance around financial processes in line with the Trust's Financial Procedures handbook. In addition, a Trustee has undertaken a light touch assessments of one of the Trusts's Primary academies.

The purpose of this internal audit was to giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts/ bank reconciliation's

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

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

The latest internal audit was carried out in April & June 2022. No material control issues were identified as a result of the internal audit review work.

#### **Review of effectiveness**

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

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

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

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**SUCCESS ACADEMY TRUST**

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**GOVERNANCE STATEMENT (CONTINUED)**

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Approved by order of the members of the Board of Trustees on 1 December 2022 and signed on their behalf by:

**M Booley**  
Chair of Trustees

**A Collins**  
Accounting Officer

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## SUCCESS ACADEMY TRUST

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### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Success Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2021.

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

**A Collins**

Accounting Officer

Date: 1 December 2022

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## SUCCESS ACADEMY TRUST

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2022 and signed on its behalf by:

**M Booley**  
Chair of Trustees

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## SUCCESS ACADEMY TRUST

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

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#### Opinion

We have audited the financial statements of Success Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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## SUCCESS ACADEMY TRUST

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SUCCESS ACADEMY TRUST (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

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

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



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## SUCCESS ACADEMY TRUST

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SUCCESS ACADEMY TRUST (CONTINUED)

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#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Academy Trust and the industry, we have identified that the principal risks of non-compliance with laws and regulations related to UK Tax and legislation and breaches of the Academy's funding agreement with the Secretary of State for Education, the Academies Financial Handbook, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the, Companies Act 2006 and the Charities SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, in particular in relation to accruals provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries without specific defined descriptions.

There are inherent limitations in the audit procedures described above. The more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by forgery or intentional misrepresentation, for example, or through collusion.

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

#### **Use of our report**

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

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**SUCCESS ACADEMY TRUST**

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

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**Luke Turner ACA FCCA (Senior Statutory Auditor)**

for and on behalf of

**Magma Audit LLP**

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

2 December 2022

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## SUCCESS ACADEMY TRUST

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

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In accordance with the terms of our engagement letter dated 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Success Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Success Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Success Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2016 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

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**SUCCESS ACADEMY TRUST**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant  
**Magma Audit LLP**  
Chartered Accountants  
Statutory Auditors

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

Date: 2 December 2022

SUCCESS ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	-	88,345	641,950	730,295	869,505
Other trading activities	5	239,438	-	-	239,438	147,454
Investments	6	1,171	-	-	1,171	208
Funding for the trust's educational operations		291,411	10,167,538	-	10,458,949	10,185,144
<b>Total income</b>		<b>532,020</b>	<b>10,255,883</b>	<b>641,950</b>	<b>11,429,853</b>	<b>11,202,311</b>
<b>Expenditure on:</b>						
Raising funds		217,958	-	-	217,958	141,759
Academy trust educational operations		325,636	10,442,913	830,060	11,598,609	10,576,167
<b>Total expenditure</b>	7	<b>543,594</b>	<b>10,442,913</b>	<b>830,060</b>	<b>11,816,567</b>	<b>10,717,926</b>
<b>Net (expenditure)/income</b>		<b>(11,574)</b>	<b>(187,030)</b>	<b>(188,110)</b>	<b>(386,714)</b>	<b>484,385</b>
Transfers between funds	18	-	(129,739)	129,739	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(11,574)</b>	<b>(316,769)</b>	<b>(58,371)</b>	<b>(386,714)</b>	<b>484,385</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	6,458,000	-	6,458,000	(1,035,000)
<b>Net movement in funds</b>		<b>(11,574)</b>	<b>6,141,231</b>	<b>(58,371)</b>	<b>6,071,286</b>	<b>(550,615)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		925,437	(5,032,336)	25,167,782	21,060,883	21,611,498
Net movement in funds		(11,574)	6,141,231	(58,371)	6,071,286	(550,615)
<b>Total funds carried forward</b>		<b>913,863</b>	<b>1,108,895</b>	<b>25,109,411</b>	<b>27,132,169</b>	<b>21,060,883</b>

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**SUCCESS ACADEMY TRUST**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

The notes on pages 40 to 70 form part of these financial statements.

**SUCCESS ACADEMY TRUST**  
**REGISTERED NUMBER: 08135389**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	<b>25,071,951</b>	25,167,782
		<u>25,071,951</u>	<u>25,167,782</u>
<b>Current assets</b>			
Stocks	15	5,515	5,049
Debtors	16	257,264	477,634
Cash at bank and in hand		3,736,638	2,957,769
		<u>3,999,417</u>	<u>3,440,452</u>
Creditors: amounts falling due within one year	17	(848,199)	(813,351)
<b>Net current assets</b>		<b>3,151,218</b>	2,627,101
<b>Total assets less current liabilities</b>		<b>28,223,169</b>	27,794,883
<b>Net assets excluding pension liability</b>		<b>28,223,169</b>	27,794,883
Defined benefit pension scheme liability	25	(1,091,000)	(6,734,000)
<b>Total net assets</b>		<b>27,132,169</b>	21,060,883
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset fund	18	25,109,411	25,167,782
Restricted income fund	18	2,199,895	1,701,664
		<u>27,309,306</u>	<u>26,869,446</u>
Restricted funds excluding pension liability	18	27,309,306	26,869,446
Pension reserve	18	(1,091,000)	(6,734,000)
<b>Total restricted funds</b>	18	<b>26,218,306</b>	20,135,446
<b>Unrestricted income funds</b>	18	<b>913,863</b>	925,437
<b>Total funds</b>		<b>27,132,169</b>	21,060,883

The financial statements on pages 35 to 70 were approved by the Trustees, and authorised for issue on 01 December 2022 and are signed on their behalf, by:

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**SUCCESS ACADEMY TRUST**  
**REGISTERED NUMBER: 08135389**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

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**M Booley**  
Chair of Trustees

The notes on pages 40 to 70 form part of these financial statements.



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SUCCESS ACADEMY TRUST

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2022

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	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<b>869,977</b>	1,178,288
<b>Cash flows from investing activities</b>	21	<b>(91,108)</b>	(173,669)
<b>Change in cash and cash equivalents in the year</b>		<b>778,869</b>	1,004,619
Cash and cash equivalents at the beginning of the year		<b>2,957,769</b>	1,953,150
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<b>3,736,638</b>	2,957,769

The notes on pages 40 to 70 form part of these financial statements

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1. Accounting policies

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

##### 1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Income

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

###### Grants

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

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

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

###### Donations

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

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1. Accounting policies (continued)

##### 1.3 Income (continued)

###### **Other income**

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

###### **Transfer on conversion**

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

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

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

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

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

##### 1.4 Expenditure

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

###### **Expenditure on raising funds**

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

###### **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1. Accounting policies (continued)

##### 1.5 Interest receivable

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

##### 1.6 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.7 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Depreciation is provided on the following bases:

Leasehold buildings	- 2-5% straight line
Leasehold land (125 year lease)	- over 125 years
Furniture and fittings	- 15-25% straight line
Computer equipment	- 33% straight line
Assets under construction	- not depreciated

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

##### 1.8 Stocks

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

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1. Accounting policies (continued)

##### 1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### 1.10 Liabilities

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

##### 1.11 Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.12 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

##### 1.13 Operating leases

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

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1. Accounting policies (continued)

##### 1.14 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

##### 1.15 Fund accounting

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

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

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

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 2. Critical accounting estimates and areas of judgment

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

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

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.

#### **Defined benefit pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Tangible assets**

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

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SUCCESS ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Parental contributions	88,345	-	<b>88,345</b>	21,484
Capital grants	-	641,950	<b>641,950</b>	848,021
	<u>88,345</u>	<u>641,950</u>	<u><b>730,295</b></u>	<u>869,505</u>
<i>Total 2021</i>	<u>21,484</u>	<u>848,021</u>	<u>869,505</u>	



**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy Trust's charitable activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Educational Operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,834,620	<b>8,834,620</b>	7,992,072
Other DfE/ESFA grants				
Teachers Pension Grant	-	-	-	302,676
Pupil Premium	-	341,974	<b>341,974</b>	308,667
Learning alliance income	100,458	-	<b>100,458</b>	322,007
Others	-	389,722	<b>389,722</b>	383,374
	100,458	9,566,316	<b>9,666,774</b>	9,308,796
<b>Other Government grants</b>				
Special educational needs	-	357,001	<b>357,001</b>	231,650
Local authority grants	-	23,817	<b>23,817</b>	74,484
Nursery income	190,953	-	<b>190,953</b>	198,971
Catering income	-	159,761	<b>159,761</b>	95,041
Other income	-	600	<b>600</b>	81,399
	190,953	541,179	<b>732,132</b>	681,545
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	7,287	<b>7,287</b>	151,150
Covid recovery	-	32,220	<b>32,220</b>	-
	-	39,507	<b>39,507</b>	151,150
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	-	-	4,393
COVID-19 mass testing funding	-	20,536	<b>20,536</b>	39,260
	-	20,536	<b>20,536</b>	43,653
	291,411	10,167,538	<b>10,458,949</b>	10,185,144
	291,411	10,167,538	<b>10,458,949</b>	10,185,144
<i>Total 2021</i>	480,978	9,704,166	<b>10,185,144</b>	

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SUCCESS ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Nursery and extended services	151,050	<b>151,050</b>	37,555
Lettings income	43,941	<b>43,941</b>	87,142
Other trading income	44,447	<b>44,447</b>	22,757
	<u>239,438</u>	<u><b>239,438</b></u>	<u>147,454</u>
<i>Total 2021</i>	<u>147,454</u>	<u>147,454</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	1,171	<b>1,171</b>	208
	<u>1,171</u>	<u><b>1,171</b></u>	<u>208</u>
<i>Total 2021</i>	<u>208</u>	<u>208</u>	

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>	<i>Total 2021 £</i>
Expenditure on fundraising trading activities:					
Allocated support costs	168,172	17,689	32,097	<b>217,958</b>	141,759
Educational Operations:					
Direct costs	7,524,199	622,545	865,436	<b>9,012,180</b>	8,232,430
Allocated support costs	1,452,150	659,878	474,401	<b>2,586,429</b>	2,343,737
	<u>9,144,521</u>	<u>1,300,112</u>	<u>1,371,934</u>	<u><b>11,816,567</b></u>	<u>10,717,926</u>
<i>Total 2021</i>	<u>8,334,190</u>	<u>1,228,824</u>	<u>1,154,912</u>	<u>10,717,926</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Educational Operations	<u>9,012,180</u>	<u>2,586,429</u>	<u><b>11,598,609</b></u>	<u>10,576,167</u>
<i>Total 2021</i>	<u>8,232,430</u>	<u>2,343,737</u>	<u>10,576,167</u>	

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
LGPS pension interest cost (£236,000) less return on assets (£119,000)	<b>117,000</b>	92,000
Staff costs	<b>7,405,080</b>	6,850,364
Depreciation	<b>622,545</b>	594,574
Supply staff costs	<b>119,119</b>	29,354
Technology costs	<b>130,525</b>	144,651
Educational supplies	<b>224,817</b>	221,859
Staff development	<b>69,620</b>	76,244
Educational consultancy	<b>123,429</b>	137,281
Other direct costs	<b>200,045</b>	86,103
	<b>9,012,180</b>	8,232,430

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff costs	<b>1,452,150</b>	1,343,999
Depreciation	<b>207,515</b>	198,191
Legal and professional fees	<b>41,281</b>	33,885
Maintenance of premises and equipment	<b>184,468</b>	165,332
Cleaning	<b>45,495</b>	61,222
Rates	<b>49,851</b>	64,228
Energy costs	<b>190,238</b>	140,277
Insurance	<b>75,954</b>	49,441
Security and transport	<b>1,367</b>	347
Catering	<b>286,878</b>	239,541
Bank charges	<b>6,657</b>	5,298
Other support costs	<b>18,110</b>	14,956
Governance costs	<b>26,465</b>	27,020
	<b>2,586,429</b>	2,343,737

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SUCCESS ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

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9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	2,713	2,713
Depreciation of tangible fixed assets	830,060	804,853
Fees paid to auditors for:		
- audit	19,100	17,750
- other services	3,950	2,900
	<u>19,100</u>	<u>17,750</u>
	<u>830,060</u>	<u>804,853</u>

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**SUCCESS ACADEMY TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	6,287,266	5,960,730
Social security costs	561,533	518,454
Pension costs	2,176,603	1,825,652
	<u>9,025,402</u>	<u>8,304,836</u>
Agency staff costs	119,119	29,354
	<u><u>9,144,521</u></u>	<u><u>8,334,190</u></u>

**b. Staff numbers**

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

	2022 No.	2021 No.
Management	9	11
Teachers	102	95
Administration and support	186	165
	<u>297</u>	<u>271</u>

**c. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	4	4
In the band £100,001 - £110,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 10. Staff (continued)

##### d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £463,293 (2021 - £450,551). These figures include salary costs of all Trustees employed by the Academy Trust, even where they have no management role within their employment.

#### 11. Central services

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

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

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

3.5% of GAG funding (2021 - 3.5%).

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Thomas Estley Community College	169,056	156,450
Cosby Primary School	34,381	29,672
Richmond Primary School	75,345	64,969
Hallbrook Primary School	30,430	28,631
<b>Total</b>	<b>309,212</b>	<b>279,722</b>

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

A Collins (Trust Principal and Trustee)

Remuneration £105,000 - £110,000 (2021: £105,000 - £110,000)

Employer's pension contributions £25,000 - £30,000 (2021: £25,000 - £30,000)

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

#### 13. Trustees' and Officers' insurance

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



SUCCESS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2021	26,867,987	1,352,917	565,116	28,786,020
Additions	495,163	73,795	165,271	734,229
At 31 August 2022	<u>27,363,150</u>	<u>1,426,712</u>	<u>730,387</u>	<u>29,520,249</u>
<b>Depreciation</b>				
At 1 September 2021	2,321,010	882,248	414,980	3,618,238
Charge for the year	490,736	212,746	126,578	830,060
At 31 August 2022	<u>2,811,746</u>	<u>1,094,994</u>	<u>541,558</u>	<u>4,448,298</u>
<b>Net book value</b>				
At 31 August 2022	<u>24,551,404</u>	<u>331,718</u>	<u>188,829</u>	<u>25,071,951</u>
<i>At 31 August 2021</i>	<u>24,546,977</u>	<u>470,669</u>	<u>150,136</u>	<u>25,167,782</u>

See note 1.3 regarding assets transferred on conversion.

**15. Stocks**

	2022 £	2021 £
Classroom and other materials	<u>5,515</u>	<u>5,049</u>

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**16. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	12,820	14,973
VAT recoverable	83,374	136,887
Prepayments and accrued income	161,070	325,774
	<b>257,264</b>	<b>477,634</b>
	<b>257,264</b>	<b>477,634</b>

**17. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	34,270	64,164
Other taxation and social security	130,777	127,578
Other creditors	165,503	160,469
Accruals and deferred income	517,649	461,140
	<b>848,199</b>	<b>813,351</b>
	<b>848,199</b>	<b>813,351</b>

	2022 £	2021 £
<b>Deferred income</b>		
Deferred income at 1 September 2021	314,039	200,899
Resources deferred during the year	159,162	314,039
Amounts released from previous periods	(314,039)	(200,899)
	<b>159,162</b>	<b>314,039</b>
	<b>159,162</b>	<b>314,039</b>

The closing balance of deferred income mainly relates to parental contributions and Universal Infant Free School Meals income received in advance of the 2022/23 academic year and rates income in relation to the post year end period.

SUCCESS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
General funds	521,832	431,562	(394,314)	-	-	559,080
Learning alliance	403,605	100,458	(149,280)	-	-	354,783
	<u>925,437</u>	<u>532,020</u>	<u>(543,594)</u>	<u>-</u>	<u>-</u>	<u>913,863</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,396,515	8,834,620	(8,091,621)	(129,739)	-	2,009,775
Pupil Premium	64,362	341,974	(347,961)	-	-	58,375
Other DfE Group grants	1,224	389,722	(390,668)	-	-	278
Other government grants	97,624	380,818	(383,626)	-	-	94,816
Other income	82,530	248,706	(303,246)	-	-	27,990
COVID-19 additional funding (DfE/ESFA)	59,409	39,507	(90,255)	-	-	8,661
COVID-19 additional funding (non DfE)	-	20,536	(20,536)	-	-	-
Pension reserve	(6,734,000)	-	(815,000)	-	6,458,000	(1,091,000)
	<u>(5,032,336)</u>	<u>10,255,883</u>	<u>(10,442,913)</u>	<u>(129,739)</u>	<u>6,458,000</u>	<u>1,108,895</u>

SUCCESS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	1,881,845	513,345	(245,370)	23,695	-	2,173,515
Transfer from ESFA	3,516,228	-	(62,890)	-	-	3,453,338
Transfer from Local Authority	15,763,122	-	(279,885)	-	-	15,483,237
Local Authority donation	2,540,883	-	(54,724)	-	-	2,486,159
Capital expenditure from GAG	1,116,351	-	(163,988)	106,044	-	1,058,407
Other government grants	349,353	128,605	(23,203)	-	-	454,755
	<u>25,167,782</u>	<u>641,950</u>	<u>(830,060)</u>	<u>129,739</u>	<u>-</u>	<u>25,109,411</u>
<b>Total Restricted funds</b>	<u>20,135,446</u>	<u>10,897,833</u>	<u>(11,272,973)</u>	<u>-</u>	<u>6,458,000</u>	<u>26,218,306</u>
<b>Total funds</b>	<u><u>21,060,883</u></u>	<u><u>11,429,853</u></u>	<u><u>(11,816,567)</u></u>	<u><u>-</u></u>	<u><u>6,458,000</u></u>	<u><u>27,132,169</u></u>

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

**Restricted funds**

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

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The balance is unspent funds at the year end.

The Other DfE Group grants consist of Universal Infant Free School Meals (UIFSM), PE Sports Grant, National Tutoring Programme and ESFA Supplementary grant income.

Other government grants consist of Apprenticeship funding and a Special Education Needs and Disability (SEND) unit startup grant. The balance mainly relates to School 2 School Support, SEND unit startup funding and looked after children income.

Other income consists of catering income and moderation income. The balance consists of insurance

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 18. Statement of funds (continued)

income, SSIF round 1 & 2 and Enthuse Bursary funding.

COVID-19 additional funding (DfE/ESFA) consists of catch-up and recovery premium to support children and young people catch up lost time after school closure.

COVID-19 additional funding (non-DfE/ESFA) consists of Coronavirus Job Retention Scheme income and mass testing funding allocated under the National Testing Programme to support with the costs incurred conducting on-site testing. The balance relates to unspent mass testing funding.

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

#### **Restricted fixed asset funds**

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

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

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

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

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

Other government grants relates to SEND unit funding received in relation to the development of an enhanced resource base for pupils with Communication and Interaction needs on the Thomas Estley Community College site. The closing balance relates to the net book value of the assets concerned plus the balance of unspent income.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	489,435	346,633	(314,236)	-	-	521,832
Learning alliance	309,152	282,007	(187,554)	-	-	403,605
	<u>798,587</u>	<u>628,640</u>	<u>(501,790)</u>	<u>-</u>	<u>-</u>	<u>925,437</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	922,157	7,992,072	(7,349,065)	(168,649)	-	1,396,515
Pupil Premium	35,272	308,667	(279,577)	-	-	64,362
Teachers pension grant	-	302,676	(302,676)	-	-	-
Other DfE Group grants	5,652	383,374	(387,802)	-	-	1,224
Teaching school	-	40,000	(40,000)	-	-	-
Special educational needs	-	231,650	(231,650)	-	-	-
Other government grants	76,854	74,484	(53,714)	-	-	97,624
Other income	19,902	176,440	(113,812)	-	-	82,530
Parental Contributions	1,197	21,484	(22,681)	-	-	-
COVID-19 additional funding (DfE/ESFA)	-	151,150	(91,741)	-	-	59,409
COVID-19 additional funding (non DfE)	-	43,653	(43,653)	-	-	-
Pension reserve	(5,192,000)	-	(507,000)	-	(1,035,000)	(6,734,000)
	<u>(4,130,966)</u>	<u>9,725,650</u>	<u>(9,423,371)</u>	<u>(168,649)</u>	<u>(1,035,000)</u>	<u>(5,032,336)</u>

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds (continued)**

**Restricted fixed asset funds**

DfE Group capital grants	1,571,722	503,200	(193,077)	-	-	1,881,845
Transfer from ESFA	3,579,118	-	(62,890)	-	-	3,516,228
Transfer from Local Authority	16,043,007	-	(279,885)	-	-	15,763,122
Local Authority donation	2,595,606	-	(54,723)	-	-	2,540,883
Capital expenditure from GAG	1,134,102	-	(186,400)	168,649	-	1,116,351
Other government grants	20,322	344,821	(15,790)	-	-	349,353
	<u>24,943,877</u>	<u>848,021</u>	<u>(792,765)</u>	<u>168,649</u>	<u>-</u>	<u>25,167,782</u>
<b>Total Restricted funds</b>	<u>20,812,911</u>	<u>10,573,671</u>	<u>(10,216,136)</u>	<u>-</u>	<u>(1,035,000)</u>	<u>20,135,446</u>
<b>Total funds</b>	<u><u>21,611,498</u></u>	<u><u>11,202,311</u></u>	<u><u>(10,717,926)</u></u>	<u><u>-</u></u>	<u><u>(1,035,000)</u></u>	<u><u>21,060,883</u></u>

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Thomas Estley Community College	2,130,205	1,893,407
Cosby Primary School	251,956	277,658
Richmond Primary School	344,162	184,667
Hallbrook Primary School	210,393	175,541
Central Services	177,042	95,828
	<u>3,113,758</u>	<u>2,627,101</u>
Total before fixed asset funds and pension reserve	3,113,758	2,627,101
Restricted fixed asset fund	25,109,411	25,167,782
Pension reserve	(1,091,000)	(6,734,000)
<b>Total</b>	<u><u>27,132,169</u></u>	<u><u>21,060,883</u></u>

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2022 £</b>	<i>Total 2021 £</i>
Thomas Estley Community College	3,539,406	933,818	70,254	695,933	<b>5,239,411</b>	5,096,281
Cosby Primary School	819,999	214,058	37,699	188,985	<b>1,260,741</b>	1,068,422
Richmond Primary School	1,790,114	213,102	51,655	357,167	<b>2,412,038</b>	2,214,315
Hallbrook Primary School	707,243	153,959	22,129	146,193	<b>1,029,524</b>	949,077
Central Services	41,056	851,469	-	152,268	<b>1,044,793</b>	597,066
<b>Academy Trust</b>	<b>6,897,818</b>	<b>2,366,406</b>	<b>181,737</b>	<b>1,540,546</b>	<b>10,986,507</b>	<b>9,925,161</b>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	25,071,951	<b>25,071,951</b>
Current assets	913,863	3,048,094	37,460	<b>3,999,417</b>
Creditors due within one year	-	(848,199)	-	<b>(848,199)</b>
Pension scheme liabilities	-	(1,091,000)	-	<b>(1,091,000)</b>
<b>Total</b>	<b>913,863</b>	<b>1,108,895</b>	<b>25,109,411</b>	<b>27,132,169</b>



SUCCESS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	25,167,782	25,167,782
Current assets	925,437	2,515,015	-	3,440,452
Creditors due within one year	-	(813,351)	-	(813,351)
Pension scheme liabilities	-	(6,734,000)	-	(6,734,000)
<b>Total</b>	<u>925,437</u>	<u>(5,032,336)</u>	<u>25,167,782</u>	<u>21,060,883</u>

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

	<b>2022 £</b>	<b>2021 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<u>(386,714)</u>	<u>484,385</u>
<b>Adjustments for:</b>		
Depreciation	<b>830,060</b>	792,765
Capital grants from DfE and other capital income	<b>(641,950)</b>	(848,023)
Interest receivable	<b>(1,171)</b>	(208)
Defined benefit pension scheme cost less contributions payable	<b>698,000</b>	415,000
Defined benefit pension scheme finance cost	<b>117,000</b>	92,000
(Increase)/decrease in stocks	<b>(466)</b>	1,778
(Increase)/decrease in debtors	<b>220,370</b>	82,726
Increase in creditors	<b>34,848</b>	157,865
<b>Net cash provided by operating activities</b>	<u><b>869,977</b></u>	<u><b>1,178,288</b></u>

SUCCESS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**21. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	1,171	208
Purchase of tangible fixed assets	(734,229)	(1,021,900)
Capital grants from DfE Group and other capital income	641,950	848,023
<b>Net cash used in investing activities</b>	<b>(91,108)</b>	<b>(173,669)</b>

**22. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	3,736,638	2,957,769
<b>Total cash and cash equivalents</b>	<b>3,736,638</b>	<b>2,957,769</b>

**23. Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,957,769	778,869	3,736,638
	<b>2,957,769</b>	<b>778,869</b>	<b>3,736,638</b>

**24. Capital commitments**

	2022 £	2021 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	191,271
	<b>-</b>	<b>191,271</b>

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £165,503 were payable to the schemes at 31 August 2022 (2021 - £160,379) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

#### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £851,516 (2021 - £804,707).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**25. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £667,000 (2021 - £614,000), of which employer's contributions totalled £542,000 (2021 - £498,000) and employees' contributions totalled £125,000 (2021 - £116,000). The agreed contribution rates for future years are 27.3 per cent for employers and 5 - 12.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Principal actuarial assumptions**

	<b>2022</b>	<i>2021</i>
	%	%
Rate of increase in salaries	<b>3.55</b>	3.4
Rate of increase for pensions in payment/inflation	<b>3.05</b>	2.9
Discount rate for scheme liabilities	<b>4.25</b>	1.65
Inflation assumption (CPI)	<b>3.05</b>	2.9
Commutation of pensions to lump sums	<b>50</b>	50

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

	<b>2022</b>	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.5</b>	21.7
Females	<b>24.0</b>	24.2
<i>Retiring in 20 years</i>		
Males	<b>22.4</b>	22.6
Females	<b>25.7</b>	25.9

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**25. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>
Discount rate -0.1%	<b>197</b>	314
Salary increase rate +0.1%	<b>18</b>	28
Pension increase rate +0.1%	<b>181</b>	282

**Share of scheme assets**

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Equities	<b>4,579,000</b>	4,030,000
Corporate bonds	<b>2,102,000</b>	2,015,000
Property	<b>676,000</b>	487,000
Cash and other liquid assets	<b>149,000</b>	417,000
<b>Total market value of assets</b>	<b>7,506,000</b>	<i>6,949,000</i>

The actual return on scheme assets was £(10,000) (2021 - £1,203,000).

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 25. Pension commitments (continued)

Expected returns on assets are calculated as follows:

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

#### Asset model

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

Key subjective assumptions are:

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

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

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2021 for the year to 31 August 2022, or date of joining the fund if later).

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

	2022 £	2021 £
Current service cost	(1,240,000)	(913,000)
Interest income	119,000	93,000
Interest cost	(236,000)	(185,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,357,000)</b>	<b>(1,005,000)</b>

**SUCCESS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**25. Pension commitments (continued)**

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

	2022 £	2021 £
<b>At 1 September</b>	<b>13,683,000</b>	<b>10,416,000</b>
Current service cost	1,240,000	913,000
Interest cost	236,000	185,000
Employee contributions	125,000	116,000
Actuarial (gains)/losses	(6,587,000)	2,145,000
Benefits paid	(100,000)	(92,000)
<b>At 31 August</b>	<b>8,597,000</b>	<b>13,683,000</b>

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

	2022 £	2021 £
<b>At 1 September</b>	<b>6,949,000</b>	<b>5,224,000</b>
Interest income	119,000	93,000
Actuarial (losses)/gains	(129,000)	1,110,000
Employer contributions	542,000	498,000
Employee contributions	125,000	116,000
Benefits paid	(100,000)	(92,000)
<b>At 31 August</b>	<b>7,506,000</b>	<b>6,949,000</b>

**26. Operating lease commitments**

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancelable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	2,697	848
Later than 1 year and not later than 5 years	9,441	-
	<b>12,138</b>	<b>848</b>

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## SUCCESS ACADEMY TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 27. Members' liability

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

#### 28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

##### **Expenditure Related Party Transaction**

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

- The Academy Trust purchased cleaning services from Ace Cleaning Company (Leicester) Ltd totalling £1,200 (2021 - £816) during the period. There were no amounts outstanding at 31 August 2022 (2021 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Booley neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook.

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

#### 29. Connected charities

The Friends of Cosby School (charity number 1042888) raises money for the Academy Trust and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy Trust. The charity's net assets at 31 August 2022 were £1,115. The charity's annual gross income was £8,220 (2021 - £3,507), its expenditure was £10,696 (2021 - £1,343) and its deficit for the year was £2,476 (2021 - Surplus £2,164).

The Friends of Richmond School (charity number 1151562) raises money for the Academy Trust and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy Trust. The charity's net assets at 31 August 2022 were £8,657. The charity's annual gross income was £3,882 (2021 - £451), its expenditure was £1,305 (2021 - £357) and its surplus for the year was £2,577 (2021 - £94).