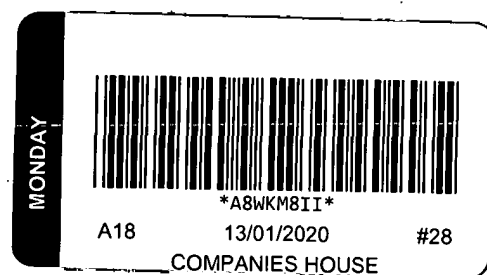


Rightforsuccess Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
08282834 (England and Wales)



Rightforsuccess Trust

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Rightforsuccess Trust

Reference and Administrative Details

Members	J Roche-Kelly R Shand (<i>resigned 4 October 2018</i>) V Pritty (<i>resigned 5 October 2018</i>) A Berry (<i>appointed 30 November 2018</i>) G Attfield (<i>resigned 30 November 2018</i>) P Clarke (<i>appointed 19 July 2019</i>) S Coward (<i>resigned 5 September 2019</i>)
Trustees	J Roche-Kelly, Chair of Trustees P Clarke, Vice Chair of Trustees (<i>resigned 19 July 2019</i>) J Middleton (<i>resigned 3 September 2019</i>) G Sadler (<i>resigned 9 October 2019</i>) S Stavers S Riseborough D Evans (<i>appointed 11 January 2019</i>) P Jones (<i>appointed 21 January 2019</i>) G Hand (<i>appointed 24 January 2019</i>) N Bloomfield (<i>appointed 24 January 2019</i>) D Pollock (<i>resigned 30 April 2019</i>) H Cabbage (<i>appointed 4 October 2019</i>) R Hammond (<i>appointed 17 December 2019</i>) S Bron (<i>appointed 17 December 2019</i>)
Company Secretary	P Beecher (<i>appointed 1 October 2019</i>)
Senior Management Team	D Evans, Chief Executive (<i>interim from 1 September 2018, substantive from 11 January 2019</i>) D Pollock, Director of Performance (<i>retired 30 April 2019</i>) C Jones, Director of Education (<i>appointed 3 June 2019</i>) P Beecher, Director of Finance A Jordan, Director of People
Company Name	Rightforsuccess Trust
Principal and Registered Office	Sewell Park Academy St Clements Hill Norwich Norfolk NR3 4BX
Company Registration Number	08282834 (England and Wales)
Independent Auditors	Price Bailey LLP Chartered Accountants Anglia House No. 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich NR7 0HR
Bankers	Barclays 3 St James Court Whitefriars Norwich NR3 1RJ
Solicitors	Steeles Law Lawrence House 5 St Andrews Hill Norwich NR2 1AD Birketts Solicitors Kingfisher House 1 Gilders Way Norwich NR3 1UB

Rightforsuccess Trust

Trustees' Report

Overview

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Rightforsuccess Trust (hereafter the Trust) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates two Secondary Academies, seven Primary Academies and one Specialist Academy in Norfolk and another Specialist Academy in Suffolk. At the October 2019 census the Secondary Academies had a capacity of 2,817 and a roll of 1,816; the Primary Academies had a capacity of 1,895 and a roll of 1,252; the Specialist Academy in Norfolk has a capacity and roll of 54 day pupils Academy for boys and the Specialist Academy in Suffolk has a capacity of 175 and a roll of 175.

Principal Activities

The Trust's activities are specifically restricted to the following: to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum in its academies and specialist educational provision for pupils with special education needs in the specialist academies.

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 Trustees of Rightforsuccess Trust are also the directors of the charitable company for the purposes of company law. For the purposes of this report, the term Director is used to refer to members of the Trust's Senior Management Team. During the year ended 31 August 2019 two employees; the Chief Executive and the Director of Performance, also acted as Trustees during the year.

The Trust was incorporated on 6 November 2012 and commenced trading on the 1 December 2012 as "Eaton Hall Academy Trust Limited", before changing its name to "Rightforsuccess Trust" from 16 October 2013, becoming a Multi-Academy Trust upon the conversion of Stalham Academy. As at 31 August 2019 the Trust comprised of the following Academies:

- Eaton Hall Specialist Academy (converted to an Academy at the Trust's inception on 1 December 2012);
- Stalham Academy (converted to an Academy and joined the Trust on 1 May 2014);
- Edith Cavell Academy (converted to an Academy and joined the Trust on 1 July 2014);
- Tuckswood Academy & Nursery (converted to an Academy and joined the Trust on 1 March 2015);
- Sewell Park Academy (converted to an Academy and joined the Trust on 1 September 2015);
- Martham Academy (existing Singel Academy Trust which joined the Trust on 1 October 2017);
- Sprowston Community Academy (converted to an Academy and joined the Trust on 1 February 2018);
- Stone Lodge Academy (existing Single Academy Trust which joined the Trust on 1 April 2018);
- St Clements Hill Primary Academy (free school handed over to the Trust on 3 September 2018);
- East Ruston Infants School (converted to an Academy and joined the Trust on 1 August 2019); and
- Stalham Infants School (converted to an Academy and joined the Trust on 1 August 2019);

Rightforsuccess Trust – Trustees Report

The operation of The Trust's Academies and employment of staff is delegated by the Members of the Trust to the Board of Trustees. The organisational structure of the Trust is set out in detail in the relevant section of this report. Details of the Trustees who served during the year ended 31 August 2019 are included in the Reference and Administrative Details section on page 2.

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 amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice, the Multi-Academy Trust has purchased insurance through Zurich Municipal which encompasses all relevant insurance including Trustees third party indemnity provision.

Method of Recruitment and Appointment or Election of Trustees

The Members of the Trust are responsible for the affairs and management of the Trust which encompasses the appointment or resignation of Trustees by ordinary resolution. The Board of Trustees may also co-opt Trustees in line with the Trust's Articles of Association. The Secretary of State may appoint Trustees in exceptional circumstances. No appointments have been made by the Secretary of State since the Trust's incorporation on the 6 November 2012. Every person nominated to be a Trustee is required to sign a written consent to become a Trustee. Any Trustee may resign provided that after such resignation the number of Trustees is not less than three, and that Directors, that is Trustees who are paid individuals within the Trust's senior management team, comprise no more than one third of the Trustees. The Trust uses the academy ambassadors website, networking events and links with local recruitment specialists to identify prospective Trustees.

During the period from 1 September 2018 to the signing date of the financial statements two Members have been appointed and four resigned from their roles.

During the period from 1 September 2018 to the signing date of the financial statements seven Trustees have been appointed and four Trustees resigned from their roles.

Policies and Procedures Adopted for the Induction and Training of Trustees

As part of the co-opting process prospective Trustees are invited to attend a Trust board meeting as non-voting participants to allow the Board of Trustees to assess whether the prospective Trustees are able to contribute effectively. New Trustees are required to attend a training session provided annually by Birketts Solicitors, on behalf of the Trust as well as being provided with key documentation including the Trust's governance map, Charities Commission: The Essential Trustee, DfE Competency Framework for Governance, the Academies Financial Handbook and the Trust's Governance Handbook. New Trustees are also supported to identify any training needs through the completion of the National Governance Association's skills matrix.

Organisational Structure

The Board of Trustees manages the Trust and while they are able to exercise all the powers of the Trust, they have delegated authority for day-to-day operational decision making to the Trust's senior management team which is defined below. The Members support and monitor the Board of Trustees with an "eyes on and hands off" approach. The aim of the current structure in place is to devolve responsibility, increase accountability and encourage involvement in decision making at the appropriate level.

Chief Executive

The appointed Chief Executive oversees affairs and management of the Trust. It is the responsibility of the Chief Executive to oversee the day-to-day management of the Trust and its activities and to ensure that the Trust's objectives are met. The Chief Executive reports and seeks approval for management decisions made on behalf of the Trust in accordance with the scheme of delegation set by the Trust. The Chief Executive is also the 'Accounting Officer'. The Chief Executive is also a Trustee and attends Board of Trustees meetings.

Rightforsuccess Trust – Trustees Report

Board of Trustees

All Trustees are responsible for maintaining the Trust's ethos. They ensure that each governing body reviews income and expenditure against an annual budget at least termly during the year. They monitor the financial positions of each Academy and the use of budgets and decision making appropriate to each Academy's direction and appointments of staff. The Trustees are responsible for ensuring that the local governing bodies evaluate/monitor the day-to-day operation of each Academy, setting the strategic direction (in line with the Trust's objectives) related to operational matters, and monitor the performance of the Senior Management Team on a regular basis. The Board of Trustees meets at least six times a year in line with ESFA recommended best practice.

Committees of the Board of Trustees

The Board of Trustees has delegated specific responsibilities to three committees which report directly back to the Board of Trustees. These are the Finance & Resources Committee, Audit & Risk Committee and Remuneration Committee. Each committee has specific Terms of Reference setting out its roles and responsibilities. The purpose of these committees is to assist the Trust in fulfilling its oversight responsibilities. The Trust's Senior Management Team will attend these meetings as required to ensure that the committees are able to fulfil their Terms of Reference appropriately and provide the necessary recommendations and assurance to the Board of Trustees. At the October 2019 meeting the Board of Trustees approved the Terms of Reference for an Education Committee which will meet three times a year, beginning in November 2019. School Governance Teams at each academy will report directly to the Education Committee.

School Governance Teams

During the year the Trust reviewed its governance arrangements through a working group comprised of Trustees, Governors and senior staff. After three working group meetings and taking into consideration the latest research by the National Governance Association and ESFA recommendations, the working group made numerous recommendations to the Board of Trustees which included the replacement of Local Governing Bodies with School Governance Teams who would have a much narrower purview, focusing purely on educational outcomes and performance.

Senior Management Team

The Trust's Senior Management Team is defined as all personnel within the Trust's Executive Team listed on page 2.

Arrangements for setting pay and remuneration of key management personnel

The Trust's key management personnel comprises the Trustees and the Trust's Senior Management Team.

The Trustees who are not employees receive no remuneration for their roles but are able to claim for reimbursement of expenses and subsistence costs they incur through conducting their roles. The Trustees who are also employees receive remuneration for their roles as employees only. For members of the Senior Management Team salaries are proposed by the Chief Executive and presented for approval by the Trust's Remuneration Committee. In the case of the Chief Executive the Remuneration Committee will conduct the performance review and make a recommendation to the Board of Trustees.

Specific details of the remuneration of Trustees are set out in Note 11 of the Financial Statements. Where the Senior Management Team are on teachers' pay and conditions, salaries are set and reviewed in accordance with the School Teachers' Pay and Conditions Document. Where the Senior Management Team are not teachers their salaries are set in accordance with Local Government Pay scales. The pay of all key management personnel is reviewed at least annually.

Furthermore, to ensure that the salaries of the Trust's executive team are in line with the academies sector, the Trust has commissioned an independent review of senior salaries by a third party recruitment consultancy firm which will report its findings to the Board of Trustees and used to inform decisions made by the Remuneration Committee.

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Trade Union Facility Time

As the Trust had more than 49 full time equivalent employees throughout any 7 months of the year ended 31 August 2019 it is required to report the following under the provisions of the Trade Union Regulations 2017.

Relevant Union Officials:

Employees who were union officials during the year ended 31 August 2019 by Headcount	Employees who were union officials during the year ended 31 August 2019 by Full Time Equivalent
3	2.76

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	0
1% to 50%	3
51% to 99%	0
100%	0

Percentage of time spent on facility time:

Total cost of facility time	£6,592
Total pay bill	£13,772,560
Percentage of total pay bill spent on facility time	0.05%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	10%
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Related Parties and other Connected Charities and Organisations

In addition to the eleven academies the Trust oversees, the Trust is a Sponsor of other Academies and continues to work with the DfE and Norfolk County Council sponsoring local schools. The aim of this is to support the raising of attainment and outcomes for young people in the local educational environment by creating families of schools who work closely together for improving standards of teaching, learning and achievement.

Eaton Hall Specialist Academy is the founding academy within the Trust and is the lead academy of the Norwich Teaching School Alliance, which supports the development of strengthening education across pupils aged from 4 to 18, with the objective of raising achievement across Norfolk and, in particular, to work with the Local Authority for those schools that require improvement under the Ofsted process.

Relationship between the Rightforsuccess Trust and the Norwich Teaching School Alliance

To become an accredited Teaching School, the lead school within the Trust needs to be rated at least Outstanding or Good by Ofsted and must meet stringent National criteria. Eaton Hall Specialist Academy fully meets these national criteria and is thus commissioned by the National College for Teaching and Leadership and the DfE to deliver "The Big Six" National Criteria.

These cover the areas of Initial Teacher Training; Leadership and Management at all levels from Teachers through to Headteachers and Governors; Continued Professional Development; School to School Support; Research and Development; the provision of Specialist Leaders of Education and System Leaders. At any one time a Teaching School will specialise and focus on specific areas. The Norwich Teaching School has majored on each of the Big Six since its inception. Through National and Local evaluation the Norwich Teaching School has fully met the stringent criteria set for teaching schools. In addition, through local arrangements the Teaching School is a fully participative member of the Norfolk Schools and the Supporting

Rightforsuccess Trust – Trustees Report

Norfolk Schools initiative that involves collaboration between the Norfolk Teaching Schools, the Local Authority, Headteacher associations and the National College. The Teaching School also currently chairs the Anglian Workforce Development Group (the National College for Teaching and Learning regional co-ordinating group for Peterborough, Cambridgeshire, Norfolk and Suffolk). The Trust was also successful in obtaining a bid for creation of an aspiring Teaching School based at Stalham Academy during the year.

Equal Opportunities and Disabled Persons

The Trust is a committed equal opportunities employer and has a Single Equality Scheme policy, which includes accessibility plans, that bring together the Trust's statutory duties in relation to race, disability, gender and promoting community cohesion. This includes supporting the employment of disabled persons, both in recruitment and retention of employees who become disabled whilst in the employ of the Trust, as well as generally through training and career development. The policy is available on each academy website. During the year, to introduce, maintain and develop arrangements to provide information and consult employees on matters affecting them, the Trust has continued to engage proactively and positively with union representatives holding formal termly meetings, reviewing its disability procedures as necessary.

Objectives and Activities

Objects and Aims

The Rightforsuccess Trust's mission statement is: To improve life chances for all pupils.

To achieve this it is essential that the Trust continues to develop the Rightforsuccess approaches to teaching and learning, academy improvement and academy leadership.

Objectives, Strategies and Activities

During this year the Trust has worked toward achieving this vision by:

- Developing a structure that supports outstanding teaching and learning across the academies within the Trust by sharing best practice;
- Continuing to lead the Norwich Teaching School Alliance and playing an active role in the wider Norfolk Teaching School Alliance. The Teaching School is the key improvement tool of the Trust for supporting academy improvement; and
- Developing and expanding leadership capacity within the Trust and its academies.

Public Benefit

Success in working towards the Trust's vision can be seen by the following:

- The success of Trust academies in improving outcomes for pupils and the development of outstanding practice in teaching and learning and assessment;
- The support given by Trust leaders to academies within the Trust and to a wider group of schools that is highly regarded for being effective in bringing about school improvement; and
- The ability of the Trust to be able to manage successful delivery of a new Free School, be successfully awarded another Specialist Free School as part of a competitive tendering process and to manage additional academy conversions.

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

Strategic Report

Achievements and Performance

The Trust has continued its mission to improve the life chances for all pupils. The 2018/19 academic year has seen some significant activity with one free school opening and two additional academies joining the Trust.

Specific achievements were as follows:

Eaton Hall Specialist Academy had its annual residential Ofsted receiving an Outstanding result which is in line with its Outstanding rating from its full Section 8 report in March 2018.

Through a competitive tendering process, as part of Norfolk County Council's increased investment in high needs and specialist provision, the Trust has been awarded the responsibility for creation of a new Specialist Resource Base (SRB), to be based at Edith Cavell Academy, and a new Free School to be based in Great Yarmouth that will cater for boys with social, emotional and mental health special needs, which will open in 2021.

The Trust free school, St Clements Hill Academy, was handed over to the Trust by the DfE on 3rd September 2018 and opened to its first pupils later that week. The school has had several post opening visits from the DfE in line with normal free school post opening requirements with the feedback being very positive; reflecting the hard work of the staff as they welcomed more pupils in the September 2019 intake.

Two local authority maintained schools, East Ruston Infants School and Stalham Infants School, which collectively formed the Dragonfly Federation, voted to convert to academies and join the Trust during the year. The Trust had been supporting both schools since the beginning of the 2018/19 academic year, and both schools converted and joined the Trust on 1st August 2019.

Key Performance Indicators and Examination Outcomes

Stalham has continued to deliver outstanding results at Key Stage 2 SATS in terms of attainment and while other academy SATS results have dipped compared to prior years, progress scores were positive, particularly at Tuckswood where progress in reading was "Well above average" with progress in writing and maths both "Above average". At Key Stage 4 both Sewell Park and Sprowston both continued to make impressive strides forwards in Progress 8, with Sprowston very close to national. With the addition of Clare Jones as Director of Education and the restructuring of leadership capacity across both secondaries adding to the Trust's school improvement capacity along with the Head of Educational Improvement and the support of the Norwich Teaching School, these positive trends are expected to continue and accelerate.

Key Stage 2

Academy	17/18 Year 6 SATS	18/19 Year 6 SATs	17/18 Overall Attendance	18/19 Overall Attendance	Number on Roll in 18/19
East Ruston Infants School	-	-	-	96.9%	33
Edith Cavell Academy	62%	59%	95.1%	94.2%	179
Martham Academy	64%	42%	95.6%	95.6%	353
Stalham Academy	84%	81%	96.2%	95.9%	248
Stalham Infants School	-	-	-	93.9%	86
St Clements Hill Academy	-	-	-	96.4%	21
Tuckswood Academy	80%	57%	95.5%	93.9%	301
National Average	64%	65%	96.0%	96.4%	N/A

Key Stage 4

Academy	17/18 Figure for Progress 8	18/19 Figure for Progress 8*	17/18 Overall Attendance	18/19 Overall Attendance	Number on Roll in 18/19
Sewell Park Academy	-0.37	-0.17	92.4%	93.8%	493
Sprowston Academy	-0.23	-0.08	94.1%	93.7%	1,048

* DfE un-validated at the time of writing.

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Going Concern

With a cumulative revenue deficit of £0.18m the Trust is in a challenging financial situation as a result of fundamental funding issues relating to a lag in general annual grant funding and underfunding of high needs at Stone Lodge, both of which are set out in more detail in the Financial Review below, as well as the same sector wide issues that every academy trust faces.

The Trust has proactively engaged with the ESFA over the last 12 months and highlighted that a failure to resolve these two fundamental funding issues would result in the Trust ending the year with a cumulative deficit and, as a consequence, material uncertainty around its ability to continue as a going concern, particularly given the significant increase in the magnitude of the lag in general annual grant funding forecast in 2019/20.

As a result of this proactive engagement, a very positive SRMA visit and a detailed, evidence based financial recovery plan the ESFA confirmed that it would move three of the Trust's academies to estimate funding for 2019/20 to address the significant general annual grant funding lag. Combined with the Regional Schools Commissioners' approval of the outward transfer of Stone Lodge academy to another Trust on 1 November 2019, the Trust has now resolved these two fundamental funding issues.

As part of the process for applying for estimate funding the Trust prepared a financial recovery plan which was reviewed by the SRMA and ESFA with neither requiring any amendments to it. The financial recovery plan forecasts a return to a cumulative revenue surplus in 2020/21 with receipt of estimate funding. However, the financial recovery plan was prepared before the Trust received confirmation that it would receive School Condition Allocation from April 2020 and was awarded responsibility for a new Specialist Free School in Great Yarmouth, to open in September 2021. As well as both being significantly favourable financial factors, the awarding of the Free School highlights the regulators' confidence in the Trust as a going concern over the long term.

On this basis, after making appropriate enquiries and receiving confirmation of the ESFA's approval of estimate funding, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to prepare the Financial Statements on a going concern basis while recognising and acknowledging that if the current funding structure for education provision remains unchanged, then there is an increasing challenge in respect of financial sustainability in the longer term. Further details regarding the adoption of the going concern basis can be found in Note 1 of the Financial Statements.

Financial Review

Despite improvements in financial sustainability in all areas the Trust's financial position has deteriorated as a result of pressure from three main sources: pay inflation, structural underfunding of Stone Lodge academy and a lag in General Annual Grant funding due to increased pupil numbers. The first two were factors last year while the third is a new pressure that has arisen in the current year. Taking each in turn:

- Pay Inflation continues to be a sector wide issue with lower than inflation rises in income compounded by greater than inflation rises in pay. While increases in the rate of teaching pay inflation have been mitigated by additional government funding, through the Teachers' Pay Grant, there has been nothing similar to address the above inflation increases in support staff pay and year-on-year increases in Local Government Pension Scheme employers' contribution rates.
- Structural underfunding of Stone Lodge by Suffolk County Council in respect of high needs top up funding has continued, calculated at £483k for the year based on Suffolk County Council's own published documents. In addition, unlike last year Suffolk County Council have also underfunded the number of high needs places, funding 166 while Stone Lodge has had on average 172 pupils in place across the year, amounting to a further £60k of underfunding, taking the total in-year to £543k of underfunding.
- Lag in General Annual Grant (GAG) funding results from the fact that the income for Trust's mainstream schools during the 2018/19 academic and financial year is based on their October 2017

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pupil census. This effectively means that the Trust's schools are funded for the 2018/19 academic and financial year based on the number of pupils they had in the 2017/18 academic and financial year. Consequently when there is a significant increase in pupils from one year to the next this can result in significant financial pressure due to the year-long funding lag. For 2018/19 the funding lag amounted to £289k.

The financial pressure from these three areas saw the Trust generate an in-year deficit of £0.65m before transfers of £0.20m of revenue reserves to fund capital purchases. This compares to an in-year revenue surplus of £0.12m before transfers of £1.79m of revenue reserves to fund capital purchases in the prior year.

In respect of capital expenditure the Trust has continued to invest in strategic and tactical improvements to its sites and facilities utilising CIF and other capital funding opportunities to ensure the fabric of its buildings and sites are safe, warm and dry as well as providing a positive and stimulating educational environment with the right equipment.

As a result of these factors the Trust has ended the year with a cumulative revenue deficit of £0.18m. The Trust raised the issue that it was forecasting to move to a cumulative deficit position with the ESFA in December 2018 once it became clear that a timely resolution to the underfunding of Stone Lodge would not be forthcoming and that the level of GAG lag was such that the Trust's reserves would be insufficient to absorb it.

While the transfer of Stone Lodge from the Trust to another academy trust, which includes an academy that was overfunded by Suffolk County Council, allowing that academy trust to internally manage the high needs funding inequity, on 1 November 2019 has resolved one particular financial challenge going forwards, the year-on-year increase in pupil numbers is accelerating. This is a particular issue across the Trust's secondary schools, such that the GAG lag in 2019/20 will increase from £289k to over £900k, based on financial modelling of actual October 2019 census figures against GAG funding formulae. The Trust has been engaged with the ESFA since December 2018 regarding a sensible resolution to this financial challenge having identified the likely significant increase in funding lag based on forecast pupil numbers at that time.

Primary Sources of Funding

The principal source of funding for the Trust continues to be the Education and Skills Funding Agency (ESFA) General Annual Grant (GAG). For the year ended 31 August 2019 the total GAG funding received was £14.96m. Each academy within the Trust receives its funding directly from the ESFA. The majority of this restricted funding is utilised employing academy staff, both teaching and support, to ensure that the academic and social objectives of the Trust are achieved. Other funding streams include other ESFA grants, such as Pupil Premium, PE Grants, Free School Start Up Grants, the new in-year Teachers Pay Grant and Local Authority Grants.

Pupil Premium is additional funding available to publicly funded schools and academies to raise the attainment of disadvantaged pupils and close the gap between them and their peers. The Trust has ensured that this funding has been used to demonstrate best value for money in each academy, and can demonstrate its successful application through academic progress of specific pupils as well as the wider social and emotional wellbeing of children and families. Further details of the outcomes from Pupil Premium can be seen in detail on the respective Academy websites.

Academy Conversion Grants are provided by the ESFA, to financially assist with the many costs associated with the conversion of a local authority school. No grants are received in respect of acquisitions of existing academies joining the Trust, even though the costs associated with this process are typically higher than with the conversion of a maintained school.

Local Authority Grant income received in the year relates to a range of needs, including funding for Early Years Nursery, and Looked After Children, Boarding provision at Eaton Hall and High Needs Top Up funding for Eaton Hall and Stone Lodge academies that cater for children with educational, behavioural and development needs for Eaton Hall and moderate learning difficulties for Stone Lodge.

Financial Policies and Regulations

In accordance with ESFA requirements the Trust has in place the following key policies and regulations:

- Financial Regulations
- Anti-Bribery & Anti-Corruption Policy
- Bad Debt Policy
- Budget Setting Policy
- Business Continuity and Risk Management Policy
- Fixed Assets Policy

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- Investment Policy
- Pay Policy
- Reserves Policy
- Expenses Policy
- Whistleblowing Policy

Reserves Policy

The Trust has a Reserves Policy. The Trust's responsibility to review its reserve levels annually is an inherent part of this policy. This review encompasses the nature of income and expenditure streams, the need to match these with commitments and the nature of the reserves. The Board of Trustees has delegated this annual review to the Finance Committee. The Committee is required by the Trust to determine the appropriate levels of free reserves and recommend these to the Board of Trustees for approval, where it feels a change is required.

Trusts have the freedom to amalgamate their General Annual Grant (GAG) funding from all their academies to form one central fund and are expected to create reserves from this, this practice is referred to as "GAG pooling". The Trust does not amalgamate GAG at source, as this would be dilutive towards understanding each academy's financial viability, but it has instituted a mechanism for holding surplus reserves centrally to fund strategic projects which increase academy capacity, improve educational outcomes, recurrently increase income or recurrently reduce expenditure that individual academy reserves would be otherwise insufficient to fund.

The Trust holds two free reserves which are Capital and Revenue. The Trust has determined that the appropriate level of free reserves for the Trust should be set to not lower than £0.10m, to provide a contingency to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of revenue reserves (total funds less the amount held in fixed assets, pension and other restricted funds) is a net deficit of £0.18m, which is comprised of a surplus of £0.10m of free unrestricted revenue reserves and a deficit of £0.28m of restricted revenue reserves. The Trust's current restricted fixed asset reserve is £73.58m, the restricted pension reserve is negative £9.73m (see "Pension Deficit" section on page 11 for further details). This gives a total level of reserves at the year ended 31 August 2019 of £63.67m.

Investment Policy

The Trust has an Investment Policy. The objective of this policy is to invest the organisation's surplus cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment and that there is adequate cash held in other accounts to cover the Trust's day-to-day operational cashflow requirements. The policy aims to invest cash such that the organisation's cash balances and liquid investments at least equal the figure outlined in the reserves policy, for the minimum balance of free reserves.

The policy sets out its objectives as follows:

- To invest all operationally surplus cash in financial instruments that are appropriate for the Trust's risk appetite in a way that does not create unnecessary cashflow pressure;
- To ensure that sufficient cash balances are available at short or no notice to meet foreseeable requirements;
- Earn an acceptable rate of return on invested funds without exposure to undue risk;
- Comply with the Trust's Articles of Association.

In line with its current risk appetite, the Trust only invests in zero risk, high interest accounts with Barclays. During the year, £0.60m invested in a fixed term, zero risk account matured in February 2019 paying out at a rate of interest, above the Bank of England base rate, and achieving the Trust's investment objectives. However, due to the Trust's diminished cash reserves as a result of the financial pressures, described in the Financial Review on page 9, it is highly unlikely that the Trust will be able to engage in any meaningfully significant investment activity in the short to medium term.

Principal Risks and Uncertainties

The Trust has a comprehensive Risk Management & Business Continuity Policy, which incorporates the latest best practice, and maintains detailed risk registers for each of the following areas:

- Strategic;

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- Governance;
- Educational;
- Estates (including Health & Safety);
- Information Technology;
- Financial; and
- HR

These risk registers identify the major risks to which the Trust and its academies are exposed, identifying actions and procedures to mitigate those risks and detailing the business continuity response and actions were the risk ever to crystallise.

The risk registers are monitored by the Trust's Executive Team with risks reported to the Audit & Risk Committee and Board of Trustees depending upon their unmitigated severity. The objectives for managing risk across the Trust and academies are:

- Comply with risk management best practice and the Academies Financial Handbook;
- Ensure risks facing the Trust and its academies are identified and documented appropriately;
- Provide assurance to the Members that risks are being adequately controlled and monitored within acceptable limits and identify areas for improvement; and
- Ensure action is taken appropriately and in a timely fashion in relation to accepting, reducing, avoiding and transferring risks.

Pension Deficit

Under the current accounting standards for the Local Government Pension Scheme, FRS102, the Trust recognised a pension fund deficit of £9.73m as at 31 August 2019, which is a increase in the deficit of £5.07m compared to the prior year figure of £4.66m. The recognition of this deficit has no direct impact on the free reserves of the Trust.

The £5.07m adverse movement in the pension fund deficit results from the following:

- a increase in pension obligations of £7.57m, from £15.38m in 2017/18 to £22.95m in 2018/19; and
- an increase in the pension assets of £2.50m, from £10.72m in 2017/18 to £13.22m in 2018/19.

These movements are principally due to changes to actuarial remeasurements of financial assumptions, which are used to assess the value of future pension obligations and the expected return on pension fund assets. Changes to actuarial assumptions and a sensitivity analysis of these are included in Note 28. The effect of business combinations, related to the conversion of East Ruston and Stalham Infants, resulting in the transfer of pensions scheme assets (£0.52m) and obligations (£0.74m) at the point of conversion, have also contributed towards the adverse movement in the net pension deficit.

The increase in the pension deficit, as a result of these movements, will not have any immediate effect on the Trust in terms of cashflow as the employer's contribution rates are set on a triennial basis, with the maximum annual change in employer's contribution rates limited to 0.5%, which is a reduction from the previous stabilisation limit of 1%. The reduction in the stabilisation limit is a result of the government intervening in several failed academy trusts nationally, giving the actuary confidence that academy trusts can be treated the same as local authorities, which have a 0.5% stabilisation limit. The most recent valuation was undertaken as at 31 March 2019, with the first changes required to the employer's contribution rate due to take effect from 1 April 2020. The results from this most recent valuation are not yet known.

Finally, much has been made of the potential impact of the McCloud judgement on pension funds, particularly by the auditing profession, necessitating additional costs in relation to the FRS 102 reports this year as auditors held the view that the impact of including McCloud would be material to the pension deficit. However, review of the FRS 102 reports for Norfolk and Suffolk confirms that the impact of including McCloud resulted in an adverse movement of only £0.08m, compared to the prior year.

Liquidity and Credit Risk

As a result of the financial pressures as set out in the Financial Review on page 9, the Trust's cash position has deteriorated compared to prior years. With the Trust ending the year with a cumulative deficit position the positive cash balance at the year end is principally driven by the timing of Condition Improvement Funding income and associated cash inflows being four months or so in advance of the corresponding expenditure and associated cash outflows. However, as set out in the Going Concern statement on page 9, with the Trust having secured estimate funding for three of its schools for the 2019/20 academic year, while working capital

Rightforsuccess Trust – Trustees Report

will continue to require careful management the Trust does not view itself as having a high liquidity risk. As the Trust held no investment products at the end of the year and, due to its diminished cash reserves, is not expecting to hold any investments over the short to medium term, the Trust has assessed itself as having no exposure to any credit risks. Assessment of these risks forms part of an ongoing process that takes into account any relevant internal and external information as well as the Trust's short, medium and long term plans to deliver its strategic objectives.

Raising Funds

The Trust's fundraising is currently limited to "Parent Teachers Association" style events such as cake sales and petition of charitable organisations for support with non-recurrent fixed asset investments, specifically during this year with significant contributions towards two minibuses for Eaton Hall and Stone Lodge academies. The Trust does not have a formal fundraising team or function and does not engage any professional fundraisers. The Trust also raises funds through non-uniform days for other charitable causes.

Fundraising that does take place is in direct liaison with Headteachers and other educational staff who also monitor such activity to ensure at no point does it become unreasonably intrusive or persistent and that there is no undue pressure for donations to be made. The Trust is not aware of any complaints that have been made to it regarding any of its fundraising activities.

Plans for Future Periods

The Trust intends to continue working as a collaborative and effective partner with its stakeholders following on from the successful transfer of Stone Lodge to another Suffolk based academy trust, the conversion of East Ruston and Stalham Infant Schools and the awarding of the new SEMH free school to be built in Great Yarmouth. This last item will draw on the Trust's experiences in opening the St Clements Hill free school this year and the Outstanding Ofsted rating that Eaton Hall Specialist Academy received, which will act as a "sister school" to the new SEMH free school.

The Trust will continue to build upon the positive working relationships it has developed with other local academy trusts, both through the CFO network the Trust has worked to set up and the Trust's various work streams with Crown Commercial Services.

The new organisational strategy has been implemented and a Workforce Forum has been created with representatives from all academies and service areas to ensure as broad a spectrum of views and thought as possible for identifying and addressing staff concerns going forwards.

The Norwich Teaching School is continuing to support academies and local authority maintained schools alike. The Trust is disappointed that despite receiving funding for an aspiring Teaching School based at Stalham Academy, the Government is re-designing Teaching School provision across the country with the replacement of small individual Teaching Schools with larger and more regionally based Teaching School Hubs. The Trust's Teaching School is actively working with stakeholders in this area, including other Norfolk Teaching Schools, to ensure that it is as well placed as possible to have an active role when the new provision is finalised and implemented.

The Trust will continue to proactively ensure that it has the appropriate mix of skills and experience within its Senior Management Team and the Board of Trustees to be able to effectively deliver specific projects as well as strategic objectives. During the year this resulted in the appointment of Clare Jones as Director of Education, leaving her role as CEO at the Diversa Multi-Academy Trust to do so, and the recruitment of several new Trustees with specific skill sets in procurement, compliance and academy trust operations. Going forward, the Trust is hoping to welcome further Trustees with professional backgrounds and skillsets that complement or improve the existing mix of skills and experience.

The Trust has increasing plans and ideas on how to utilise its apprenticeship levy pot, both to provide employment opportunities for young people and as a way to upskill existing staff. The Trust is a sector leader in this area, being the only academy trust in Norfolk to achieve the nation-wide public sector apprenticeship target over the period April 2018 to March 2019 based on information available. The Trust is now working to support other academy trusts and public sector bodies replicate its success, with the Trust's CFO a guest speaker at an apprenticeship event in London.

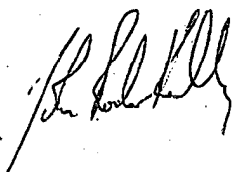
Rightforsuccess Trust – Trustees Report

Provision of Information to the Trust's Auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 19 December 2019 and signed on the Board's behalf by:



John Roche-Kelly
Chair of Trustees

Rightforsuccess Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring the organisation's 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 Rightforsuccess Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Members have formally met once during the year and the Trustees have formally met seven times during the year, including the Annual General Meeting. Attendance during the year at meetings of the Members and the Board of Trustees was as follows:

Meetings of the Members	Individual	Meetings attended	Out of a possible
Member	J Roche-Kelly	1	1
Member	R Shand	0	0
Member	V Pritty	0	0
Member	A Berry	1	1
Member	G Attfield	0	1
Member	P Clarke	0	0
Member	S Coward	0	1

Meetings of the Board of Trustees	Individual	Meetings attended	Out of a possible
Trustee	J Roche-Kelly (Chair)	7	7
Trustee	P Clark (Vice Chair)	7	7
Trustee	J Middleton	7	7
Trustee	G Sadler	7	7
Trustee	S Stavers	6	7
Trustee	S Riseborough	6	7
Trustee	D Pollock	4	4
Trustee	D Evans	4	4
Trustee	P Jones	2	4
Trustee	G Hand	2	4
Trustee	N Bloomfield	3	4
Trustee	H Cubbage	0	0
Trustee	R Hammond	0	0
Trustee	S Bron	0	0

Rightforsuccess Trust – Governance Statement

The Board of Trustees completed its annual, detailed self-review exercise, which includes the NGA recommended skills matrix as well as a self-evaluation questionnaire. The results will be discussed with the Members at the Trust's Annual General Meeting (AGM) on 3 December 2019. As well as reviewing performance it will continue to serve to identify any skill or experience gaps, driving training and Trustee recruitment.

The Finance & Resource, Remuneration and Audit & Risk Committees are committees of the the Board of Trustees with delegated authority set out in their own, individual Terms of Reference. Their purpose is to assist the Board of Trustees in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management, remuneration, salary setting, and external audit, to make appropriate comments and recommendations on such matters back to the Board of Trustees.

During the year between 1 September 2018 and 31 August 2019, the Board and its committees have dealt with the following:

- Approval of the budget and ESFA 3-Year Budget Forecast Return;
- Monitoring of performance against budget;
- Approval of Scheme of Delegation;
- Approval of Financial Regulations and associated Finance Policies;
- Approval of procurement work;
- Review of the Trust's Risk Registers and Risk Management and Business Continuity framework;
- Staffing matters;
- Financial Matters pertaining to premises;
- Approval of the Annual Report and Financial Statements;
- Reviewing and authorising new contracts to obtain best value for money; and
- Recommendation and approval of Pay Awards including review of the CEO and other senior manager's salaries.

The Finance & Resource Committee consists of the following Trustees, and their attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
S Riseborough	3	3
J Roche-Kelly	3	3
P Clark	3	3
D Pollock	0	1

The Remuneration Committee consists of the following Trustees, and their attendance at meeting in the year was as follows:

	Meetings attended	Out of a possible
S Stavers	1	1
P Clark	1	1
J Middleton	1	1

The Audit & Risk Committee consists of the following Trustees, and their attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
G Salder	3	3
J Middleton	3	3
S Starvers	3	3
P Jones	2	2

Rightforsuccess Trust – Governance Statement

Review of Value for Money

The Chief Executive, as Accounting Officer, has responsibility for ensuring that the Trust obtains good value for money in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer, who is also the Chief Executive for the Trust, has delivered improved value for money during the year by sustaining improved educational outcomes, financial governance and oversight, better purchasing and improved income generation. Three focused examples where the Trust has proactively obtained value for money are set out below:

Move to Recycled Paper

During the year the Trust has moved the vast majority of its paper consumption to 100% recycled paper with the paper purchased through a Crown Commercial Services framework supplier. As well as supporting environmental sustainability the change to the cheaper paper is expected to realise recurrent annual savings of approximately £20k.

General Ledger Procurement and Finance Service Re-design

The Trust completed a procurement exercise in respect of its general ledger system, moving to a new system which allowed several FTE reductions in the finance team through natural attrition, with no restructuring or redundancy costs incurred. As well as enabling the FTE reductions the new system has allowed the Trust to move to fully electronic purchase ordering solution making the process more efficient and subject to more robust controls.

Primary Management Information System Procurement

The Trust undertook a procurement exercise around primary management information systems (MIS) during the year changing provider which also allowed procurement exercises to be undertaken on web filtering and broadband provision as both of these had previously been packaged in to the old MIS system as part of a fully managed service. Savings across MIS, web filtering and broadband provision will total over £10k per annum upon full implementation once existing contracts expire.

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 attempt to eliminate all risk of failure to achieve 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 Trust aims and objectives, to evaluate the likelihood of those risks being realised, the effects should those risks be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and Financial Statements. This has served to ensure the Trust is able act effectively as a steward of public funds and a safeguarder of public assets, report with accuracy its financial position as necessary, maintain appropriate financial records and detect and deter fraud.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operational, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date

Rightforsuccess Trust – Governance Statement

of approval of the annual report and Financial Statements. This process is regularly reviewed by the Board of Trustees through its review and approval annually of the Risk Management and Business Continuity policy.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Trust's Finance Committee and individual academy Governing Bodies of financial performance against budgets and forecasts, major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other key performance indicators;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties around all aspects of finance from banking systems to the Trust's Chart of Accounts;
- policies on key aspects of financial activity, such as the purchase and recognition of fixed assets;
- identification and management of risks;
- working capital monitoring and management;
- process of reconciling control accounts;
- use of an education sector specific financial package to support accurate recording of all transactions;
- review and authorisation of payroll activity; and
- sharing of best practice and proactive review of the training needs of the Finance team to ensure understanding of the control environment and an approach of continuous improvement is maintained.

The assurance map for finance can be summarised as follows:

1 st Line	Internal: Management Controls	Experienced and qualified team of finance professionals, robust internal control environment
2 nd Line	Internal: Oversight & Scrutiny	Board of Trustees, Finance & Resources Committee, Audit & Risk Committee, Governing Bodies
3 rd Line	External: Independent Advisors	Internal Audit
4 th Line	External: Audit and Regulators	External Audit, ESFA

Review of Effectiveness

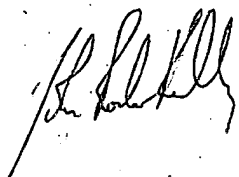
As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year the review has been informed by:

- the work of external audit during the interim and year-end audit;
- the work of internal audit during the year, which included four reviews covering key financial controls, governance arrangements, budget setting and HR; and
- the work of the senior management within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer and all Trustees have been advised of the implications of the result of the aforementioned work. Progress on all recommendations and issues raised have been, and will continue to be, reported, to the Board of Trustees and the Audit & Risk Committee to ensure a process of continuous improvement of the system is in place.

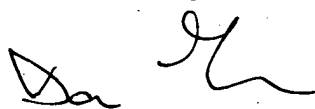
Rightforsuccess Trust – Governance Statement

Approved by order of the members of the Board of Trustees on 19 December 2019 and signed on its behalf by:



John Roche-Kelly

Chair of Trustees



Don Evans

Accounting Officer and Chief Executive

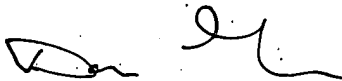
Rightforsuccess Trust

Statement of Regularity, Propriety and Compliance

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

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

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



Don Evans

Accounting Officer and Chief Executive

Date: 19-12-19

Rightforsuccess Trust

Statement of Trustees' Responsibilities

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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business for the foreseeable future.

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 19 December 2019 and signed on its behalf by:



John Roche-Kelly

Chair of Trustees

Rightforsuccess Trust

Independent Auditor's Report on the Financial Statements to the Members of Rightforsuccess Trust

Opinion

We have audited the financial statements of Rightforsuccess Trust (the "academy trust") for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

Basis of Opinion

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

Conclusions Relating To Going Concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Rightforsuccess Trust – Independent Auditor's Report on the Financial Statements

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion On Other Matters Prescribed By The Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements have been prepared is consistent with the financial statements;
- the Strategic Report and the Director's 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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' remunerations specified by law 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.

Rightforsuccess Trust – Independent Auditor's Report on the Financial Statements

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

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Anglia House
No. 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 19 December 2019

Rightforsuccess Trust

Independent Reporting Accountant's Assurance Report on Regularity to Rightforsuccess Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rightforsuccess Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Rightforsuccess Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rightforsuccess Trust and the 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 Rightforsuccess Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rightforsuccess Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Rightforsuccess Trust's funding agreement with the Secretary of State for Education dated 7 December 2012, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the 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's income and expenditure.

Rightforsuccess Trust – Independent Reporting Accountant's Assurance Report on Regularity

Conclusion

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

Price Bailey LLP

Reporting Accountant

Anglia House
No. 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew Norwich
Norwich
Norfolk
NR7 0HR

Date: 19 December 2019

Rightforsuccess Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	(Restated)* Total 2018
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	-	20,174	8,270,096	8,290,270	876,835
Conversion activities:						
Transfers from local authorities	33	118,488	(218,000)	2,366,132	2,266,620	28,629,732
Transfers from other academies		-	-	-	-	5,478,907
Charitable activities:						
Funding for educational operations	3	225,411	19,880,815	-	20,106,226	15,170,195
Teaching Schools	3	-	58,555	-	58,555	62,070
Trading and other activities	4	404,064	23,534	-	427,598	295,981
Investments	5	2,016	-	-	2,016	3,637
Total Income		749,979	19,765,078	10,636,228	31,151,285	50,517,357
Expenditure on:						
Raising funds	6	-	2,816	-	2,816	2,558
Charitable activities:						
Expenditure on educational operations	6, 7	299,216	21,982,252	1,769,463	24,050,931	18,387,686
Teaching Schools	34	-	32,597	-	32,597	88,085
Total Expenditure		299,216	22,017,665	1,769,463	24,086,344	18,478,329
Net income / (expenditure)		450,763	(2,252,587)	8,866,765	7,064,941	32,039,028
Transfers between funds		(967,433)	774,530	192,903	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension scheme assets	28	-	(3,918,000)	-	(3,918,000)	2,016,000
Net movement in funds		(516,670)	(5,396,057)	9,059,668	3,146,941	34,055,028
Reconciliation of funds						
Total funds brought forward		616,670	(4,611,705)	64,520,157	60,525,122	26,470,094
Total funds carried forward		100,000	(10,007,762)	73,579,825	63,672,063	60,525,122

*Prior Year restated re-categorising income from other Academies and catering income to Charitable Activities from Trading and Other Activities. Governance Costs removed from the face of the Statement of Financial Activities and included within expenditure on educational operations.

The Statement of Financial Position includes all gains and losses recognised in the year. The notes on pages 30 to 58 form part of these financial statements.

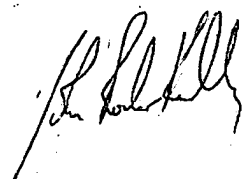
Rightforsucces Trust

Balance Sheet as at 31 August 2019

Company Registration Number 08282834

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Intangible assets	13		19,263		17,358
Tangible assets	14		72,623,811		63,883,155
Current assets					
Debtors	15	1,574,380		1,249,128	
Cash at bank and in hand	26	584,551		1,686,971	
Investments	26	-		600,000	
		<u>2,158,931</u>		<u>3,536,099</u>	
Liabilities					
Creditors: Amounts falling due within one year	16, 18	(1,391,470)		(2,253,490)	
Provisions	17	-			
Net current assets			<u>767,461</u>		<u>1,282,609</u>
Total assets less current liabilities			73,410,535		65,183,122
Creditors: Amounts falling due after more than one year	18		(10,472)		-
Net assets excluding pension liability			<u>73,400,063</u>		<u>65,183,122</u>
Defined benefit pension scheme liability	28		(9,728,000)		(4,658,000)
Net assets including pension liability			<u>63,672,063</u>		<u>60,525,122</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	19	73,579,825		64,520,157	
Restricted income fund	19	(279,762)		46,295	
Pension reserve	19	(9,728,000)		(4,658,000)	
Total restricted funds			<u>63,572,063</u>		<u>59,908,452</u>
Unrestricted income funds	19		<u>100,000</u>		<u>616,670</u>
Total funds			<u>63,672,063</u>		<u>60,525,122</u>

The Financial Statements on pages 27 to 58 were approved by the Trustees and authorised for issue on 19 December 2019 and are signed on their behalf by:



John Roche-Kelly
Chair of Trustees

The notes on pages 30 to 58 form part of these financial statements.

Rightforsuccess Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Net cash provided by (used in) operating activities	23	(1,472,579)	952,663
Cash flows from financing activities	24	20,945	-
Cash flows from investing activities	25	(250,786)	(2,104,173)
Change in cash and cash equivalents in the reporting period		(1,702,420)	(1,151,510)
Cash and cash equivalents at 1 September		2,286,971	3,438,481
Cash and cash equivalents at 31 August	26	584,551	2,286,971

The notes on pages 30 to 58 form part of these financial statements.

Rightforsuccess Trust

Notes to the Accounts for the year ended 31 August 2019

Note 1. Statement of Accounting Policies

1.1 Basis of Preparation

The Financial Statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Rightforsuccess Trust constitutes a public benefit entity as defined by FRS102. The Trust is a private company limited by guarantee and incorporated in England. The presentation currency is pound sterling and the figures in the financial statements on pages 27 to 58 are rounded to one pound sterling.

1.2 Going Concern

The Trustees have assessed whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements.

The Trust's financial challenges and its response to these are set out in detail in the Going Concern and Financial Review sections of the Trustees Report on page 9, as well as in Note 19. The ESFA's approval of estimate funding for three schools for the 2019/20 academic year and the outward transfer of Stone Lodge serve to address the two fundamental financial challenges the Trust faced. The approval of estimate funding, following an SRMA visit, and the awarding of responsibility for creating a second free school in Great Yarmouth, for opening in September 2021, highlight both the ESFA and the Regional Schools Commissioners' confidence in the Trust over the long term.

In view of the above, the Trustees have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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. However, the Trustees acknowledge that the Trust needs to continue with its focus on continuous improvement and identification of further sustainable financial improvements.

1.3 Income

All income is recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably. Details of specific sources of income are set out below in the order they are presented on the Statement of Financial Activities:

- **Capital Grants**

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. Where a grant comes with conditions that allow for the recovery of any unexpended part of the grant this does not prevent recognition of the grant in full where the aforementioned criteria are met. Instead, a liability in respect of any repayment is recognised when repayment becomes probable.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Grants received for capital purposes must be spent on capital projects in line with the terms and conditions of the grant. Where the Trust benefits from the ESFA's Free School programme, the funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Trust controls (through ownership, lease or licence) the site.

- **Donated Fixed Assets (excluding Transfers on conversion/from existing academies to 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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

- **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. If in future the Trust operates any subsidiary trading companies, income in respect donations from those subsidiary trading companies to the Trust would only be accrued if there was a legal obligation for payment to be made.

- **Transfers on conversion from local authorities**

Where the net assets are received by the Trust on conversion of a school to an academy, the transferred net 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 Trust. An equal amount of income is recognised within Donations and capital grant income under the relevant Conversion Activities heading.

- **Transfers of existing academies into the Trust**

Where the net assets are received on the transfer of an existing academy to the Trust, the transferred net 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 Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Donations and capital grant income under the relevant Conversion Activities heading.

- **Revenue Grants**

Revenue 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 income 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 period is deducted from income and recognised as a liability.

- **Sponsorship Income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Other Income**

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

- **Donated goods, facilities and services**

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

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 costs are allocated to each academy based on their size relative to other academies in the Trust, with pro-rating for academies which join part way through the year. See Note 10 for further details. All resources expended are inclusive of irrecoverable VAT.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Intangible and Tangible Fixed Assets

The Trust's capitalisation requirements for Fixed Assets are as follows:

- The item must have a useful economic life of at least two years, its value must be able to be reliably measured; and
- Be an item with an individual value of over £2,000; or
- Be items that are part of a new group asset with an individual value of over £100 and over £2,000 in total as a group; or
- Be an item that is part of existing group asset and with an individual value of over £100.

Where 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 amortised or depreciated over their expected useful economic life, with the grant recognised in as income, see Note 1.3 Income. 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. Amortisation or depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to an unrestricted fixed asset fund.

Amortisation is incurred on all intangible fixed assets and depreciation is incurred on all tangible fixed assets, once they have been capitalised, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the basis set out in the table on the next page:

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Asset Class	Minimum Asset Life	Maximum Asset Life
Intangible: Licences and trademarks	2 years	8 years
Tangible: Freehold Land	Not depreciated	Not depreciated
Tangible: Freehold Buildings	10 years	80 years
Tangible: Long Term Leasehold Land	125 years or length of lease if shorter than asset life	125 years
Tangible: Long Term Leasehold Buildings	10 years or length of lease if shorter than asset life	80 years
Tangible: Leasehold Improvements	5 years	40 years
Tangible: Furniture & Equipment	5 years	20 years
Tangible: Computer Equipment	3 years	10 years
Tangible: Motor Vehicles	3 years	8 years
Tangible: Assets Under Construction	Not depreciated	Not depreciated

Where an asset comprises of two or more identifiable components which have substantially different lives, for example a roof and a boiler, each component is depreciated separately over its useful economic life.

Where fixed assets have not yet been capitalised, because they have not yet been brought into a position where they are fit for use, they are recognised at cost and included as Assets Under Construction. Amortisation and depreciation are not charged on these assets until they are brought into a position where they are fit for use.

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

1.6 Cash

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 or longer term investments where the maturation date is three months or less from the date of the balance sheet.

1.7 Investments

Investments are those with a maturity of more than three months from the date of acquisition or opening of the deposit or similar account or longer term investments where the maturation date is three months or more from the date of the balance sheet.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due. Accrued income is recognised at the value of the chargeable work that has been performed.

1.9 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 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.

1.10 Provisions

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

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

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.

1.11 Operating Leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.12 Taxation

The 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 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.

1.13 Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. As stated in Note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the 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.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

1.14 Fund Accounting

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

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

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

1.15 Critical Accounting Estimates and Areas of Judgement

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

Critical accounting estimates and assumptions

The 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.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 28, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The other areas of material estimation and assumption are property valuation and depreciation.

1.16 Financial Instruments

The Trust only holds basic financial instruments, as defined in FRS 102, which are disclosed in Note 30. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

- Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – trade creditors, accruals, other creditors and loans are financial instruments, and are measured at amortised cost as detailed in note 16 and note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.17 Redundancy and Termination Payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet as a provision immediately at the point the Trust is demonstrably committed to either:

- Terminating the employment of an employee or group of employees before their normal retirement date; or
- Providing termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawing from the plan.

1.18 Apprenticeship Levy

The Apprenticeship Levy was introduced from April 2018 and affects all employers. The levy is 0.5% of total earnings liable to employer Class 1 national insurance contributions over £3 million, subject to a £15,000 annual allowance for the organisation overall. The levy funds are held by the government, which contributes a further 10% of the total of levy payable by the Trust. The Trust is able to draw down funding to use for training and assessment of apprentices. Any funds not used by the Trust within 24 months, on a "first in first out" basis, are lost. Levy payments are accounted for as expenditure and classified as social security costs, appearing as a separate line in Note 9. The draw down and consumption of the Trust's levy funds is recognised as notional income, appearing as a separate line in Note 3, with a corresponding amount recognised in Note 7 under the heading of Staff Development for both Direct and Support costs depending upon the nature of the apprenticeship that is being funded.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 2. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2019	2018
	£	£	£	£
DfE Group capital grants	-	7,826,546	7,826,546	779,644
Other capital grants	-	437,300	437,300	49,806
Donated fixed assets	-	6,250	6,250	25,619
Donations	-	20,174	20,174	19,266
Disposals	-	-	-	2,500
	-	8,290,270	8,290,270	876,835

In the prior year, all £876,835 of donations and capital grant income related to restricted funds. In April 2019, the Trust received confirmation of £935,849 of Condition Improvement Funding (CIF) for the replacement of windows at Sewell Park and Sprowston academies. As at 31 August 2019, the Trust had received £299,472 of this funding in cash, with the remaining £636,377 recognised as accrued income in compliance with Charities SORP 2015. A further £6,605,000 relates to the inward transfer of the St Clements Hill Primary Academy building from the DfE, at nil consideration, through the free schools programme.

Note 3. Funding for Educational Operations and Teaching Schools

	Unrestricted Funds	Restricted Funds	Total 2019	(Restated)* 2018
	£	£	£	£
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,963,582	14,963,582	11,337,655
Start Up Grants	-	86,000	86,000	190,000
Other DfE Group grants	-	1,662,842	1,662,842	1,090,709
	-	16,712,424	16,712,424	12,618,364
Other Government grants				
Department for Work and Pensions	-	(3,813)	(3,813)	4,208
Local Authority Grants	-	2,871,229	2,871,229	2,291,571
Notional Apprenticeship Levy income	-	42,171	42,171	10,136
	-	2,909,587	2,909,587	2,305,915
Income from other Academies	-	44,637	44,637	23,025
Other income from the Trust's educational operations	225,411	214,167	439,578	222,891
	225,411	19,880,815	20,106,226	15,170,195

*Prior year figures have been restated to include income from other Academies as a separate line item and re-categorisation of catering, nursery, uniform and trip income from other trading activities. In the prior year, £15,042,917 of funding for Educational Operations related to restricted funds and £127,278 related to unrestricted funds.

	Unrestricted Funds	Restricted Funds	Total 2019	2018
	£	£	£	£
Teaching Schools				
DfE/ESFA grants				
National College grants	-	58,555	58,555	62,070
	-	58,555	58,555	62,070

In the prior year, all £62,070 of Teaching School income related to restricted funds.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 4. Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2019	(Restated)* 2018
	£	£	£	£
Music Lesson Income	-	23,534	23,534	10,014
Rental Income	205,247	-	205,247	117,467
Other Income	198,817	-	198,817	168,500
	<u>404,064</u>	<u>23,534</u>	<u>427,598</u>	<u>295,981</u>

*Prior year figures have been restated to in relation to income from other Academies which is now split out and included in Note 3 and catering, nursery, uniform and trip income which has also been re-categorised as Other income from the Trust's educational operations in Note 3. In the prior year, of the £295,981 of income for other trading activities, £275,768 related to unrestricted funds and £20,213 related to restricted funds.

Note 5. Investments

	Funds	Funds	Total 2019	2018
	£	£	£	£
Interest on short term deposits	2,016	-	2,016	3,637
	<u>2,016</u>	<u>-</u>	<u>2,016</u>	<u>3,637</u>

In the prior year, all £3,637 of interest on short term deposits related to unrestricted funds.

Note 6. Expenditure

	Pay Costs	Non-Pay Premises	Non-Pay Other	Total 2019	(Restated)* Total 2018
	£	£	£	£	£
Raising funds	-	-	2,816	2,816	2,558
Educational operations:					
Direct costs	13,902,605	-	1,412,468	15,315,073	11,268,713
Support costs	4,807,930	2,760,493	1,167,435	8,735,858	7,118,973
Sub-total	<u>18,710,535</u>	<u>2,760,493</u>	<u>2,579,903</u>	<u>24,050,931</u>	<u>18,387,686</u>
Teaching School	16,194	-	16,403	32,597	88,085
	<u>18,726,729</u>	<u>2,760,493</u>	<u>2,599,122</u>	<u>24,086,344</u>	<u>18,478,329</u>

*Restated to include Governance costs within Support Costs instead of a separate line item. For the year ended 31 August 2019, of the total expenditure, £299,216 (2018: £348,049) related to unrestricted funds, £22,017,666 (2018: £16,906,534) related to restricted funds and £1,769,463 (2018: £1,219,746) related to restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	£	£
Operating lease rentals	35,963	14,630
Amortisation	3,151	382
Depreciation	1,766,312	1,219,364
(Gain)/loss on disposal of fixed assets	3,158	(2,500)

See Note 8 for detailed breakdown of fees payable for auditors.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 7. Charitable activities

	Total 2019	(Restated)* Total 2018
	£	£
Direct costs – Educational operations	15,317,978	11,268,713
Support costs – Educational operations	8,732,953	7,118,973
	24,050,931	18,387,686

Analysis of Direct Costs associated with Educational Operations

	Total 2019	Total 2018
	£	£
Wages and salaries	10,778,633	7,944,769
National insurance	982,746	741,544
Pension costs	2,144,131	1,586,932
Educational supplies	730,789	463,070
Examination fees	143,251	160,311
Staff development	111,642	64,379
Technology costs	250,948	192,994
Educational consultancy	156,337	87,087
Transport	19,501	27,627
Total Direct Costs	15,317,978	11,268,713

Analysis of Support Costs associated with Educational Operations

	Total 2019	(Restated)* Total 2018
	£	£
Wages and salaries	3,325,847	2,772,714
National insurance	230,025	175,035
Pension costs	1,052,062	921,502
Apprenticeship Levy	55,091	37,164
FRS 102 pension adjustments	142,000	127,000
Amortisation	3,151	382
Depreciation	1,766,312	1,219,364
Staff development	46,253	21,570
Technology costs	41,748	34,643
Travel & subsistence	50,159	43,145
Other costs	224,421	113,193
Maintenance of premises	344,790	317,163
Cleaning	74,090	50,799
Rates	151,334	113,373
Energy	370,236	279,382
Insurance	100,761	87,313
Catering	366,863	353,035
Occupancy costs	50,580	56,372
Bank interest & charges	1,826	3,245
Printing, postage & stationery	120,457	96,595
Professional Fees	90,231	174,886
Governance Costs	124,716	121,098
Total Support Costs	8,732,953	7,118,973

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Note 8. Auditors' Remuneration

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Fees payable to Price Bailey LLP				
Statutory Audit Fees	-	24,570	24,570	15,050
Audit related assurance	-	3,570	3,570	3,000
Other assurance	-	1,500	1,500	2,740
Teachers Pension Scheme	-	2,000	2,000	2,500
Other services	-	3,570	3,570	4,650
Corporation Tax	-	-	-	600
Fees payable to M+A Partners LLP				
Internal Audit	-	6,550	6,550	6,325
Fees payable to Larking & Gowen LLP				
Audit related assurance	-	6,865	6,865	572
	-	48,625	48,625	35,437

Note 9. Staff

a. Staff costs

	Total 2019 £	(Restated)* Total 2018 £
Staff costs during the period were:		
Wages and salaries	13,772,560	10,360,431
Social security costs	1,204,487	890,341
Operating costs of defined benefit pension schemes	3,196,193	2,506,511
Apprenticeship levy	55,091	37,164
	18,228,331	12,986,098
Supply staff costs	267,615	274,893
Staff restructuring costs	95,230	151,210
	18,591,176	13,412,200
Staff restructuring costs comprise:		
Redundancy payments	1,724	13,402
Severance payments	55,265	130,015
Other restructuring costs	38,241	8,422
	95,230	151,839

*Restated to include actuarial movements within Operating costs of defined benefit pension schemes.

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £48,420 (2018: £55,995). Individually the payments were £25,000, £10,000, £4,580, £4,545 and £4,295.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 9. Staff (continued)

c. Staff numbers

The average number of persons employed by the Trust during the period by headcount was as follows:

	2019	2018
	No.	No.
Teachers	216	161
Administration and support	423	321
Management	12	10
	<u>651</u>	<u>492</u>

The average number of persons employed by the Trust during the period by full time equivalent was as follows:

	2019	2018
	No.	No.
Teachers	190.9	144.2
Administration and support	261.0	206.1
Management	11.6	10.3
	<u>463.5</u>	<u>360.6</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs but including redundancy payments) exceeded £60,000 were:

	2019	2018
	No.	No.
£60,001 - £70,000	6	3
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£230,000 - £240,000	-	1

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 2. The criteria for inclusion within the Trust's Senior Management Team is set out on page 5. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust for the year ended 31 August 2019 was £347,562 (2018: £1,254,606). Included within this total are employers pensions contributions of £52,414 (2018: £152,250) and employers national insurance contributions of £31,751 (2018: £115,212).

Note 10. Central Services

A top slice is an arbitrarily determined percentage charge levied on academies adopted by the vast majority of organisations. The Rightforsuccess Trust does not top slice and adopts a fundamentally different approach. As such, the central service costs set out in this note should not be benchmarked against the "top slice" percentages of other organisations as it is not directly comparable, including as it does, for example, such things as educational contracts and subscriptions as well as all caretaking costs which other Trusts recognise in individual academy budgets. The decision to treat these items differently to other peer organisations is due to the fact that the Trust manages and deploys caretakers peripatetically as well as centrally procuring and managing contracts and subscriptions to reduce administration costs.

Note 10. Central Services (continued)

The amalgamated central costs are then charged out to all academies based on their core service provision income relative to one another, pro-rated for academies joining or leaving part way through the year. Core service provision income is defined as GAG and LA funding for Boarding Provision. The apportionment of indirect education services to academies is a zero sum equation: collectively the academies are charged the exact cost of the Trust at the end of each year. This eliminates a centrally generated in-year surplus or deficit, which is an inherent consequence of an arbitrary "top slice" percentage. This approach allows the Trust and its academies to understand the "full costs" associated with delivery of central functions and improves accountability for their management as well as supporting reduction in administration costs through centralised contract management. It is fundamentally different to the top slice approach whereby only some, arbitrarily determined, costs of central functions are held centrally, for instance an academy's local finance officer is held in the academy's budget and not the central budget.

The movement in charges between academies are the consequence of their GAG income changing relative to each other and the collective group as a whole and by the fact that Martham, Sprowston and Stone Lodge all joined part way through last year, with East Ruston and Stalham Infants Schools joining on 1 August 2019.

	2019	2018
	£	£
East Ruston Infants School	2,344	-
Eaton Hall Specialist Academy	188,006	222,522
Edith Cavell Academy	119,351	146,288
Martham Academy	163,496	170,939
Sewell Park Academy	346,272	420,052
Sprowston Community Academy	713,141	506,177
Stalham Academy	116,991	134,365
Stalham Infants School	4,429	-
Stone Lodge Specialist Academy	219,096	103,181
St Clements Hill Academy	38,899	-
Tuckswood Academy	169,340	179,545
	2,081,366	1,883,069

Note 11. Related Party Transactions – Trustees' remuneration and expenses

During the year ended 31 August 2019 two Trustees who held the role of Director, as part of the Trust's Senior Management Team, were paid remuneration and received other benefits from employment with the Trust. These two Trustees only received remuneration in respect of services they provided through undertaking their roles as Directors under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

Don Evans, Chief Executive and designated Accounting Officer (from date of appointment as Trustee)

Remuneration £60,000 - £65,000 (2018: £nil)

Employer's pension contributions paid £10,000 - £15,000 (2018: £nil)

David Pollock, Director of Performance and Deputy Chief Executive (to date of resignation as Trustee)

Remuneration £30,000 - £35,000 (2018: £50,000 - £55,000)

Employer's pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, expense claims for travel totalling £710 were reimbursed or paid directly to two Trustees (2018: £2,276 to three Trustees) and retirement benefits accrued for two Trustees (2018: two Trustees). Other related party transactions involving the Trustees are set out in Note 29.

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Note 12. Trustees' and Officers Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Note 13. Intangible Fixed Assets

	Software & Licenses	Total
Cost	£	£
At 1 September 2018	17,740	17,740
Additions	5,056	5,056
Free School Transfers	-	-
Re-classifications	-	-
Transfers on conversion	-	-
Disposals	-	-
At 31 August 2019	22,796	22,796
Amortisation		
At 1 September 2018	382	382
Charged in year	3,151	3,151
Disposals	-	-
At 31 August 2019	3,533	3,533
Net book values		
At 31 August 2018	-	-
At 31 August 2019	19,263	19,263

	Software & Licenses	Total
Cost	£	£
At 1 September 2017	-	-
Additions	17,740	17,740
Re-classifications	-	-
Transfers on conversion	-	-
Disposals	-	-
At 31 August 2018	17,740	17,740
Amortisation		
At 1 September 2017	-	-
Charged in year	382	382
Disposals	-	-
At 31 August 2018	382	382
Net book values		
At 31 August 2017	-	-
At 31 August 2018	17,358	17,358

Note 14. Tangible Fixed Assets

During the year ended 31 August 2019 the Trust's transactions relating to land and buildings were as follows:

- Leasehold land and buildings transferred on the conversion of East Ruston Infant School and Stalham Infant School on 1 August 2019, both under a long term leasehold of 125 years;
- Flat roof replacement workings, financed through Condition Improvement Funding, were completed during the year at Eaton Hall and Stalham academies;
- St Clements Hill Academy, which was built as part of the Free Schools project, was handed over to the Trust by the DfE at the beginning of September 2018 and opened to its first pupils in that month. As the school is built on land associated with Sewell Park Academy, there were no land transactions associated with the creation of the school;

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Note 14. Tangible Fixed Assets (continued)

	Freehold Land & Buildings	Leasehold Land & Buildings	Leasehold Improvements	Furniture & Equipment	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
Cost	£	£	£	£	£	£	£	£
At 1 September 2018	3,305,987	57,940,077	2,433,892	1,607,757	1,438,527	171,491	253,740	67,151,471
Opening Balance Adjustments	-	-	(8,320)	-	-	-	8,500	180
Additions	-	-	1,196,286	78,868	215,078	-	87,297	1,577,529
Free School Transfers	-	6,605,000	-	-	-	-	-	6,605,000
Re-classifications	-	25,065	134,158	8,500	80,855	-	(248,578)	-
Transfers on conversion	-	2,321,067	-	13,000	8,000	-	-	2,342,067
Disposals	-	-	-	-	-	(25,802)	-	(25,802)
At 31 August 2019	3,305,987	66,891,209	3,756,016	1,708,125	1,742,460	145,689	100,959	77,650,445
Depreciation								
At 1 September 2018	45,155	2,088,465	25,065	605,154	465,923	38,554	-	3,268,316
Charged in year	49,260	1,108,038	118,276	226,858	245,514	18,366	-	1,766,312
Disposals	-	-	-	-	-	(7,994)	-	(7,994)
At 31 August 2019	94,415	3,196,503	143,341	832,012	711,437	48,926	-	5,026,634
Net book values								
At 31 August 2018	3,260,832	55,851,612	2,408,827	1,002,603	972,604	132,937	253,740	63,883,155
At 31 August 2019	3,211,572	63,694,706	3,612,675	876,113	1,031,023	96,763	100,959	72,623,811

	Freehold Land & Buildings	Leasehold Land & Buildings	Leasehold Improvements	Furniture & Equipment	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
Cost	£	£	£	£	£	£	£	£
At 1 September 2017	-	26,378,237	89,195	775,483	588,512	77,830	277,010	28,186,267
Additions	-	182,739	2,011,158	161,135	276,119	77,614	238,874	2,947,639
Re-classifications	-	50,055	212,089	-	-	-	(262,144)	-
Transfers on conversion	3,305,987	31,329,046	121,450	671,139	573,896	16,047	-	36,017,565
Disposals	-	-	-	-	-	-	-	-
At 31 August 2018	3,305,987	57,940,077	2,433,892	1,607,757	1,438,527	171,491	253,740	67,151,471
Depreciation								
At 1 September 2017	-	1,321,632	2,468	403,153	297,757	23,942	-	2,048,952
Charged in year	45,155	766,833	22,597	202,001	168,166	14,612	-	1,219,364
Disposals	-	-	-	-	-	-	-	-
At 31 August 2018	45,155	2,088,465	25,065	605,154	465,923	38,554	-	3,268,316
Net book values								
At 31 August 2017	-	25,056,605	86,727	372,330	290,755	53,888	277,010	26,137,315
At 31 August 2018	3,260,832	55,851,612	2,408,827	1,002,603	972,604	132,937	253,740	63,883,155

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 15. Debtors

	2019	2018
	£	£
Trade debtors	109,948	98,725
VAT reclaimable from HRMC	167,735	362,588
Prepayments*	181,999	217,776
Accrued income	1,114,698	570,039
	<u>1,574,380</u>	<u>1,249,128</u>

*Prepayment includes £13,864 which relates to a period more than 12 months from the balance sheet date (2018 - £30,832).

Note 16. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	466,065	1,354,392
Other taxation and social security	326,678	362,071
Other creditors	358,610	280,679
CIF Loan (see Note 18)	10,473	-
Accruals and deferred income	229,644	256,348
	<u>1,391,470</u>	<u>2,253,490</u>

Deferred income

	£
Deferred income at 1 September 2018	131,083
Released from previous years	(131,083)
Resources deferred in the year	<u>162,243</u>

At the balance sheet date the academy trust was holding funds received in advance from the Local Authority (regarding funding for Special Educational Needs) alongside universal infant free school meals and nursery funding that related to the autumn term 2019.

Note 17. Provisions

	2019	2018
	£	£
At 1 September 2018	-	9,250
Provisions recognised on conversion	-	31,354
Additions to provisions during the year	-	-
Provisions utilised during the year	-	(40,480)
Reversals of provisions during the year	-	(124)
At 31 August 2019	<u>-</u>	<u>-</u>

Note 18. Borrowings

	2019	2018
	£	£
CIF Loan balances repayable within one year	10,473	-
CIF Loan balances repayable after one year	10,472	-
	<u>20,945</u>	<u>-</u>

The balance comprises a loan relating to CIF roof replacement project for Stalham Academy. This loan is made against the Public Works Loan Board (PWLb) and will incur interest at an effective rate of 2.1% over the repayment period. The Trust has also received approval for two further CIF loans, see Note 21.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 19. Statement of Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted fixed asset funds					
Restricted Fixed Asset Funds	63,900,513	2,366,132	(1,769,463)	8,145,893	72,643,075
DfE Group capital grants	619,644	7,826,546	-	(7,509,440)	936,750
Other capital income	-	443,550	-	(443,550)	-
	64,520,157	10,636,228	(1,769,463)	192,903	73,579,825
Restricted general funds					
General Annual Grant (GAG)	-	14,963,582	(16,060,246)	853,133	(243,531)
Other DfE Group grants	24,807	1,749,331	(1,774,138)	-	-
Teaching School	8,355	58,555	(32,596)	(78,603)	(44,289)
Other government grants	-	2,909,587	(2,909,587)	-	-
Other restricted funds	13,133	302,023	(307,098)	-	8,058
	46,295	19,983,078	(21,083,665)	774,530	(279,762)
Pension reserve	(4,658,000)	(218,000)	(934,000)	(3,918,000)	(9,728,000)
Total restricted funds	59,908,452	30,401,306	(23,787,128)	(2,950,567)	63,572,063
Total unrestricted funds	616,670	749,979	(299,216)	(967,433)	100,000
Total funds	60,525,122	31,151,285	(24,086,344)	(3,918,000)	63,672,063

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted fixed asset funds					
Restricted Fixed Asset Funds	26,137,315	36,018,252	(1,219,746)	2,964,692	63,900,513
DfE Group capital grants	935,936	779,644	-	(1,095,936)	619,644
Other capital income	-	77,925	-	(77,925)	-
	27,073,251	36,875,821	(1,219,746)	1,790,831	64,520,157
Restricted general funds					
General Annual Grant (GAG)	1,127,935	11,495,022	(11,895,198)	(727,759)	-
Other DfE Group grants	311,076	1,280,709	(1,566,978)	-	24,807
Teaching School	54,595	70,260	(88,085)	(28,415)	8,355
Other government grants	393,606	2,305,915	(2,305,915)	(393,606)	-
Other restricted funds	18,565	149,926	(155,358)	-	13,133
	1,905,777	15,301,832	(16,011,534)	(1,149,780)	46,295
Pension reserve	(2,937,000)	(2,838,000)	(899,000)	2,016,000	(4,658,000)
Total restricted funds	26,042,028	49,339,653	(18,130,280)	2,657,051	59,908,452
Total unrestricted funds	428,066	1,177,704	(348,049)	(641,051)	616,670
Total funds	26,470,094	50,517,357	(18,478,329)	2,016,000	60,525,122

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Note 19. Statement of Funds (continued)

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

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. All assets purchased from GAG and DfE Group capital grants have been transferred to the restricted fixed asset fund.

DfE Group Capital Grants

The Trust receives capital grant funding in the form of Devolved Formula Capital (DFC) and Condition Improvement Fundings to use the allocation to maintain and improve its buildings and facilities.

Other capital income

Local Authority, charitable income, proceeds from disposals of fixed assets and other income restricted for the purchase of fixed assets.

General Annual Grant

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE Group grants

This represents pupil premium funding used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals, PE and Sport Premium Grant, used fund additional and sustainable improvements in physical education, and Year 7 Catch Up funding, used to support year 7 pupils who did not achieve at least level 4 in reading or maths at the end of Key Stage 2. This also includes conversion support grants, for new academies joining the Trust in the year, MAT growth funding to contribute towards expenses incurred on expanding the Trust, conversion grants for new schools joining the Trust and the new Teachers Pay Grant.

Teaching School

These represents funds receivable to provide the necessary leadership, learning and administrative support to other schools via the Norwich Teaching School Alliance and other self generated income.

Other government grants

This principally includes funding from Local Authorities in respect of Top up funding used to support students with higher educational needs, funding in relation to the boarding of students, specialist educational need (SEN) provision and other non DfE Group grants which are ultimately from the Government.

Other restricted funds

This represents funding received from other bodies towards a specific purpose such as income for music, education trips funded by contributions, donations.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academies on conversion from a state controlled school. The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in Note 28 based on the period end actuarial valuation.

Unrestricted funds

This fund represents income and expenditure which are not restricted in any way and can be used freely to achieve the Trust's objectives.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2019

Note 19. Statement of Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £	Total 2018 £
East Ruston Infants School	10,673	-
Eaton Hall Academy	(3,496)	72,275
Edith Cavell Academy	45,802	47,514
Martham Academy	(29,191)	62,743
Sewell Park Academy	(169,743)	13,376
Sprowston Community Academy	(190,871)	27,466
Stalham Academy	47,685	44,896
Stalham Infants School	20,207	-
Stone Lodge Academy	(15,104)	214,252
St Clements Hill Academy	(6,604)	-
Tuckswood Academy	17,145	6,499
Teaching School	(44,289)	8,355
Rightforsuccess Trust (Central Services)	138,026	165,589
Total before fixed assets and pension reserves	(179,762)	662,965
Restricted fixed asset fund	73,579,825	64,520,157
Pension reserve	(9,728,000)	(4,658,000)
Total	63,672,063	60,525,122

The Trust is carrying a cumulative net deficit of £179,762 on restricted general funds (excluding pension reserve) plus unrestricted funds because of a combination of in-year General Annual Grant lag of £289k, with the majority of this lag relating to Sewell Park and Sprowston academies, underfunding of Stone Lodge academy's high needs top up of £483k by Suffolk County Council and a further £60k of underfunding for high needs places at Stone Lodge academy, also by Suffolk County Council. Adjusted for these three items the Trust would be in cumulative surplus.

The Trust has been engaged with both the ESFA and Suffolk County Council to address these issues for nearly 18 months as well as continuing with delivering sustainable financial improvements across the organisation covering income, pay and non-pay. As part of this process the Trust welcomed a week long Specialist Resource Management Advisor (SRMA) deployment during July 2019. The SRMA's report acknowledged the effectiveness of the Trust's approach to cost saving and recommended that four of the Trust's academies be placed on estimate funding for 2019/20 due to the acceleration of pupil growth, which would see GAG lag increase from £289k to nearly £900k.

The ESFA took the SRMA's recommendation and the Trust's detailed financial recovery plan and reviewed the business case for estimate funding, ultimately approving the move to estimate funding for three of the four academies that had been recommended for 2019/20. The estimate funding will total £808k for 2019/20.

Suffolk County Council refused to address the top up underfunding or the underfunding of high needs places at Stone Lodge. As a result, working with the Regional Schools Commissioner, the Trust agreed the outward transfer of Stone Lodge academy on 1 November 2019 to another Trust which has a specialist academy that is over funded by Suffolk County Council, allowing that Trust to re-balance the funding inequities internally.

Actions to address the revenue deficits for individual academies are set out in more detail below:

Eaton Hall Academy

Both High Needs place funding and Top Up Funding bands have remained static for over 5 years with no adjustment for inflation during that time. While the Teachers' Pay Grant addresses some of the inflationary pay costs for Teachers it does not address the inflationary pay increases in support staff pay. Eaton Hall has decided to accept additional pupils over and above its pupil admission number of 54 to allow for greater economies of scale. However, unless the lack of income inflation is meaningfully addressed relative to the unfunded element of pay inflation it is unrealistic for Eaton Hall to return to a cumulative surplus in the long run without a significant change in the current level of service provision there.

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Martham Academy

The academy has combined classes across several years so that it now has three mixed age group classes allowing for reduction in teaching and support staff following the move from 14 classes to 13 classes. Martham and East Ruston also share the same Headteacher to further reduce leadership costs. These changes are expected to see Martham move into cumulative surplus within the next two years or sooner depending on changes in funding over that time compared to budgeted assumptions.

Sewell Park Academy

The ESFA approved move to estimate funding to address the material growth in pupil numbers at Sewell Park will see the deficit balance be addressed once pupil numbers stabilise.

Sprowston Community Academy

The ESFA approved move to estimate funding to address the material growth in pupil numbers at Sprowston will see the deficit balance be addressed once pupil numbers stabilise.

Stone Lodge Academy

As a result of Suffolk County Council's unwillingness to address the underfunding of Stone Lodge in a meaningful way, with the Regional School Commissioner's support the Trust transferred the academy out to a Trust with a Suffolk based specialist academy that is being over funded by Suffolk County Council.

St Clements Hill Academy

As a growing free school St Clements Hill is expected to move into a cumulative surplus in 2019/20 through natural growth in pupils that will diminish the dis-economies of scale, which in this year out-weighed the level of dis-economies funding.

Teaching School

The Trust is restructuring the Teaching School to more fully integrate it with Trust central functions in 2019/20 as a way to manage the reduction in income levels over the last two years following the continued uncertainty regarding the future of teaching schools and the move to teaching school hubs.

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2019 £	Total 2018 £
Eaton Hall Academy	1,123,311	808,000	124,748	79,178	2,135,237	2,101,575
East Ruston Infant School	14,921	3,201	2,497	2,574	23,193	-
Edith Cavell Academy	704,099	119,950	46,270	40,394	910,713	1,027,788
Martham Academy	1,246,663	142,674	110,542	128,275	1,628,154	1,324,494
Sewell Park Academy	2,046,568	376,273	294,191	84,949	2,801,982	2,962,183
Sprowston Academy	4,214,143	798,598	529,791	178,006	5,720,539	3,432,783
Stalham Academy	695,750	60,580	79,726	31,507	867,563	894,327
Stalham Infants School	23,265	6,710	2,969	10,278	43,222	-
Stone Lodge Academy	1,950,413	142,473	109,552	78,797	2,281,235	948,134
St Clements Hill Academy	97,956	25,290	28,906	34,343	186,495	-
Tuckswood Academy	1,222,743	168,783	63,710	52,522	1,507,758	1,466,283
Teaching School	-	16,194	11,443	4,959	32,596	88,085
Rightforsuccess Trust (Central Services)	565,680	2,152,493	19,563	449,428	3,187,164	3,012,930
Total Trust	13,905,511	4,821,220	1,423,911	1,175,210	21,325,851	17,258,584

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Note 20. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£	£
Tangible fixed assets	-	-	72,643,075	72,643,075	63,900,513
Current assets	100,000	1,122,181	936,750	2,158,931	3,536,099
Current liabilities	-	(1,391,471)	-	(1,391,471)	(2,253,490)
Non-current liabilities	-	(10,472)	-	(10,472)	-
Pension scheme liability	-	(9,728,000)	-	(9,728,000)	(4,658,000)
Total net assets	100,000	(10,007,762)	73,579,825	63,672,063	60,525,122

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£	£
Tangible fixed assets	-	-	63,900,513	63,900,513	26,137,315
Current assets	616,670	2,299,785	619,644	3,536,099	4,115,925
Current liabilities	-	(2,253,490)	-	(2,253,490)	(846,146)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(4,658,000)	-	(4,658,000)	(2,937,000)
Total net assets	616,670	(4,611,705)	64,520,157	60,525,122	26,470,094

Note 21. Capital commitments

Value of capital commitments contracted for, but not provided in the financial statements

	2019 £	2018 £
CIF funded window replacement at Sprowston	794,584	-
CIF funded window replacement at Sewell Park	369,084	-
CIF funded roofing replacement at Stalham and Eaton Hall	-	679,692
	1,163,668	679,692

In addition to the CIF funding for the window replacement projects at Sprowston and Sewell Park the Trust has also been granted a CIF loan in respect of each project, with the loan amounts being £166,482 for Sprowston and £77,884 for Sewell Park. These are in addition to the existing loan in respect of the roof replacement for Eaton Hall, which is recognised in Note 18. These two further loans will be recognised when the cash is received, which is expected in February 2020 and are repayable over a 5 year period beginning September 2020.

Note 22. Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	21,108	32,429
Amounts due between one and five years	53,487	54,921
Amounts due after five years	-	7,491
	74,595	94,841

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Note 23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,064,941	32,039,028
Adjusted for:		
Interest receivable (Note 5 and 25)	(2,016)	(3,637)
Amortisation charges (Note 13)	3,151	382
Depreciation charges (Note 14)	1,766,312	1,219,364
Assets transferred on conversion (Note 33)	(2,342,067)	(36,017,565)
Assets transferred through free schools programme (Note 14)	(6,605,000)	-
Donated assets (Note 2)	(6,250)	(25,619)
Capital grants from DfE and other capital income (Note 2 and 25)	(1,658,846)	(831,950)
Defined benefit pension scheme net obligation inherited (Note 28)	218,000	2,838,000
Defined benefit pension scheme cost less contributions payable (Note 28)	792,000	772,000
Defined benefit pension scheme finance cost (Note 28)	142,000	127,000
(Increase)/decrease in debtors	55,279	(571,684)
Increase/(decrease) in creditors and provisions	(903,241)	1,407,344
Loss on disposal	3,158	-
Net cash provided by / (used in) operating activities	(1,472,579)	952,663

Note 24. Cash Flows from financing activities

	2019 £	2018 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	20,945	-
Net cash provided by / (used in) financing activities	20,945	-

Note 25. Cash Flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	2,016	3,637
Proceeds from sale of tangible fixed assets	14,650	2,500
Purchase of intangible fixed assets	(5,056)	(17,740)
Purchase of tangible fixed assets	(1,540,711)	(2,947,639)
Capital grants from DfE and other capital income (Note 2 and 23)	1,278,315	855,069
Net cash provided by / (used in) investing activities	(250,786)	(2,104,173)

Note 26. Analysis of cash, cash equivalents and investments

	At 31 August 2019 £	At 31 August 2018 £
Cash in hand and at bank	584,551	1,686,971
Notice deposits (less than 3 months from balance sheet date)	-	-
Notice deposits (more than 3 months from balance sheet date)	-	600,000
Total cash and cash equivalents and investments	584,551	2,286,971

Note 27. Guarantees, letters of comfort and indemnities

The Trust has not provided any guarantees, letters of comfort and indemnities during the year. This is unchanged from the prior year.

Note 28. Pensions and similar obligations

The 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 Norfolk Local Government Pension Scheme and Suffolk Local Government Pension Scheme. Both are multi-employer defined benefit schemes. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, while the latest actuarial valuation of the LGPS related to the period ended 31 March 2019, the results of which are not yet known.

Contributions amounting to £299,404 were payable to the schemes at 31 August 2019 (2018: £274,779) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest quadrennial actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Government Actuary's Department on 5 March 2019. The key elements of the valuation and subsequent consultation were:

- A corrected employer contribution rate of 22.88% (including a 0.08% employer administration charge), compared to the previous rate of 16.48% at the March 2012 valuation, which was due to take effect from 1 April 2019. However, following the Department for Education's decision to postpone implementation until 1 September 2019 the employer contribution rate was adjusted upward by a further 0.8% to 23.68% to account for the delay in implementation;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion (March 2012: £191.5 billion), and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion (March 2012: £176.6 billion) giving a notional past service deficit of £22.0 billion (March 2012: £14.9 billion);
- The financial assumptions were set by HM which included a real discount rate of 2.8% (March 2012: 3.0%), a nominal discount rate of 4.45% (March 2012: 5.06%) and long term salary growth at 4.2% and 2.2% in excess of assumed CPI (March 2012: 4.75% and 2.75% in excess of assumed CPI).

The cost pressure resulting from the increase in the employer contribution rate from 16.48% to 23.68% is over £500,000 per annum for the Trust, however it has largely been covered by the introduction of the Teachers' Pension Employer Contribution Grant (TPEG) from 1 September 2019.

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Note 28. Pensions and similar obligations (continued)

The employer's pension costs attributable to TPS in the period amounted to £1,291,245 (2018: £995,436). A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#). Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019, as per the Trust's FRS102 report, were £1,125,000 (2018: £991,000), of which employer's contributions totalled £767,000 (2018: £767,000) and employees' contributions totalled £307,000 (2018: £224,000). The agreed contribution rates at the year ended 31 August 2019 ranged from 19.6% to 27.1% for employers and 5.5% to 12.5% for employees. From 1 April 2020 the rates change as a result of the LGPS valuation undertaken at 31 March 2019. The current and future employers' primary contribution rates, alongside any additional secondary contributions required, are set out in the table below, with information for Stone Lodge not presented for future years as it is transfer out of the Trust, see Note 32:

	Apr-19 to Mar-20		Apr-20 to Mar-21		Apr-21 to Mar-22		Apr-22 to Mar-23	
	Current Employers' Contribution rates	Additional Annual Top Up £	Future Employers' Contribution rates	Additional Annual Top Up £	Future Employers' Contribution rates	Additional Annual Top Up £	Future Employers' Contribution rates	Additional Annual Top Up £
Eaton Hall	19.6%	16,000	17.6%	36,000	17.6%	32,000	17.6%	28,000
East Ruston	19.8%	-	20.3%	-	20.8%	-	21.3%	-
Edith Cavell	20.4%	-	19.3%	4,300	19.3%	5,800	19.3%	7,400
Martham	19.9%	-	18.0%	5,600	18.0%	3,600	18.0%	1,600
Sewell Park	20.2%	5,300	18.5%	13,000	18.5%	14,000	18.5%	14,000
Sprowston	20.8%	-	20.8%	20,000	20.8%	26,000	20.8%	31,000
Stalham	21.3%	-	19.0%	4,700	19.0%	3,500	19.0%	3,200
Stalham Infants	19.8%	-	20.3%	-	20.8%	-	21.3%	-
Stone Lodge	27.1%	-						
St Clements Hill	20.5%	-	18.0%	500	18.0%	400	18.0%	2000
Tuckswood	20.6%	1,500	18.2%	11,000	18.2%	9,000	18.2%	7,000
Central Services	21.3%	-	17.4%	29,000	17.4%	25,000	17.4%	22,000

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. As a result of this guarantee being paid out when academy trusts have failed over the last couple of years the Fund now views academy trusts as having a covenant at least as strong as local authorities. As such, for future years the funding time horizon has increased to 20 years and the contribution stabilisation parameters have narrowed to +/-0.5% of pay.

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Note 28. Pensions and similar obligations (continued)

The principal actuarial assumptions used are set out below:

Principal actuarial assumptions	At 31 August 2019	At 31 August 2018
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Rate of increase in salaries	2.60%	2.60%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.30%	2.40%
Commutation of pensions to lump sums	50.00%	50.00%

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

Mortality assumptions (Norfolk LGPS)	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25	26.4
Mortality assumptions (Suffolk LGPS)	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4

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

Change in assumptions at 31 August 2019 (Norfolk LGPS)	Approximate % increase to Employer Liability	Approximate monetary amount in £s
0.5% decrease in Real Discount Rate	16%	3,154,000
0.5% increase in the Salary Increase Rate	2%	470,000
0.5% increase in the Pension Increase Rate	13%	2,620,000
Change in assumptions at 31 August 2019 (Suffolk LGPS)	Approximate % increase to Employer Liability	Approximate monetary amount in £s
0.5% decrease in Real Discount Rate	14%	411,000
0.5% increase in the Salary Increase Rate	2%	59,000
0.5% increase in the Pension Increase Rate	12%	344,000

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Note 28. Pensions and similar obligations (continued)

The Trust's share of the assets in the scheme were:

Composition of the Trust's share of the pension scheme assets	Fair value at 31 August 2019	Fair value at 31 August 2018
	£	£
Equity instruments	6,494,000	5,605,000
Debt instruments	4,617,000	3,556,000
Property	1,744,000	1,261,000
Cash	365,000	296,000
Total market value of assets	13,220,000	10,718,000

The actual return on scheme assets was £609,000, comprising £332,000 of interest income and £287,000 of actuarial gains (2018: £548,000, comprising £213,000 of interest income and £335,000 of actuarial gains).

Amount recognised in the Statement of Financial Activities	2019	2018
	£	£
Current service cost	(1,835,000)	(1,539,000)
Past service cost (including curtailments)	(82,000)	-
Net interest cost	(142,000)	(127,000)
Total operating charge	(2,059,000)	(1,666,000)

Changes in the present value of defined benefit obligations	2019	2018
	£	£
Opening defined benefit obligation at 1 September	15,376,000	8,915,000
Current service cost	1,835,000	1,539,000
Past service cost (including curtailments)	82,000	-
Interest cost	464,000	340,000
Employee contributions	307,000	224,000
Actuarial (gain)/loss*	4,205,000	(1,681,000)
Benefits paid	(62,000)	(48,000)
Effect of business combinations	741,000	6,087,000
Closing defined benefit obligation at 31 August	22,948,000	15,376,000

*This figure relates to changes in actuarial financial assumptions resulting in an annual remeasurement of the scheme liabilities.

Changes in the fair value of Trust's share of the pension scheme assets held by Norfolk and Suffolk Pension Funds	2019	2018
	£	£
Opening share of scheme assets at 1 September	10,718,000	5,978,000
Interest income	322,000	213,000
Actuarial gain/(loss)*	287,000	335,000
Employer contributions	1,125,000	767,000
Employee contributions	307,000	224,000
Benefits paid	(62,000)	(48,000)
Effect of business combinations	523,000	3,249,000
Closing share of scheme assets at 31 August	13,220,000	10,718,000

*This figure relates to changes in actuarial financial assumptions resulting in an annual remeasurement of the scheme assets.

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Note 29. Related Party Transactions

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

In addition to certain Trustees' remuneration and expenses, already disclosed in Note 11, the following related related party transaction took place during the year ended 31 August 2019:

- Expenditure incurred by Eaton Hall Specialist Academy of £194.50 to Norfolk Gliding Club Ltd for gliding sessions for pupils at Eaton Hall Specialist Academy Trust. The Chair of Trustees of Rightforsuccess, J. Roche-Kelly is also a Director at Norfolk Gliding Club Ltd. There was no outstanding balance in relation to this transaction at the balance sheet date.

In the year ended 31 August 2018, the following related party transactions took place:

- Donation of cash received by the Trust of £440 from Allicare Limited. The Chief Executive, who is a Trustee at Rightforsuccess Trust, is also a Director at Allicare Limited. There was no outstanding balance in relation to this transaction at the balance sheet date.
- Expenditure incurred by Eaton Hall Specialist Academy of £352 to Norfolk Gliding Club Ltd for gliding sessions for pupils at Eaton Hall Specialist Academy Trust. The Chair of Trustees of Rightforsuccess, J. Roche-Kelly is also a Director at Norfolk Gliding Club Ltd. There was no outstanding balance in relation to this transaction at the balance sheet date.

Note 30. Financial Instruments

	2019 £	2018 £
Financial assets measured at amortised cost	1,976,932	3,318,324
Financial liabilities measured at amortised cost	(592,672)	(1,485,557)
	<u>1,384,260</u>	<u>1,832,767</u>

Financial assets, measured at amortised cost, comprise debtors, bank balances and accrued income. Financial liabilities, measured at amortised cost, comprise creditors, pension creditors, accruals and loans.

Note 31. Contingent Assets and Liabilities

The Trust is not aware of any past or present events and associated potential obligations that would meet the criteria for recognition as a contingent liability other than the commitment to future CIF loans as set out Note 21. In the prior year there were no past or present events that would meet the criteria for recognition.

The Trust is not aware of any past events where a possible asset may be confirmed only by uncertain future events, not wholly within the Trust's control, that would meet the criteria for recognition as a contingent asset. This is unchanged from the prior year.

Note 32. Events after the end of the reporting period

For the Year Ended 31 August 2019: The Trust transferred out Stone Lodge academy to SENDAT, another Multi-Academy Trust, on 1 November 2019. The Trust was also awarded responsibility for creation of a new specialist academy, for boys with social, emotional and mental health needs, to be based in Great Yarmouth.

For the Year Ended 31 August 2018: The Trust recognised the transfer of the St Clements Hill free school on 3 September 2018 for nil consideration from the DfE upon its completion, in substance as a gift. It became St Clements Hill academy at that point and opened to its first pupils on 6 September.

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Note 33. Conversions of Local Authority maintained schools during the year

On 1 August 2019 The Dragonfly Federation, which consisted of East Ruston Infants School and Stalham Infants School, joined the Rightforsuccess Trust with both schools converting to academy status, under the Academies Act 2010, but retaining their original names. All the operations, assets and liabilities were transferred to Rightforsuccess Trust from Norfolk County Council for £nil consideration on the conversion date.

The transfer has been accounted for as a business combination, that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as a net gain in the Statement of Financial Activities under the heading Donations and capital grants, Conversion activities: Transfers from local authorities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities, by fund for both transferred schools.

East Ruston Infants School

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	722,049	722,049
Other tangible and intangible fixed assets	-	-	8,000	8,000
Capital grants and donations	-	-	22,009	22,009
Surplus / (deficit) on LA Revenue Reserves	28,970	-	-	28,970
LGPS pension surplus / (deficit)	-	(69,000)	-	(69,000)
Net assets / (liabilities) transferred	28,970	(69,000)	752,058	712,028

Stalham Infants School

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	1,599,018	1,599,018
Other tangible and intangible fixed assets	-	-	13,000	13,000
Capital grants and donations	-	-	2,056	2,056
Surplus / (deficit) on LA Revenue Reserves	89,518	-	-	89,518
LGPS pension surplus / (deficit)	-	(149,000)	-	(149,000)
Net assets / (liabilities) transferred	89,518	(149,000)	1,614,074	1,554,592

The leasehold for the land and buildings for both schools is for 125 years. A full valuation of the land and buildings was undertaken at the transfer date by a suitably qualified valuer.

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Note 34. Teaching School Trading Account

Income	2018/19 £	2018/19 £	2017/18 £	2017/18 £
Direct				
Other Income	53,320		62,070	
Indirect				
Other trading	5,235		8,190	
Total Income		58,555		70,260
Expenditure				
Direct				
Direct staff costs	-		(26,580)	
Other direct costs	(1,950)		(28,170)	
Staff development	(9,875)		(15,397)	
Support staff costs	(16,204)		(14,940)	
Total Direct costs	(28,029)		(85,087)	
Indirect				
Other support costs	(3,432)		(1,642)	
Technology costs	(1,135)		(1,242)	
Recruitment costs	-		(114)	
Total Indirect costs	(4,567)		(2,998)	
Total Expenditure		(32,596)		(88,085)
Intra-Trust Transactions				
Income from other Trust components	5,150		18,891	
Expenditure with other Trust components	(83,753)		(47,306)	
Transfer between funds excluding depreciation	-		-	
Total Internal Transactions and Transfers		(78,603)		(28,415)
Surplus/(deficit) from all sources		(52,644)		(46,240)

Note 35. 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 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.