

Rightforsuccess Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number:
08282834 (England and Wales)



Rightforsuccess Trust

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Rightforsuccess Trust

Reference and Administrative Details

Members	S Coward G Attfield (<i>resigned 30 November 2018</i>) V Pritty (<i>resigned 5 October 2018</i>) R Shand (<i>resigned 4 October 2018</i>) J Roche-Kelly A Berry (<i>appointed 30 November 2018</i>)	
Trustees	J Roche-Kelly, Chair of Trustees P Clarke, Vice Chair of Trustees J Middleton G Sadler S Stavers S Riseborough V Moore OBE, Chief Executive (<i>resigned 31 August 2018</i>) D Pollock, Director of Performance	
Senior Management Team	V Moore OBE, Chief Executive (<i>employment ended 31 August 2018</i>) D Pollock, Director of Performance D Evans, Director of Operations (<i>appointed 4 December 2017</i>) P Beecher, Head of Finance & Business A Jordan, Head of Human Resources The Headteacher at each of the Trust's Academies	
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 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates two Secondary Academies, four Primary Academies and one Specialist Academy in Norfolk and another Specialist Academy in Suffolk. At the October 2018 census the Secondary Academies had a capacity of 2,817 and a roll of 1,543; the Primary Academies had a capacity of 1,520 and a roll of 1,083; the Specialist Academy in Norfolk has a capacity and roll of 54 day pupils and is also a Residential BESD Academy for boys; and the Specialist Academy in Suffolk has a capacity of 166 and a roll of 166.

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 Trust is a company limited by guarantee and an exempt charity. The Trust's Memorandum and Articles of Association are its primary governing documents. The Trustees are also the Directors for the purposes of company law; the terms Trustee and Director are interchangeable. For the purposes of this report, the term Director is used to refer to paid members of the Trust's senior management team who are also Trustees. During the year ended 31 August 2018 there were only two Directors; the Chief Executive and the Director of Performance, both of whom were Trustees throughout 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 2018 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); and
- Stone Lodge Academy (existing Single Academy Trust which joined the Trust on 1 April 2018).

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 2018 are included in the Reference and Administrative Details section on page 2.

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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 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.

During the period from 1 September 2017 to the signing date of the financial statements one Member was appointed and three resigned from their roles.

During the period from 1 September 2017 to the signing date of the financial statements no Trustees have been appointed and one Trustee resigned.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Members, Trustees and Directors are required to attend a training programme. This programme has been determined by the Chief Executive and Chair of the Trust and is followed by new Members, Trustees and Directors. The induction programme involves a meeting with the Chief Executive or the Chair of Trustees (where appropriate) prior to attending their first meeting followed by visits to the Trust's academies, meeting various students and staff from these and the provision of policies and procedure documents that are appropriate to the role they undertake as a Member, Trustee or Director. In addition to the induction programme all new Members or Trustees will be given a mentor to provide support and guidance through their first year as a Member, Trustee or Director as necessary.

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.

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.

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Committees of the Board of Trustees

The Board of Trustees has delegated specific responsibilities to three committees which report into directly back to the Board of Trustees. These are the Finance Committee, Audit 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 fulfil their Terms of Reference appropriately and provide the necessary recommendations and assurance to the Board of Trustees.

Senior Management Team

The Trust's Senior Management Team is defined as all personnel within the Trust's Executive Team listed on page 2 and the senior leadership individual at each Academy. This will be either the Headteacher, Head of School or anyone acting up to that role, for the period which they are acting up.

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 Headteachers or Heads of School 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.

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 2018 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 2018 by Headcount	Employees who were union officials during the year ended 31 August 2018 by Full Time Equivalent
0	0.0

Percentage of time spent on facility time:

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

Percentage of time spent on facility time:

Total cost of facility time	£0
Total pay bill	£10,324,985
Percentage of total pay bill spent on facility time	0%

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Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	£0
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Related Parties and other Connected Charities and Organisations

In addition to the eight 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 four 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 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 academies, 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, reviewed its disability procedures.

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;

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- 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 a Free School proposal and to manage its planned expansion 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 2017/18 academic year has involved a significant number of Ofsted inspections and three additional academies joining the Trust.

Specific Achievements were as follows:

- Martham Academy was inspected in September 2017 and achieved a Good outcome.
- Eaton Hall Specialist Academy was inspected for Safeguarding in September 2017 and had a full education inspection in March 2018. The result was a judgement of Outstanding in all areas. This was a wonderful achievement for the Headteacher of the academy and the Trust.
- Tuckswood Academy was inspected in February 2018 and received an overall judgement of Requires Improvement with Good features which is an improvement on its previous inspection before it joined the Trust. This is a significant result considering the current leadership team had only been in post for 18 months. The progress the academy has made since the new leadership team has been installed is further evidenced by the dramatic improvement in results, particularly in the most recent Key Stage 2 tests.
- Sewell Park Academy was inspected in May 2018 and received a Requires Improvement judgement. This was a successful outcome given that the Progress 8 indicator was below Floor Standard. The inspections of Tuckswood and Sewell Park highlight the not inconsiderable challenges of improving schools facing high levels of deprivation whilst facing difficulties recruiting teachers.
- In the year 2017/18 three additional schools joined the Trust. These were Martham Academy (October 2017), Sprowston Community Academy (February 2018) and Stone Lodge Academy (April 2018).
- The Free school Project (St Clements Primary Academy) continues to develop well and opened successfully with its first cohort of pupils in September 2018.
- Andrew Howard (previously Deputy Head Stalham) has taken on a role with the Teaching School involving developing the Teaching School (Initial teacher Training, Staff development and support for schools). His work has been critical to the success at Tuckswood.

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Key Performance Indicators and Examination Outcomes

The stand out performance is the 80% achievement at Tuckswood Academy followed by the 62% at Edith Cavell Academy. These outcomes continue the rapid improvement in results since they joined the Trust and demonstrate that the Trust is effective at the raising achievement through collaboration, leveraging the skills and experience of staff and utilising the Teaching School to great effect.

Key Stage 2

Academy	Year 6 SATs	Overall Attendance	Number on Roll
Edith Cavell Academy	62%	95.1%	179
Martham Academy	64%	95.6%	353
Stalham Academy	84%	96.2%	248
Tuckswood Academy	80%	95.5%	292
National Average	64%	96.0%	N/A

Key Stage 4

Academy	Progress 8*	Overall Attendance	Number on Roll
Sewell Park Academy	-0.37	92.4%	493
Sprowston Academy	-0.23	94.1%	1050

* DfE un-validated at the time of writing.

Going Concern

After making appropriate enquiries, 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

The Trust has experienced significant financial and operational challenge during the 2017/18 financial and academic year. It has doubled in size, in terms of annual recurrent revenue, from £10m to £20m, with the addition of Martham, Sprowston and Stone Lodge academies, all of which were deficit generating at the point of joining the Trust and have been for several years previously. The addition of these three academies saw the Trust generate a surplus of £0.12m before transfers of £1.79m of revenue reserves to fund capital purchases. This compares to a surplus of £0.29m before transfers of £0.45m of revenue reserves to fund capital purchases in the prior year.

The deterioration of the position compared to the prior year is principally due to the following adverse factors:

- Unfunded incremental and inflationary pay drift, including drift in employers' LGPS contributions;
- Conversion of two deficit generating academies (Martham and Stone Lodge) and a deficit generating converter school (Sprowston); and
- Underfunding of Stone Lodge by Suffolk County Council, which has been formally acknowledged.

These were partially offset by the following favourable factors:

- The inward transfer of revenue reserve balances relating to Martham and Stone Lodge; and
- Realisation of cost saving and efficiency programmes across the Trust and its academies.

In addition, while income has been received for the conversion of Sprowston, as Martham and Stone Lodge were already academies conversion costs, such as fees for part year audits, were entirely unfunded.

While the three new academies joining the Trust were all generating recurrent revenue deficits, in the long term the Trust has realistic and achievable plans to return all three to in-year surplus generation through a combination of resolving historic underfunding issues, supporting growth in pupil numbers and improving

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efficiency, effectiveness and economy. The increase in the Trust's size also allows for greater economies of scale and purchasing power across all academies.

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 our buildings and our sites are safe, warm and dry as well as providing a positive and stimulating educational environment with the right equipment. These capital projects included flat roof replacement, construction of mobile classrooms, a kitchen and greater residential boarding provision.

Despite the increasing financial pressures and the capital demands the Trust has ended the year with just over £0.66m of revenue reserves, the majority of which are unrestricted reserves, which compares favourably to other peer organisations across the wider sector. This is principally the result of the Trust's proactive and aggressive approach to managing costs and achieving value for money.

As always the Trust will continue to maintain an approach focused on continuous improvement within the context of sustainably securing economy, effectiveness and efficiency. However, in the longer term with the relaxation of inflationary constraints on pay and funding decreasing in real terms the Trust will face an increasingly challenging financial reality where it is forced to make difficult decisions regarding the allocation of funds.

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 2018 the total GAG funding received was £11.34m. 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 and Local Authority Grants.

Pupil Premium is additional funding available to publically 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
- Investment Policy
- Pay Policy
- Reserves Policy
- Whistleblowing Policy

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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 a proportion of General Annual Grant (GAG) funding from all its academies to form one central fund and are expected to create reserves from this. 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 each 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 free reserves (total funds less the amount held in fixed assets, pension and other restricted funds) is £0.62m, which is considered to be adequate. The Trust's current restricted fixed asset reserve is £64.52m, the restricted pension reserve is negative £4.66m (see "Pension Deficit" section on page 11 for further details) and the level of the Trust's other restricted funds is £0.05m. This gives a total level of reserves at the year ended 31 August 2018 of £60.53m.

Free reserves will continue to be tactically developed and deployed as an inherent part of supporting the Trust's achievement of its strategic objectives.

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 the Trust invested £0.60m in such an account with a period of 12 months and obtained a favourable rate of interest, above the Bank of England base rate, achieving the Trust's investment objectives.

Principal Risks and Uncertainties

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

- Strategic & Governance;
- Reputational;
- Educational;
- Estates;
- Health & Safety;
- Information Technology;
- Financial; and
- HR

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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 Finance Committee, Audit 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 £4.66m as at 31 August 2018, which is a increase in the deficit of £1.72m compared to the prior year figure of £2.94m. The recognition of this deficit has no direct impact on the free reserves of the Trust.

The £1.72m adverse movement in the pension fund deficit results from the following:

- a increase in pension obligations of £6.46m, from £8.92m in 2016/17 to £15.38m in 2017/18; and
- an increase in the pension assets of £4.74m, from £5.98m in 2016/17 to £10.72m in 2017/18.

These changes are principally due to the effect of business combinations as the pensions scheme assets (£3.25m) and obligations (£6.09m) associated with Martham, Sprowston and Stone Lodge academies transferred to the Trust at the point of conversion. 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 have also contributed towards the movement in the net pension deficit. Changes to actuarial assumptions and a sensitivity analysis of these are included in Note 28.

The reduction 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 1%. The most recent valuation was undertaken as at 31 March 2017, with the first changes required to the employer's contribution rate having taken effect from 1 April 2018. If the trajectory of the Trust's pension deficit continues to be favourable until the next triennial valuation on 31 March 2019, the earliest the Trust would expect to enjoy the benefits of this would be when the contribution rates given in that valuation report take effect on 1 April 2020.

Liquidity and Credit Risk

Due to its healthy cash position, as a result historical and continuing effective and prudent financial management, the Trust has assessed itself as having very limited exposure to any liquidity risks. Due to its very limited portfolio of investments, as described in the section on Investment Policy within this report, the Trust has assessed itself as having very limited 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.

Funding Raising

The Trust's fund raising 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 fund raising team or function and does not engage any professional fund raisers. The Trust also raises funds through non-uniform days for other charitable causes.

Funding raising that does take place is in direct liaison with Headteachers and other educational staff who also monitor such activity to ensure at no points 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 fund raising activities.

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Plans for Future Periods

With the change in leadership at the end of the academic year, in the first few months of the 2018/19 academic year the Trust has already begun the process of refreshing its relationship with Norfolk and Suffolk County Councils as well as the Regional Schools Commissioner and the ESFA.

The Trust has also made the commitment to being far more outward looking and collaborative in its approach going forward. This has started with the Headteacher at Martham supporting the Dragonfly Federation, consisting of Easton Ruston Infants and Stalham Infants, three days a week in the role of Headteacher. This will continue with building positive relationships with other Trusts across Norfolk and wider as the Trust seeks out and looks to share best practice.

A new organisational strategy is in development with input from the entire workforce of the Trust to ensure it is as inclusive and comprehensive as possible.

The Norwich Teaching School is also continuing to expand its capacity and capability to support development and improvements in pedagogy, particularly with the addition of the Head of Education role. The Trust has also received funding for an aspiring Teaching School based at Stalham Academy.

The Trust will also be engaging with Norfolk County Council in respect of the Local Authority's plans for redesigning Special Educational Needs provision across the county, supporting the drive to increase provision where the Trust can add value.

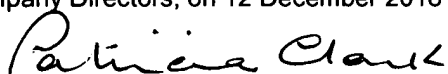
The Trust will continue to proactively ensure that it has the appropriate mix of skills and experience within its Senior Management Team and the Board of Trustees to be able to effectively deliver specific projects as well as strategic objectives.

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 12 December 2018 and signed on the Board's behalf by:



Patricia Clark
Vice Chair of Trustees

Date: 12.12.18

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 three times during the year and the Trustees have formally met three times during the year. 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	Simon Coward	3	3
Member	Gary Attfield	3	3
Member	Venetia Pritty	2	3
Member	Richard Shand	1	3
Member	John Roche-Kelly	1	3

Meetings of the Board of Trustees	Individual	Meetings attended	Out of a possible
Trustee	John Roche-Kelly (Chair)	3	4
Trustee	Patricia Clark (Vice Chair)	4	4
Trustee	Valerie Moore	4	4
Trustee	David Pollock	4	4
Trustee	Geoff Sadler	4	4
Trustee	John Middleton	2	4
Trustee	Sue Stavers	4	4
Trustee	Stuart Riseborough	3	4

The Board of Trustees is currently in the process of completing its self evaluation and assessment, following on from the introduction of this last year. The results to be discussed with the Members at the Trust's Annual General Meeting (AGM) on 30 November 2018. As well as reviewing performance it will also serve to identify any skill or experience gaps.

During the year the Trust ran a procurement process and appointed M+A Partners as its internal auditors who delivered reviews on Governance, Human Resources and Key Financial Controls during the year. The governance review confirmed that the Trust has implemented all of the recommendations from the review by the external auditors in 2016/17 as well as making further recommendations to improve and strengthen

Rightforsuccess Trust – Governance Statement

governance. The Trust is currently in the process of implementing all of the recommendations with the intention that these will all be complete by the end of the 2018/19 academic year.

The Finance, Remuneration and Audit 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 2017 and 31 August 2018, the Board and its committees have dealt with the following:

- Approval of the budget;
- 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;
- Recommendation of Annual reports to the Trust;
- Reviewing and authorising new contracts to obtain best value for money; and
- Recommendation and approval of Pay Awards.

The Finance Committee consists of the following and their attendance at meetings in the year was follows:

	Meetings attended	Out of a possible
Stuart Riseborough	2	3
John Roche-Kelly	2	3
Pat Clark	3	3
Valerie Moore OBE	3	3
David Pollock	3	3
Venitia Pritty	1	1

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

	Meetings attended	Out of a possible
John Roche-Kelly	1	1
Pat Clark	1	1
Simon Coward	1	1

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

	Meetings attended	Out of a possible
Gary Attifield	2	2
Richard Shand	2	2

One Trustee, Geoff Sadler, attended the May 2018 Audit Committee meeting as a guest in advance of becoming a member of the Audit Committee from September 2018.

Change of Chief Executive

The Trust's Director of Operations, Don Evans assumed the role of Interim Chief Executive Officer on 1 September 2018 following the departure of the Trust's previous Chief Executive Officer.

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:

Refuse collection re-procurement

The Trust has completed its re-procurement of refuse collection and has utilised free recycling collections with Norwich City to reduce its refuse collection costs by £6k recurrently across the organisation. The Trust's contract also locks in inflationary increases to a maximum of 4% per year.

Utilisation of the Apprenticeship Levy

With the apprenticeship levy coming into force from 1 April 2016 the Trust has been proactive in ensuring that it can utilise as much of its levy pot as possible and not taking the view of some organisations that it is just another social security tax. During the year the Trust has used the levy to fund two AAT level 3 qualifications, one AAT level 4 qualification, one level 7 qualification for the ACCA, five level 3 HR qualifications, three teaching and learning level 2 qualifications and a business administration level 3 qualification. Next year there will be a further AAT level 3 qualification, two level 7 ACCAs, one level 7 for an MBA and several more teaching and learning level 3 qualifications.

Catering Contract Re-procurement

The Trust has completed re-procurement of all of its catering contracts, such that as well as managing costs all contracts are now co-terminus and will be able to be tendered en mass for September 2021.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date 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 Business Continuity and Risk Management 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:

Rightforsuccess Trust – Governance Statement

- 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 Committee, Audit 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 a review of governance and key financial controls; 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 has been advised of the implications of the result of the aforementioned work and the results of have been shared with the Audit Committee and Finance Committee. Progress on all recommendations and issues raised have been, and will continue to be, reported to the Board of Trustees and its Committees to ensure a process of continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:



Patricia Clark

Vice Chair of Trustees



Don Evans

Accounting Officer and Interim 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 2017.

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 2017.

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 Interim Chief Executive

Date: 12-12-18

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 2017 to 2018;
- 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 12 December 2018 and signed on its behalf by:



Patricia Clark

Vice 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 2018 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 2017 to 2018 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 2018 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 2017 to 2018 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 2018

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 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 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 2018

Rightforsuccess Trust

Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018	Total 2017
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	-	19,266	857,569	876,835	1,067,816
Conversion activities:						
Transfers from local authorities	31	-	(1,459,000)	30,088,732	28,629,732	-
Transfers from other academies	32	771,020	(1,221,633)	5,929,520	5,478,907	-
Charitable activities:						
Funding for educational operations	3	-	14,925,978	-	14,925,978	9,302,840
Teaching Schools	3	-	62,070	-	62,070	144,225
Trading and other activities	4	403,047	137,151	-	540,198	227,233
Investments	5	3,637	-	-	3,637	4,347
Total Income		1,177,704	12,463,832	36,875,821	50,517,357	10,746,461
Expenditure on:						
Raising funds	6	-	2,558	-	2,558	766
Charitable activities:						
Expenditure on educational operations	6, 7	348,049	16,698,793	1,219,746	18,266,588	10,376,368
Teaching Schools	33	-	88,085	-	88,085	126,112
Governance Costs	8	-	121,098	-	121,098	47,318
Total Expenditure		348,049	16,910,534	1,219,746	18,478,329	10,550,564
Net income / (expenditure)		829,655	(4,446,702)	35,656,075	32,039,028	195,897
Transfers between funds		(641,051)	(1,149,780)	1,790,831	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension scheme assets	28	-	335,000	-	335,000	270,000
Effect of remeasurements and changes in actuarial assumptions	28	-	1,681,000	-	1,681,000	2,263,000
Net movement in funds		188,604	(3,580,482)	37,446,906	34,055,028	2,728,897
Reconciliation of funds						
Total funds brought forward		428,066	(1,031,223)	27,073,251	26,470,094	23,741,197
Total funds carried forward		616,670	(4,611,705)	64,520,157	60,525,122	26,470,094

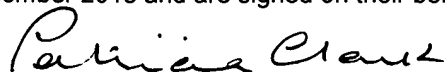
Rightforsucces Trust

Balance Sheet as at 31 August 2018

Company Registration Number 08282834

	Note	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Intangible assets	13		17,358	-	
Tangible assets	14		63,883,155	26,137,315	
Current assets					
Debtors	15	1,249,128		677,444	
Cash at bank and in hand	24	1,686,971		3,438,481	
Investments	24	600,000		-	
		<u>3,536,099</u>		<u>4,115,925</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(2,253,490)		(836,896)	
Provisions	17	-		(9,250)	
Net current assets			<u>1,282,609</u>		<u>3,269,779</u>
Total assets less current liabilities			65,183,122		29,407,094
Net assets excluding pension liability			<u>65,183,122</u>		<u>29,407,094</u>
Defined benefit pension scheme liability	28		<u>(4,658,000)</u>		<u>(2,937,000)</u>
Net assets including pension liability			<u>60,525,122</u>		<u>26,470,094</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	64,520,157		27,073,251	
Restricted income fund	18	46,295		1,905,777	
Pension reserve	18	(4,658,000)		(2,937,000)	
Total restricted funds			<u>59,908,452</u>		<u>26,042,028</u>
Unrestricted income funds	18		<u>616,670</u>		<u>428,066</u>
Total funds			<u>60,525,122</u>		<u>26,470,094</u>

The Financial Statements on pages 24 to 54 were approved by the Trustees and authorised for issue on 12 December 2018 and are signed on their behalf by:



Patricia Clark

Vice Chair of Trustees

Rightforsuccess Trust

Statement of Cash Flows for the year ended 31 August 2018

	Note	2018 £	2017 £
Net cash provided by (used in) operating activities	22	952,663	(8,671)
Cash flows from investing activities	23	(2,104,173)	487,827
Change in cash and cash equivalents in the reporting period		<u>(1,151,510)</u>	<u>479,156</u>
Cash and cash equivalents at 1 September		3,438,481	2,959,325
Cash and cash equivalents at 31 August	24	<u>2,286,971</u>	<u>3,438,481</u>

Rightforsuccess Trust

Notes to the Accounts for the year ended 31 August 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Rightforsuccess Trust constitutes a public benefit entity as defined by FRS102.

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 and 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, due to the current funding of education provision, there are fundamental challenges to the long term financial sustainability of the Trust beyond the one year horizon from the balance sheet date.

1.3 Income

All incoming resources are 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.

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. The expenditure is capitalised in assets under construction until the project is complete.

- **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.

- **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.

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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 below:

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: ICT Equipment	3 years	10 years
Tangible: Motor Vehicles	3 years	8 years
Tangible: Assets Under Construction	Not depreciated	Not depreciated

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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.

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.

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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.

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.

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Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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 and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

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.

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Note 2. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
DfE Group capital grants	-	779,644	779,644	1,054,089
Other capital grants	-	49,806	49,806	-
Donated fixed assets	-	25,619	25,619	-
Donations	-	19,266	19,266	13,727
Disposals	-	2,500	2,500	-
	-	876,835	876,835	1,067,816

In the prior year, all £1,067,816 of donations and capital grant income related to restricted funds. In April 2018, the Trust received confirmation of £662,803 of Condition Improvement Funding (CIF) for the replacement of the flat roofing at Eaton Hall and Stalham. As at 31 August 2018, the Trust has received £487,812 of funding in cash, with the remaining £174,991 recognised as accrued income in compliance with Charities SORP 2015. The value of work undertaken on the project as at 31 August 2018 was £102,226, recognised in Assets Under Construction.

Note 3. Funding for Educational Operations and Teaching Schools

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,337,655	11,337,655	6,310,062
Start Up Grants	-	190,000	190,000	30,000
Other DfE Group grants	-	1,090,709	1,090,709	797,258
	-	12,618,364	12,618,364	7,137,320
Other Government grants				
Department for Work and Pensions	-	4,208	4,208	6,503
Local Authority Grants	-	2,291,571	2,291,571	2,155,717
Notional Apprenticeship Levy income	-	10,136	10,136	-
	-	2,305,915	2,305,915	2,162,220
Other income from the Trust's educational operations	-	1,699	1,699	3,300
	-	14,925,978	14,925,978	9,302,840

In the prior year, all £9,302,840 of funding for Educational Operations related to restricted funds.

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Teaching Schools				
DfE/ESFA grants				
National College grants	-	62,070	62,070	144,225
	-	62,070	62,070	144,225

In the prior year, all £144,225 of Teaching School income related to restricted funds.

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Note 4. Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Catering Income	60,657	-	60,657	40,747
Music Lesson Income	-	10,014	10,014	5,482
Rental Income	117,467	-	117,467	51,650
Other Income	224,923	127,137	352,060	129,354
	<u>403,047</u>	<u>137,151</u>	<u>540,198</u>	<u>227,233</u>

In the prior year, of the £227,233 of income for other trading activities, £154,562 related to unrestricted funds and £72,671 related to restricted funds.

Note 5. Investments

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Interest on short term deposits	3,637	-	3,637	4,347
	<u>3,637</u>	<u>-</u>	<u>3,637</u>	<u>4,347</u>

In the prior year, all £4,347 of interest on short term deposits related to unrestricted funds.

Note 6. Expenditure

	Pay Costs	Non-Pay Premises	Non-Pay Other	Total 2018	Total 2017
	£	£	£	£	£
Raising funds	-	-	2,558	2,558	766
Educational operations:					
Direct costs	10,273,245	-	995,468	11,268,713	5,993,439
Support costs	4,033,415	1,219,746	1,744,714	6,997,875	4,382,929
Sub-total	<u>14,306,660</u>	<u>1,219,746</u>	<u>2,740,182</u>	<u>18,266,588</u>	<u>10,376,368</u>
Teaching School	41,520	-	46,565	88,085	126,112
Governance Costs	-	-	121,098	121,098	47,318
	<u>14,348,180</u>	<u>1,219,746</u>	<u>2,910,403</u>	<u>18,478,329</u>	<u>10,550,564</u>

For the year ended 31 August 2018, of the total expenditure, £348,049 (2017: £209,122) related to unrestricted funds, £16,906,534 (2017: £9,519,833) related to restricted funds and £1,219,746 (2017: £647,412) related to restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	2018	2017
	£	£
Operating lease rentals	14,630	4,500
Amortisation	382	-
Depreciation	1,219,364	647,412
(Gain)/loss on disposal of fixed assets	(2,500)	-
Fees payable to auditor for:		
Statutory audit	14,600	10,200
Other services from External Audit	12,241	7,055
Internal Audit	6,325	-

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Note 7. Charitable activities

	Total 2018	Total 2017
	£	£
Direct costs – Educational operations	11,268,713	5,993,439
Support costs – Educational operations	6,997,875	4,382,929
	18,266,588	10,376,368

Analysis of Direct Costs associated with Educational Operations

	Total 2018	Total 2017
	£	£
Wages and salaries	7,944,769	4,257,455
National insurance	741,544	399,475
Pension costs	1,586,932	782,384
Educational supplies	463,070	330,371
Examination fees	160,311	42,590
Staff development	64,379	70,337
Technology costs	192,994	71,120
Educational consultancy	87,087	25,486
Transport	27,627	14,221
Total Direct Costs	11,268,713	5,993,439

Analysis of Support Costs associated with Educational Operations

	Total 2018	Total 2017
	£	£
Wages and salaries	2,772,714	1,794,807
National insurance	175,035	115,329
Pension costs	921,502	580,894
Apprenticeship Levy	37,164	6,394
FRS 102 pension adjustments	127,000	108,000
Amortisation	382	-
Depreciation	1,219,364	647,412
Staff development	21,570	-
Technology costs	34,643	26,101
Travel & subsistence	43,145	27,547
Other costs	113,193	110,698
Maintenance of premises	317,163	190,390
Cleaning	50,799	28,600
Rates	113,373	85,561
Energy	279,382	147,735
Insurance	87,313	72,720
Catering	353,035	215,221
Occupancy costs	56,372	44,211
Bank interest & charges	3,245	1,242
Printing, postage & stationery	96,595	36,811
Professional Fees	174,886	143,256
Total Support Costs	6,997,875	4,382,929

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Note 8. Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Auditors Remuneration - Statutory Audit Fees	-	14,600	14,600	10,200
Auditors Remuneration - Accounts Preparation	-	-	-	-
Auditors Remuneration - Non-Audit Costs	-	12,241	12,241	7,055
Internal Audit	-	6,325	6,325	-
Legal and Professional	-	87,932	87,932	30,063
	-	121,098	121,098	47,318

Note 9. Staff

a. Staff costs

Staff costs during the period were:

	Total 2018 £	Total 2017 £
Wages and salaries	10,324,985	5,911,898
Social security costs	902,497	515,029
Operating costs of defined benefit pension schemes	1,721,452	969,334
Apprenticeship levy	37,164	6,394
	12,986,098	7,402,655

Supply staff costs	274,893	104,234
Staff restructuring costs	151,210	63,629
	13,412,201	7,570,518

Staff restructuring costs comprise:

Redundancy payments	13,402	-
Severance payments	130,015	41,000
Other restructuring costs	8,422	22,629
	151,839	63,629

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £55,995 (2017: £41,000). Individually, the payments were: £49,995 on 30 August 2018, £4,500 on 30 November 2017 and £1,500 on 28 February 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	161	80
Administration and support	321	185
Management	10	13
	492	278

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Note 9. Staff (continued)

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

	2018	2017
	No.	No.
Teachers	144.2	74.7
Administration and support	206.1	131.6
Management	10.3	12.1
	360.6	218.4

d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,000 - £110,00	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	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 2018 was £1,254,606 (2017 restated: £787,935). Included within this total are employers pensions contributions of £152,250 (2017 restated: £100,678) and employers national insurance contributions of £115,212 (2017 restated: £72,421). Restatement of the prior year figures relates to the exclusion of the Trust's Business Manager from the Trust's Senior Management Team as part of the appointment of the Director of Operations to ensure a like for like comparison with the current year.

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 unless there is a clear understanding that they are directly comparable.

Within the Trust all costs associated with indirect educational service provision, such as caretaking, HR, finance and so forth, whether they are nominally located in an academy or at the Trust's central headquarters, are aggregated in a central budget. This is then charged out to all academies based on their core service provision income relative to one another, pro-rated for academies joining 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.

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Note 10. Central Services (continued)

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. 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 the year.

	2018	2017
	£	£
Eaton Hall Specialist Academy	222,522	228,377
Edith Cavell Academy	146,288	152,112
Martham Academy	170,939	-
Sewell Park Academy	420,052	448,364
Sprowston Community Academy	506,177	-
Stalham Academy	134,365	131,870
Stone Lodge Specialist Academy	103,181	-
Tuckswood Academy	179,545	171,639
	1,883,069	1,132,362

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

During the year ended 31 August 2018 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:

Valerie Moore, Chief Executive and designated Accounting Officer

Remuneration £235,000 - £240,000 (2017: £120,000 - £125,000)

Employer's pension contributions paid £20,000 - £25,000 (2017: £20,000 - £25,000)

David Pollock, Director of Performance and Deputy Chief Executive

Remuneration £50,000 - £55,000 (2017: £55,000 - £60,000)

Employer's pension contributions paid £5,000 - £10,000 (2017: £5,000 - £10,000)

During the period ended 31 August 2018, damages and expense claims totalling £2,276 were reimbursed or paid directly to three Trustees (2018: £1,375 to three Trustees).

Other related party transactions involving the Trustees are set out in Note 29.

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.

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Note 13. Intangible Fixed Assets

	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

	Software & Licenses £	Total £
Cost		
At 1 September 2016	-	-
Additions	-	-
Re-classifications	-	-
Transfers on conversion	-	-
Disposals	-	-
At 31 August 2017	-	-
Amortisation		
At 1 September 2016	-	-
Charged in year	-	-
Disposals	-	-
At 31 August 2017	-	-
Net book values		
At 31 August 2016	-	-
At 31 August 2017	-	-

Note 14. Tangible Fixed Assets

During the year ended 31 August 2018 the Trust's transactions relating to land and buildings were as follows:

- Freehold land and buildings transferred on the conversion of Martham Academy, an existing academy, on 1 October 2017;
- Leasehold land and buildings transferred on the conversion of Sprowston Community Academy on 1 February 2018 under a long term leasehold of 125 years;
- Leasehold land and buildings transferred on the conversion of Stone Lodge Academy, an existing academy, on 1 April 2018. The leaseholds transferred were those originally granted to Stone Lodge when it first became an academy in February 2015, consequently the leasehold transferred to the Trust is for 121 years and 10 months;
- Installation of two mobile classrooms at Tuckswood, to increase capacity for pupil growth, was completed in October 2017;
- The residential annex at Eaton Hall was completed in February 2018;
- Flat roof replacement workings, finance by Condition Improvement Funding, were completed during the year at Sewell Park and were in progress at Eaton Hall and Stalham at the year end.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 14. Tangible Fixed Assets (continued)

	Freehold Property	Long Term Leasehold Property	Property Improvements	Furniture, Equipment & Plant	Computer & ICT 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

	Freehold Property	Long Term Leasehold Property	Property Improvements	Furniture, Equipment & Plant	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 September 2016	-	26,378,237	7,248	753,048	417,618	59,507	-	27,615,658
Additions	-	-	81,947	22,435	170,894	18,323	277,010	570,609
Re-classifications	-	-	-	-	-	-	-	-
Transfers on conversion	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 August 2017	-	26,378,237	89,195	775,483	588,512	77,830	277,010	28,186,267
Depreciation								
At 1 September 2016	-	886,543	2,111	274,766	220,438	17,682	-	1,401,540
Charged in year	-	435,089	357	128,387	77,319	6,260	-	647,412
Disposals	-	-	-	-	-	-	-	-
At 31 August 2017	-	1,321,632	2,468	403,153	297,757	23,942	-	2,048,952
Net book values								
At 31 August 2016	-	25,491,694	5,137	483,419	197,180	41,825	-	26,219,255
At 31 August 2017	-	25,056,605	86,727	372,330	290,755	53,888	277,010	26,137,315

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 15. Debtors

	2018	2017
	£	£
Trade debtors	98,725	79,304
Other debtors*	362,588	114,111
Prepayments**	217,776	110,686
Accrued income***	570,039	373,343
	<u>1,249,128</u>	<u>677,444</u>

*Other debtors is comprised entirely of VAT repayable to the Trust from HMRC.

**Prepayment and accrued income includes prepayments totalling £30,832 which relate to a period more than 12 months from the balance sheet date (2017 - £1,194).

***The significant increase compared to the prior year is principally due to recognition of accrued income of £174,911 relating to Condition Improvement Funding, £105,920 relating to the IT expenditure on the St Clements Hill free school which is received on a pass through basis from the DfE Group (see Note 2).

Note 16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,354,392	408,456
Other taxation and social security	362,071	136,780
Other creditors	280,679	129,105
Accruals and deferred income	256,348	162,555
	<u>2,253,490</u>	<u>836,896</u>

	£
Deferred income at 1 September 2017	141,393
Released from previous years	(141,393)
Resources deferred in the year	131,083
Deferred Income at 31 August 2018	<u>131,083</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 2018.

Note 17. Provisions

	2018	2017
	£	£
At 1 September	9,250	-
Provisions recognised on conversion	31,354	-
Additions to provisions during the year	-	9,250
Provisions utilised during the year	(40,480)	-
Reversals of provisions during the year	(124)	-
At 31 August	<u>-</u>	<u>9,250</u>

All provision entries relate to redundancy processes.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 18. Statement of Funds

	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

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted fixed asset funds					
Restricted Fixed Asset Funds	26,214,118	-	(647,412)	570,609	26,137,315
DfE Group capital grants	-	1,054,089	-	(118,153)	935,936
	26,214,118	1,054,089	(647,412)	452,456	27,073,251
Restricted general funds					
General Annual Grant (GAG)	1,064,088	6,310,062	(6,097,236)	(148,979)	1,127,935
Other DfE Group grants	201,666	827,258	(717,848)	-	311,076
Teaching School	116,457	145,983	(126,112)	(81,733)	54,595
Other government grants	615,350	2,162,220	(2,162,220)	(221,744)	393,606
Other restricted funds	21,214	87,940	(90,590)	-	18,565
School Fund	25	-	(25)	-	-
	2,018,800	9,533,463	(9,194,030)	(452,456)	1,905,777
Pension reserve	(4,970,000)	-	(500,000)	2,533,000	(2,937,000)
Total restricted funds	23,262,918	10,587,552	(10,341,442)	2,533,000	26,042,028
Total unrestricted funds	478,279	158,909	(209,122)	-	428,066
Total funds	23,741,197	10,746,461	(10,550,564)	2,533,000	26,470,094

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 18. 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 2018.

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 and facilitating school improvement through creation of a Maths Hub.

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 2018

Note 18. Statement of Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Edith Cavell Academy	47,514	148,428
Eaton Hall Academy	72,275	965,699
Martham Academy	62,743	-
Sewell Park Academy	13,376	209,629
Sprowston Community Academy	27,466	-
Stalham Academy	44,896	81,168
Stone Lodge Academy	214,252	-
Tuckswood Academy	6,499	149,995
Teaching School	8,355	54,596
Rightforsuccess Trust (Central Services)	165,589	724,328
Total before fixed assets and pension reserves	662,965	2,333,843
Restricted fixed asset fund	64,520,157	27,073,251
Pension reserve	(4,658,000)	(2,937,000)
Total	60,525,122	26,470,094

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 2018 £	Total 2017 £
Eaton Hall Academy	1,138,333	654,735	112,150	196,357	2,101,575	1,935,713
Edith Cavell Academy	688,648	146,980	82,179	109,980	1,027,788	990,961
Martham Academy	934,249	147,266	83,482	159,497	1,324,494	-
Sewell Park Academy	1,688,418	634,247	259,969	379,549	2,962,183	2,908,100
Sprowston Academy	2,465,246	437,044	240,157	290,337	3,432,783	-
Stalham Academy	652,631	45,406	65,985	130,305	894,327	858,614
Stone Lodge Academy	757,833	96,368	36,383	57,551	948,134	-
Tuckswood Academy	1,148,079	115,547	59,943	142,714	1,466,283	1,243,615
Teaching School	26,580	14,940	44,467	2,099	88,085	126,112
Rightforsuccess Trust (Central Services)	799,808	1,755,822	55,218	402,082	3,012,930	1,791,953
Total Trust	10,299,825	4,048,354	1,039,934	1,870,470	17,258,584	9,855,068

Note 19. Analysis of net assets between funds

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

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 19. Analysis of net assets between funds (continued)

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£	£
Tangible fixed assets	-	-	26,137,315	26,137,315	26,214,118
Current assets	428,066	2,751,923	935,936	4,115,925	3,313,529
Current liabilities	-	(846,146)	-	(846,146)	(816,450)
Non-current liabilities	-	-	-	-	-
Pension scheme liability	-	(2,937,000)	-	(2,937,000)	(4,970,000)
Total net assets	428,066	(1,031,223)	27,073,251	26,470,094	23,741,197

Note 20. Capital commitments

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

	2018	2017
	£	£
Building of residential annex at Eaton Hall	-	593,192
CIF funded roofing placement at Sewell Park	-	935,936
Playground improvement works at Tuckswood	-	18,655
Installation of mobile classrooms at Tuckswood	-	176,509
CIF funded roofing replacement at Stalham and Eaton Hall	679,692	-
	679,692	1,724,292

Note 21. Commitments under operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts due within one year	32,429	6,374
Amounts due between one and five years	54,921	9,137
Amounts due after five years	7,491	380
	94,841	15,891

The significant increase compared to the prior year is due to the addition of leases at Martham, Stone Lodge and Sprowston academies which transferred to the Trust upon their conversion, see Notes 31 and 32.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	32,039,028	195,897
Adjusted for:		
Amortisation charges (Note 13)	382	-
Depreciation charges (Note 14)	1,219,364	647,412
Capital grants from DfE and other capital income (Note 2 and 23)	(857,569)	(1,054,089)
Interest receivable (Note 5 and 23)	(3,637)	(4,347)
Assets transferred on conversion	(36,017,565)	-
Defined benefit pension scheme net obligation inherited (Note 28)	2,838,000	-
Defined benefit pension scheme cost less contributions payable (Note 28)	772,000	392,000
Defined benefit pension scheme finance cost (Note 28)	127,000	108,000
(Increase)/decrease in debtors	(571,684)	-
Increase/(decrease) in creditors and provisions	1,407,344	9,250
Net cash provided by / (used in) Operating Activities	952,663	294,123

Note 23. Cash Flows from investing activities

	2018	2017
	£	£
Dividends, interest and rents from investments	3,637	4,347
Proceeds from sale of tangible fixed assets	2,500	-
Purchase of tangible fixed assets	(2,965,379)	(570,609)
Capital grants from DfE and other capital income (Note 2 and 22)	855,069	1,054,089
Net cash provided by / (used in) investing activities	(2,104,173)	487,827

Note 24. Analysis of cash, cash equivalents and investments

	At 31 August 2018	At 31 August 2017
	£	£
Cash in hand and at bank	1,686,971	2,438,480
Notice deposits (less than 3 months from balance sheet date)	-	1,000,001
Notice deposits (more than 3 months from balance sheet date)	600,000	-
Total cash and cash equivalents and investments	2,286,971	3,438,481

Note 25. Guarantees, letters of comfort and indemnities

The Trust has not provided any guarantees, letters of comfort and indemnities during the year.

Note 26. 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.

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.

Note 27. Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

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 County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, while the latest actuarial valuation of the LGPS related to the period ended 31 March 2018.

Contributions amounting to £274,779 were payable to the schemes at 31 August 2018 (2018 £122,681) 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 actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation were:

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

The previous employer contribution rate was 14.1%, with the TPS valuation for 2012 setting an employer contribution rate of 16.48%, which has been payable from April 2015. The most recent valuation of the TPS was undertaken at March 2017 with the latest communication from the ESFA indicating that the employers' contribution rate for TPS will increase to approximately 23.6%, with a finalised rate confirmed in spring 2019. The new rate will apply from 1 September 2019, with the current indication being that the increase will be funded in some manner centrally to manage the financial burden that would be placed on academy Trusts.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 28. Pensions and similar obligations (continued)

The employer's pension costs attributable to TPS in the period amounted to £995,436 (2017: £531,250). 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 2018, as per the Trust's FRS102 report, were £991,000 (2018: £591,000), of which employer's contributions totalled £767,000 (2018: £454,000) and employees' contributions totalled £224,000 (2018: £137,000). The agreed contribution rates at the year ended 31 August 2018 ranged from 17.9% to 27.1% for employers and 5.5% to 12.5% for employees. From 1 April 2019 the rates will change to a range of 18.8% to 27.1% for employers and 5.5% to 12.5% for employees, with further changes each April thereafter, as a result of the actuarial valuation of the LGPS at 31 March 2018.

The current and revised employers contribution rates, alongside any additional annual contributions required, are set out in the table below:

	Apr-16 to Mar-17		Apr-17 to Mar-18		Apr-18 to Mar-19		Apr-19 to Mar-20	
	Previous Employers' Contribution rates	Additional Top Up £	Previous Employers' Contribution rates	Additional Top Up £	Current Employers' Contribution rates	Additional Top Up £	Future Employers' Contribution rates	Additional Top Up £
Eaton Hall	16.8%	19,000	19.6%	8,400	19.6%	15,000	19.6%	16,000
Edith Cavell	18.3%	-	19.3%	-	20.3%	-	20.4%	-
Martham	13.1%	11,000	17.9%	-	18.9%	-	19.9%	-
Sewell Park	18.3%	-	19.3%	-	20.2%	300	20.2%	5,300
Sprowston	18.8%	-	18.8%	-	18.8%	-	18.8%	-
Stalham	18.3%	-	19.3%	-	20.3%	-	21.3%	-
Stone Lodge	26.0%	-	27.0%	-	27.1%	-	27.1%	-
Tuckswold	18.3%	-	19.3%	-	20.3%	-	20.6%	1,500
Central Services	18.3%	-	19.3%	-	20.3%	-	21.3%	-

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

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 28. Pensions and similar obligations (continued)

The principal actuarial assumptions used are set out below:

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Rate of increase in salaries	2.60%	2.70%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.40%	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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.4	26.4

Mortality assumptions (Suffolk LGPS)	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	24.1
Females	26.4	26.4

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

Change in assumptions at 31 August 2018 (Norfolk LGPS)	Approximate % increase to Employer Liability	Approximate monetary amount in £s
0.5% decrease in Real Discount Rate	15%	2,043,000
0.5% increase in the Salary Increase Rate	3%	372,000
0.5% increase in the Pension Increase Rate	12%	1,643,000

Change in assumptions at 31 August 2018 (Suffolk LGPS)	Approximate % increase to Employer Liability	Approximate monetary amount in £s
0.5% decrease in Real Discount Rate	14%	283,000
0.5% increase in the Salary Increase Rate	2%	51,000
0.5% increase in the Pension Increase Rate	11%	229,000

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

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 2018	Fair value at 31 August 2017
	£	£
Equity instruments	5,605,000	3,705,000
Debt instruments	3,556,000	1,495,000
Property	1,261,000	658,000
Cash	296,000	120,000
Total market value of assets	10,718,000	5,978,000

The actual return on scheme assets was £548,000, comprising £213,000 of interest income and £335,000 of actuarial gains (2018: £382,000, comprising £112,000 of interest income and £270,000 of actuarial gains).

Amount recognised in the Statement of Financial Activities	2018	2017
	£	£
Current service cost	(1,539,000)	(838,000)
Past service cost (including curtailments)	-	(8,000)
Net interest cost	(127,000)	(108,000)
Total operating charge	(1,666,000)	(954,000)

Changes in the present value of defined benefit obligations	2018	2017
	£	£
Opening defined benefit obligation at 1 September	8,915,000	10,017,000
Current service cost	1,539,000	838,000
Past service cost (including curtailments)	-	8,000
Interest cost	340,000	220,000
Employee contributions	224,000	137,000
Actuarial (gain)/loss*	(1,681,000)	(2,263,000)
Benefits paid	(48,000)	(42,000)
Effect of business combinations	6,087,000	-
Closing defined benefit obligation at 31 August	15,376,000	8,915,000

*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	2018	2017
	£	£
Opening share of scheme assets at 1 September	5,978,000	5,047,000
Interest income	213,000	112,000
Actuarial gain/(loss)*	335,000	270,000
Employer contributions	767,000	454,000
Employee contributions	224,000	137,000
Benefits paid	(48,000)	(42,000)
Effect of business combinations	3,249,000	-
Closing share of scheme assets at 31 August	10,718,000	5,978,000

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

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 29. Related Party Transactions

In addition to certain Trustees' remuneration and expenses, already disclosed in Note 11, the following related party transactions took place during the year ended 31 August 2018:

- 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

	2018	2017
	£	£
Financial assets measured at amortised cost	3,318,324	4,005,238
Financial liabilities measured at amortised cost	(1,485,557)	(436,042)
	<u>1,832,767</u>	<u>3,569,196</u>

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

Note 31. Conversions of Local Authority maintained schools during the year

Sprowston Community Academy

On 1 February 2018 Sprowston Community High School converted to academy status, under the Academies Act 2010, and became Sprowston Community Academy. 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 as 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.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible Fixed Assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	28,981,445	28,981,445
Other tangible and intangible fixed assets	-	-	1,107,287	1,107,287
Capital grants and donations	-	-	-	-
Surplus / (deficit) on LA Revenue Reserves	-	-	-	-
LGPS pension surplus / (deficit)	-	(1,459,000)	-	(1,459,000)
Net assets / (liabilities) transferred	-	(1,459,000)	30,088,732	28,629,732

The leasehold for the land and buildings 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 32. Existing academies joining the Trust during the year

Martham Academy

On 1 October 2017, the existing academy Martham Primary School and Nursery joined the Righthfor success Turst and became Martham Academy with all operations, assets and liabilities transferring at that date for £nil consideration. 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 heading Donations and capital grants, Conversion activities: Transfers from other academies.

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.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets				
Freehold land and buildings	-	-	3,448,587	3,448,587
Leasehold land and buildings	-	-	-	-
Other tangible and intangible fixed assets	-	-	65,793	65,793
Capital grants and donations	-	-	687	687
Surplus / (deficit) on Revenue Reserves	515,764	8,481	-	524,245
LGPS pension surplus / (deficit)	-	(519,000)	-	(519,000)
Net assets / (liabilities) transferred	515,764	(510,519)	3,515,067	3,520,312

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Balance Sheet.

	Reported transfer-out £	Fair value adjustments £	Transfer-in recognised £
Intangible Fixed Assets			
Software & licenses	-	-	-
Tangible Fixed Assets			
Freehold property	3,448,587	-	3,448,587
Motorvehicles	1,887	-	1,887
Furniture & Equipment	54,249	-	54,249
ICT Equipment	9,658	-	9,658
Assets Under Construction	-	-	-
Other Assets			
Stock	-	-	-
Debtors	84,588	-	84,588
Cash at bank and in hand	620,578	-	620,578
Liabilities			
Creditors: Amounts falling due within one year	(148,881)	-	(148,881)
Provisions	(31,354)	-	(31,354)
Pensions			
Pensions - pension scheme assets	847,000	-	847,000
Pensions - pension scheme liabilities	(1,366,000)	-	(1,366,000)
Total Net Assets Transferred	3,520,312	-	3,520,312

Righforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 32. Existing academies joining the Trust during the year (continued)

Stone Lodge Academy

On 1 April 2018, the existing academy Stone Lodge joined the Righforsuccess Trust and became Stone Lodge Academy with all operations, assets and liabilities transferring at that date for £nil consideration. 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 heading Donations and capital grants, Conversion activities: Transfers from other academies.

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.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	2,347,600	2,347,600
Other tangible and intangible fixed assets	-	-	66,853	66,853
Capital grants and donations	-	-	-	-
Surplus / (deficit) on Revenue Reserves	255,256	148,886	-	404,142
LGPS pension surplus / (deficit)	-	(860,000)	-	(860,000)
Net assets / (liabilities) transferred	255,256	(711,114)	2,414,453	1,958,595

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Balance Sheet.

	Reported transfer-out £	Fair value adjustments* £	Transfer-in recognised £
Intangible Fixed Assets			
Software & licenses	2,127	-	2,127
Tangible Fixed Assets			
Leasehold Property	2,347,967	(367)	2,347,600
Motorvehicles	-	-	-
Furniture & Equipment	58,012	-	58,012
ICT Equipment	6,714	-	6,714
Assets Under Construction	-	-	-
Other Assets			
Stock	-	-	-
Debtors	184,023	-	184,023
Cash at bank and in hand	354,782	-	354,782
Liabilities			
Creditors: Amounts falling due within one year	(134,663)	-	(134,663)
Provisions	-	-	-
Pensions			
Pensions - pension scheme assets	1,106,000	-	1,106,000
Pensions - pension scheme liabilities	(1,966,000)	-	(1,966,000)
Total Net Assets Transferred	1,958,962	(367)	1,958,595

*Fair value adjustment required to correct the failure to depreciate leasehold land under the previous entity.

Rightforsuccess Trust - Financial Statements for the year ended 31 August 2018

Note 33. Teaching School Trading Account

	2017/18 £	2017/18 £	2016/17 £	2016/17 £
Income				
Direct				
Other Income	62,070		144,000	
Indirect				
Other trading	8,190		1,983	
Total Income		<u>70,260</u>		<u>145,983</u>
Expenditure				
Direct				
Direct staff costs	(26,580)		(13,737)	
Other direct costs	(28,170)		(75,666)	
Staff development	(15,397)		(18,999)	
Support staff costs	(14,940)		(12,044)	
Total Direct costs		<u>(85,087)</u>		<u>(120,446)</u>
Indirect				
Other support costs	(1,642)		(5,425)	
Technology costs	(1,242)		(121)	
Recruitment costs	(114)		(120)	
Total Indirect costs		<u>(2,998)</u>		<u>(5,666)</u>
Total Expenditure		<u>(88,085)</u>		<u>(126,112)</u>
Intra-Trust Transactions				
Income from other Trust components	18,891		16,207	
Expenditure with other Trust components	(47,306)		(36,418)	
Transfer between funds excluding depreciation	-		(61,522)	
Total Internal Transactions and Transfers		<u>(28,415)</u>		<u>(81,733)</u>
Surplus/(deficit) from all sources		<u>(46,240)</u>		<u>(61,862)</u>

Note 34. Events after the end of the reporting period

The Financial Statements for the year ended 31 August 2018 were authorised for issue on 12 December 2018 by the Board of Trustees. During the time between the end of the reporting period and authorisation date of the Financial Statements three Members resigned from the Trust and one was admitted to the Trust. The Trust also 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. The Trust's Director of Operations, Don Evans assumed the role of Interim Chief Executive Officer on 1 September 2018 following the departure of the Trust's previous Chief Executive Officer.