

Registered number: 07346144

The Fallibroome Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



DAINS
ACCOUNTANTS

The Fallibroome Trust
(A Company Limited by Guarantee)

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The Fallibroome Trust
(A Company Limited by Guarantee)

Reference and Administrative Details of the Academy trust, its Trustees and Advisers
For the Year Ended 31 August 2019

| | |
|--|--|
| Members | J Binder (resigned 7 September 2018) GM Gorton RD Hipperson AG Naylor (resigned 27 June 2019) D Sidley K Burns (appointed 27 June 2019) |
| Trustees | GM Gorton, Vice Chair ¹ RD Hipperson, Chair ¹ AG Naylor ¹ J Brooks V Meredith P Cresswell PW Rubery, Executive Principal/CEO & Accounting Officer P Thornber J Watkins J Longman (appointed 27 June 2019) K Smith (appointed 1 September 2019) ¹ Audit & Remuneration Committee |
| Company registered number | 07346144 |
| Company name | The Fallibroome Trust |
| Principal and registered office | Priory Lane Macclesfield Cheshire SK10 4AF |
| Company secretary | A Nuttall |
| Senior management team | A Bassett, Headteacher - Whirley Primary School P Broadhurst, Headteacher - Adlington Primary School CR Craven, Headteacher - Nether Alderley Primary School A Harrison, Principal - The Winsford Academy D Lewis, Headteacher - Broken Cross Primary Academy & Nursery FW Power, Headteacher - The Fallibroome Academy PW Rubery, Executive Principal/CEO M Shaw, Headteacher - Gawsworth Primary School E Ransom, Headteacher - Upton Priory School (from 1 February 2018) |

The Fallibroome Trust
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Reference and Administrative Details of the Academy trust, its Trustees and Advisers (continued)
For the Year Ended 31 August 2019

| | |
|-----------------------------|--|
| Independent auditors | Dains LLP Suite 2, Albion House 2 Etruria Office Village Forge Lane Etruria Stoke on Trent ST1 5RQ |
| Bankers | Barclays Bank PLC 51 Mosley Street Manchester M60 2AU Lloyds Bank Commercial PO Box 1000 Kings Street Manchester BX1 1LT |
| Solicitors | Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB |

The Fallibroome Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates 6 Primary and 2 Secondary Academies in Cheshire. Its academies have a combined pupil capacity of 4,295 and had a roll of 3,620 in the schools' census in summer 2019.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Fallibroome Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Fallibroome Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

At 31 August 2019 The Fallibroome Trust was comprised as follows:

- | | |
|--|---|
| • Adlington Primary School | (a 4-11 converter Primary School) |
| • Broken Cross Primary Academy & Nursery | (a 3-11 sponsored Primary and Nursery) |
| • Fallibroome Academy | (a converter 11-19 Secondary School) |
| • Gawsworth Primary School | (a converter 4-11 Primary School) |
| • Nether Alderley Primary School | (a converter 4-11 Primary School) |
| • Upton Priory School | (a transferee from another Multi Academy Trust) |
| • Whirley Primary School | (a former Single Academy Trust) |
| • Winsford Academy | (a sponsored 11-16 Secondary School) |

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Academy Trust purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. Since 1 September 2016, the Academy Trust has been a member of the Government's risk protection arrangements (RPA). This provides cover up to £10,000,000 in any one membership year in respect of Directors' and Governors' liability and provides unlimited cover in respect of actual or alleged breaches of professional duty.

The Fallibroome Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed and co-opted under the terms of the Articles of Association, with new appointments approved by the Members. Trustees are appointed on the basis of their skills and experience taking into account the needs of the Trust.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Directors is tailored according to their existing experience. Where necessary training on charity, educational, legal and financial matters is delivered. All new Directors are given a tour of academies within the Academy Trust and have the chance to meet with staff and students. Directors are provided with copies of school performance data, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. New directors are briefed on the priorities in the Trust's three- year strategic plan, including the school improvement and business support offerings and associated KPIs.

The Academy Trust has an Annual Governors Conference to bring together individuals from all of the Academy Trust schools' Governing Bodies. The aims of the 2018 conference included:

- To clarify levels of accountability within Trust governance
- To share the Strategic Plan for the 2018-2021 period
- To review the national picture and scan the horizon
- To consider models for a peer review of Governance and contribute to a stakeholders' survey

f. Organisational structure

The Academy Trust's structure consists of the following levels:

- a. The Members who are responsible for ensuring the Trust meets the obligations of its Funding Agreement and articles of association.
- b. Board of Directors which includes an Audit and Remuneration Committee
- c. A Local Governing Body (LGB) for each school within the Academy Trust
- d. A Senior Leadership Team (SLT) within each school
- e. CEO who is the Accounting Officer for the Academy Trust

The Directors are responsible for the non-executive leadership of the Trust, ensuring clarity of vision, ethos and strategic direction. This involves determining the guiding principles within which the Academy Trust operates, setting general policy, adopting a strategic plan and ratifying individual schools' budgets and maintaining robust financial oversight. The Board monitors the activities of the schools within the Academy Trust to ensure educational outcomes and optimum operational efficiency. The Directors take decisions about major capital expenditure and senior staff appointments. They are also responsible for ensuring that the Academy Trust meets all its statutory obligations and, through the CEO, the LGBs and the Senior Leadership Teams of its individual schools that it complies with financial regulations. The CEO is the Accounting Officer of the Academy Trust.

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Board of Directors, through the Audit and Remuneration Committee, sets the performance objectives for the CEO. The subsequent assessment of achievement against these objectives informs the annual assessment of the CEO's salary by the Committee.

The CEO is responsible for the Performance Management of the Principal/Headteachers of the individual schools, although they may delegate this task to a suitable national leader of education (NLE). The CEO/NLE may be assisted by an independent educational partner and the Chair of the LGB, the determination of their salaries must be in accordance with the provisions laid down in the School Teachers Pay and Conditions Document (STCPD).

Performance management and pay determination for members of the Academy Trust's schools' Leadership Teams is delegated to the Principal/Headteacher at school level and ratified annually by the LGBs in the Autumn Term.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

| | |
|--|----------|
| Percentage of pay bill spent on facility time | £ |
|--|----------|

| | | |
|---|---|---|
| Total cost of facility time | - | |
| Total pay bill | - | |
| Percentage of total pay bill spent on facility time | - | % |

Paid trade union activities

| | | |
|---|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - | % |
|---|---|---|

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

The Fallibroome Trust works in collaboration with The Aspire Trust, a Primary MAT, in joint CPD and contracts one of its National Leaders of Education to support the development of the Academy Trust's Primary schools.

Winsford Academy continues to be the hub for all Winsford Education Partnership work, with meetings, sports and arts events and community activities being held at the Academy. The school is part of the Winsford One Place group which was formed to steer the direction of the future of the Winsford community. This involves influential members of the local population, including the town Mayor and other leaders meeting regularly to discuss the direction of the town. The school is the lead for the Future of Winsford Partnership which aims to develop opportunities for young people to have access to working with charities and organisations within Winsford. The intention is to create a pathway to jobs, apprenticeships and post 16 education. Organisations involved include AOL, Cheshire College, Sir John Deane's College, Winsford Town Council and CWEST regeneration to name just a few.

Objectives and activities

a. Objects and aims

The Academy Trust's aims are:

- Every student, without exception, will leave school with the highest possible examination results, combined with the values, skills, qualities and aptitudes that will enable them to thrive in society.
- Each school to become the school of choice for the local community and the employer of choice for the best professionals.
- The Trust has a national reputation for excellence.

b. Objectives, strategies and activities

The Academy Trust's objectives are:

- To deliver a clear methodology of school improvement that ensures all schools are judged to be good or outstanding, as a result of every child meeting their personal and academic potential
- To deliver excellence in all that we do so that we add value to our children's education and contribute to the concept of system leadership
- To ensure the Academy Trust is viable with each school being well managed and creating the collective capacity for sustainable growth

c. Public benefit

In setting our activities each year, we have had due regard to the Charity Commission's guidance on public benefit. The public benefit delivered by the Academy Trust is the provision of a high quality education to each of its students. The Academy Trust endeavours to ensure that this education is accessible to every child, and seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational Needs and Disability Acts 2001 and 2005. The Trust is committed to ensuring equality of opportunity for all who learn and work within its schools.

The Academy Trust also provides opportunities for children, their parents and the local communities that are served by each school through a range of extra curricular activities.

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

The Academy Trust key priorities are:-

- To improve student outcomes
- To develop resilient and independent learners
- To create deep and rich curricular experiences.

The business strategies to achieve our aims are:-

- To secure and release maximum funds for investment into student outcomes
- To establish sustainable, frictionless infrastructures involving technology, systems and the physical environment to support satisfying, collaborative experiences for staff and students alike
- To look after our staff; seeking continual improvement in their safety and wellbeing, whilst also attracting and releasing talent across the organisation.

Pupil Numbers

Total students at the period end 31 August 2019 was 3,620 across the eight schools:

| Establishment name | Number of Students | Capacity |
|--|---------------------------|-----------------|
| Adlington Primary School | 121 | 105 |
| Broken Cross Primary Academy and Nursery | 120 | 210 |
| Fallibroome Academy | 1,538 | 1,535 |
| Gawsworth Primary School | 210 | 210 |
| Nether Alderley Primary School | 107 | 105 |
| Upton Priory School | 354 | 420 |
| Whirley Primary School | 207 | 210 |
| Winsford Academy | 963 | 1,500 |

Trustees' Report (continued)
For the Year Ended 31 August 2019

(continued)

Primary Schools:

Broken Cross Primary Academy was inspected during the year and was upgraded to "Good" in all categories, with particular praise for personal development; "Leaders and the trust have made outstanding arrangements for pupils' personal development and welfare. Their strong commitment to going the 'extra mile' for pupils and families ensures that pupils thrive and are well prepared for secondary school when the times comes."

| | Expected or above - % of cohort | | | | | | |
|------------------|---------------------------------|--------------|-----------|-----------------|--------------|---------|-----------------|
| | Adlington | Broken Cross | Gawsworth | Nether Alderley | Upton Priory | Whirley | National (2019) |
| Number in cohort | 17 | 21 | 31 | 18 | 50 | 29 | |
| Reading | 88 | 68 | 84 | 72 | 72 | 90 | 75 |
| Writing | 88 | 68 | 77 | 72 | 50 | 76 | 70 |
| Maths | 82 | 64 | 74 | 78 | 70 | 90 | 76 |

| | Greater Depth - % of cohort | | | | | | |
|---------|-----------------------------|--------------|-----------|-----------------|--------------|---------|-----------------|
| | Adlington | Broken Cross | Gawsworth | Nether Alderley | Upton Priory | Whirley | National (2019) |
| Reading | 29 | 14 | 29 | 28 | 18 | 31 | 26 |
| Writing | 6 | 5 | 13 | 11 | 2 | 10 | 18 |
| Maths | 18 | 18 | 23 | 22 | 12 | 28 | 22 |

Attainment at Key Stage 1 has improved this year across the Trust. Although Upton Priory are not quite yet meeting national, there is clear evidence in the data and in school of improvement in practice and standards. As always Broken Cross data is skewed by such small numbers and the impact of SEN children in the cohort.

Key Stage 2

| | Expected or above - % of cohort | | | | | | |
|-----------------------------------|---------------------------------|--------------|-----------|-----------------|--------------|---------|-----------------|
| | Adlington | Broken Cross | Gawsworth | Nether Alderley | Upton Priory | Whirley | National (2019) |
| Number in cohort | 16 | 11 | 26 | 15 | 55 | 29 | |
| Reading | 93 | 91 | 69 | 87 | 77 | 93 | 73 |
| Writing | 88 | 73 | 100 | 93 | 71 | 79 | 78 |
| Maths | 9 | 73 | 62 | 100 | 82 | 90 | 79 |
| Combined | 88 | 64 | 62 | 80 | 63 | 72 | 65 |
| Grammar, Spelling and Punctuation | 93 | 80 | 69 | 93 | 84 | 100 | 78 |
| | Greater Depth - % of cohort | | | | | | |
| | Adlington | Broken Cross | Gawsworth | Nether Alderley | Upton Priory | Whirley | National (2019) |
| Reading | 62 | 55 | 31 | 33 | 30 | 41 | 28 |
| Writing | 0 | 0 | 12 | 7 | 4 | 7 | 20 |
| Maths | 69 | 36 | 15 | 40 | 25 | 34 | 24 |
| Grammar, Spelling and Punctuation | 69 | 18 | 23 | 33 | 41 | 38 | 34 |

(continued)

Attainment at the expected standard is strong in our schools. Academy Trust schools show particular strength in reading at both the expected and higher standard. The IPEELL project, in conjunction with Aspirer Teaching School that five of the Trust schools engaged in appears to have had good impact at the expected standard in writing. In line with Cheshire East writing at the higher standard is below national. This has been something common in Cheshire East where moderation has a history of being harsher than other areas. We need to await the Cheshire East result and national result to further consider this aspect of the data. Gawsworth acknowledge a disappointing set of results for this cohort. They are a cohort with many emotional barriers. In addition they have experienced some disruption this year due to illness, changes in staffing and four able children leaving. Their progress in writing has been strong.

Next steps at Key Stage 2 include sharing best practice in the teaching of Grammar, Spelling and Punctuation at the higher standard and restore strong outcomes at Gawsworth.

Primary Progress Scores

| | Adlington | Broken Cross | Gawsworth | Nether Alderley | Upton Priory | Whirley |
|---------|------------------|---------------------|------------------|------------------------|---------------------|----------------|
| Reading | 5.1 | 4.4 | -3.9 | 1.4 | -0.5 | 0.6 |
| Writing | -1.6 | -1.9 | -0.8 | 0.0 | -4.1 | -4.1 |
| Maths | 4.4 | 1.1 | -4.9 | 1.9 | -0.8 | -1.2 |

A full analysis of our schools' outcomes for 2018/19 are available on the DfE school performance website.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

(continued)

Secondary Schools

Key Stage 4 Both of the Academy Trust secondary schools have maintained a broad curriculum offer and were pleased to see strong performance across the GCSE programme.

| | Fallibroome Academy | Winsford Academy | National Average |
|-------------------------------------|----------------------------|-------------------------|-------------------------|
| Progress 8 | 0.35 | -0.28 | -0.03 |
| Attainment 8 | 54.7 | 39.0 | 46.5 |
| Grade 5+ English & Maths | 59.2% | 23.5% | 43.0% |
| EBacc average point score | 4.71 | 3.34 | 4.06 |

Key Stage 5 Fallibroome Academy has produced another year of above national average A Level results and was delighted with the outcomes this year. The headline figures were:

| | 2019 | 2018 | 2017 |
|----------------------|-------------|-------------|-------------|
| Grades A* | 9% | 12% | 9% |
| Grades A* - A | 34% | 36% | 29% |
| Grades A* - B | 68% | 66% | 60% |
| Grades A* - C | 92% | 89% | 85% |

b. Going concern

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

The Fallibroome Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2019

(continued)

Financial review

The Academy Trust's overarching financial objectives are:

- Ensure economic efficiency and effectiveness over the use of Trust Funds (value for money).
- Staffing costs capped at 80% of total Trust income.
- Alternative sources of funding are pursued, consistent with the Trust's core competencies.
- Sufficient levels of income are generated to support the asset base of the Trust.
- Sources of funding pursued for capital development projects.

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (SORP FRS 102) such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned.

During the period ended 31 August 2019 total expenditure (excluding depreciation and FRS 102 pension adjustments) of £20,361,818 was covered by grant funding from the ESFA together with other incoming resources. At 31 August 2019, the net book value of fixed assets was £35,490,753. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

a. Reserves policy

The Directors review the reserve levels of the Academy Trust annually. As a general rule, and in light of the fact that each school has its own bank account, all schools in the Trust should maintain or restore minimum reserves equivalent to 3% of their total GAG, excluding capital reserves. If the minimum reserves in any one school fall below this level the Local Governing Body and Headteacher/Secondary School Business Manager (SSBM) must devise a plan to restore reserves to this level within a 3 year timeframe. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and pension funds) is £1,727,516 (2018 - £1,751,386).

b. Investment policy

All schools within the Academy Trust seek to obtain optimum return on investments which are commensurate with operating balances, security and liquidity.

Investments are made in accordance with written procedures approved by the LGB. All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information required will normally be the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure any income receivable from the investment is received.

(continued)

c. Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching and learning, recruitment and retention of staff, provision of facilities, safeguarding, reputation of the Academy Trust and financial management. The Directors have established appropriate policies and procedures to mitigate the risks that each school faces. Robust policies are in place at all schools such as performance management, educational achievement assessment and monitoring, safer recruitment practices and internal finance controls.

At their meetings, Directors consider and monitor all potential risks arising from the Academy Trust's operations. They assess the materiality and likelihood of risks occurring and determine the actions that are needed to reduce and mitigate these risks. The formal risk register will be reviewed at least annually and more frequently where necessary. Where significant financial risk still remains, Directors have ensured that they have adequate insurance cover. Directors are satisfied that these systems are consistent with guidelines issued by the Charities Commission.

All financial systems, procedures and internal controls are subject to on going review at senior management level as part of the day to day management of each school, the Academy Trust's Responsible Officer and by Directors' relevant committees. In respect of financial risk, a system of internal control has been established and Directors continually review financial procedures and controls as necessary.

The Board of Directors are clear that the principal financial risk to the Academy Trust is any potential future change to Government Funding and falling pupil numbers as a result of local demographic fluctuations. The Academy Trust has considerable reliance on continued government funding through the ESFA and this is expected to continue. However, increases to employer pension contributions and funding continues to have an impact on all schools.

This risk may be mitigated in a number of ways:

- By ensuring the Academy Trust is rigorous in delivering high quality education and training and thus ensuring high demand for places
- By adopting effective strategies to increase pupil numbers in schools operating below PAN including marketing and positive publicity
- By seeking opportunities for additional grant funding and other non public revenue sources.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Fundraising

The approach to fundraising taken by the Academy Trust is through:

- Lettings of the school facilities.
- Management of After school clubs and Nurseries by some of the primary schools.
- Voluntary donations.
- Fundraising by the pupils to support specific activities.

During the last academic year there was no work with any commercial participators or professional fundraisers.

Fundraising is carried out separately at Schools across the Academy Trust. The funds raised are collected and banked separately from Academy accounts but is donated to purchase specific items for individual schools. Fundraising activities include events such as summer and Christmas Fairs, quizzes and film nights.

During 2018/19 there have been no fundraising complaints.

All fundraising meets the requirements of the Charity Commission publication "Charity fundraising: a guide to trustee duties (CC20)"

Plans for future periods

The Directors will continue to pursue their core objective to provide the highest educational opportunities for all children and enable them to reach their full potential. They will continue to actively promote the Fallibroome Trust and continue to build on the foundations and ultimately secure financial stability for future operations.

The Academy Trust has incorporated a further Secondary and Primary Academy in with effect 1 September 2019. Preliminary discussions are taking place with another secondary, who have indicated an interest in joining the Academy Trust.

Funds held as custodian on behalf of others

The trust do not hold any funds on behalf of any other organisation.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on 10 December 2019 and signed on its behalf by:



RD Hipperson
Chair of Trustees

The Fallibroome Trust
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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Fallibroome 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 CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Fallibroome Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| GM Gorton, Vice Chair | 6 | 6 |
| RD Hipperson, Chair | 6 | 6 |
| AG Naylor | 5 | 6 |
| J Brooks | 6 | 6 |
| V Meredith | 5 | 6 |
| P Cresswell | 5 | 6 |
| PW Rubery, Executive Principal/CEO & Accounting Officer | 6 | 6 |
| P Thornber | 6 | 6 |
| J Watkins | 5 | 6 |
| J Longman | 2 | 2 |

The Board is committed to the highest standards of probity and excellence and recognises the need for proficiency in a range of areas from business and financial management, accountancy, personnel, educational leadership and school governance. Having completed an audit of their individual skills, the Directors are confident that as a body, they possess a high level and broad scope of expertise and business acumen relevant to their duties. The Directors are aware of the need for succession planning and are already identifying a pool of talented individuals from existing LGBs, the wider community and industry to draw on for vacant positions on the Board which may arise in the future.

The Audit & Remuneration Committee met twice in the year to receive and consider the draft accounts and the Auditors pre-clearance memorandum, and to review the CEO's performance management against objectives.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------|-------------------|-------------------|
| GM Gorton | 2 | 2 |
| RD Hipperson | 2 | 2 |
| AG Naylor | 2 | 2 |

Governance Statement (continued)

Review of value for money

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

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

- Renegotiation of central contracts and payroll arrangements, as well as standardisation and consolidation of contracts and operations, to achieve discounts on services and subscriptions.
- The Academy Trust has tendered and project managed SCA works, ensuring value for money was achieved and all projects were delivered within the funding available. Several projects have focused on improving the energy efficiency of the schools, reducing future energy costs.
- The IT infrastructure has been refreshed and improved, creating a harmonised platform to enable operational efficiencies and enhancing the support provided to all stakeholders.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Fallibroome Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Fallibroome Trust
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Governance Statement (continued)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and decided to appoint Dains LLP to carry out internal system checks in the 2018/19 financial year, which took place in the Summer term. The areas of testing covered Purchasing, Income, Payroll and the Accounting system.

On an annual basis, the external auditor reports to the board of Trustees through the Audit & Remuneration Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The external auditors have delivered their schedule of work as planned with no material control issues arising as a result of the work undertaken.

Review of effectiveness

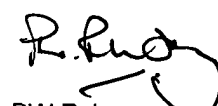
As Accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Remuneration Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on their behalf by:


RD Hipperson
Chair of Trustees


PW Rubery
Accounting Officer

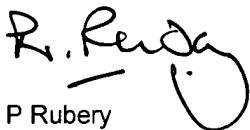
The Fallibroome Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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



Mr P Rubery
Accounting Officer
Date: 10 December 2019

The Fallibroome Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

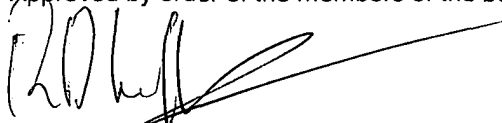
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



RD Hipperson
Chair of Trustees
Date: 10 December 2019

The Fallibroome Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fallibroome Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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 in 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.

The Fallibroome Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fallibroome Trust
(continued)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

The Fallibroome Trust
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Fallibroome Trust
(continued)

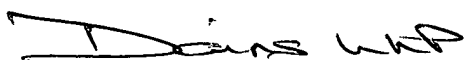
Auditors' responsibilities for the audit of the financial statements

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

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 Auditors' Report.

Use of our report

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



Jonathan Dudley (Senior Statutory Auditor)
for and on behalf of

Dains LLP
Statutory Auditor
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

10 December 2019

The Fallibroome Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Fallibroome Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Fallibroome Trust's funding agreement with the Secretary of State for Education dated 25 August 2010 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

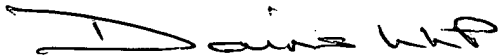
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The Fallibroome Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Fallibroome Trust and the Education & Skills Funding Agency (continued)

Conclusion

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



Dains LLP
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 10 December 2019

The Fallibroome Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transfer from Single Academy Trust on joining Multi Academy Trust | | - | - | - | - | 5,544,128 |
| Other donations and capital grants | | 90,786 | - | 762,185 | 852,971 | 630,709 |
| Charitable activities | 4 | 11,984 | 19,288,862 | - | 19,300,846 | 17,905,251 |
| Teaching schools | 31 | - | 89,738 | - | 89,738 | 77,389 |
| Other trading activities | 5 | 319,781 | 708,245 | - | 1,028,026 | 1,059,987 |
| Investments | 6 | 4,332 | - | - | 4,332 | 1,908 |
| Total income | | 426,883 | 20,086,845 | 762,185 | 21,275,913 | 25,219,372 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 56,881 | 525,981 | - | 582,862 | 651,726 |
| Charitable activities | 8 | 51,887 | 20,220,344 | 1,011,227 | 21,283,458 | 20,066,623 |
| Teaching schools | 31 | - | 63,725 | - | 63,725 | 61,290 |
| Total expenditure | 7 | 108,768 | 20,810,050 | 1,011,227 | 21,930,045 | 20,779,639 |
| Net income/ (expenditure) | | 318,115 | (723,205) | (249,042) | (654,132) | 4,439,733 |
| Transfers between funds | 19 | - | (175,780) | 175,780 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 318,115 | (898,985) | (73,262) | (654,132) | 4,439,733 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | (2,537,000) | - | (2,537,000) | 1,582,000 |
| Net movement in funds | | 318,115 | (3,435,985) | (73,262) | (3,191,132) | 6,021,733 |

The Fallibroome Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2019

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|--|--|--|---------------------------------------|---------------------------------------|
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 1,039,636 | (4,570,250) | 36,065,647 | 32,535,033 | 26,513,300 |
| Net movement in funds | 318,115 | (3,435,985) | (73,262) | (3,191,132) | 6,021,733 |
| Total funds carried forward | 1,357,751 | (8,006,235) | 35,992,385 | 29,343,901 | 32,535,033 |

The notes on pages 29 to 63 form part of these financial statements.

The Fallibroome Trust
(A Company Limited by Guarantee)
Registered number: 07346144

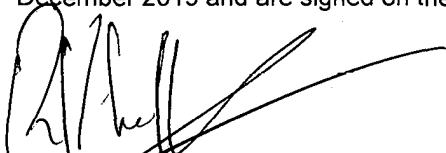
Balance Sheet
As at 31 August 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 35,490,753 | 35,589,255 |
| | | <u>35,490,753</u> | <u>35,589,255</u> |
| Current assets | | | |
| Stocks | 15 | 15,624 | 22,627 |
| Debtors | 16 | 816,465 | 845,688 |
| Cash at bank and in hand | | 3,122,532 | 2,804,204 |
| | | <u>3,954,621</u> | <u>3,672,519</u> |
| Creditors: amounts falling due within one year | 17 | (1,617,952) | (1,323,291) |
| Net current assets | | <u>2,336,669</u> | <u>2,349,228</u> |
| Total assets less current liabilities | | <u>37,827,422</u> | <u>37,938,483</u> |
| Creditors: amounts falling due after more than one year | 18 | (107,521) | (121,450) |
| Net assets excluding pension liability | | <u>37,719,901</u> | <u>37,817,033</u> |
| Defined benefit pension scheme liability | 26 | (8,376,000) | (5,282,000) |
| Total net assets | | <u><u>29,343,901</u></u> | <u><u>32,535,033</u></u> |
| Funds of the academy trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 35,992,385 | 36,065,647 |
| Restricted income funds | 19 | 369,765 | 711,750 |
| | | <u>36,362,150</u> | <u>36,777,397</u> |
| Restricted funds excluding pension asset | 19 | 36,362,150 | 36,777,397 |
| Pension reserve | 19 | (8,376,000) | (5,282,000) |
| Total restricted funds | 19 | <u>27,986,150</u> | <u>31,495,397</u> |
| Unrestricted income funds | 19 | <u>1,357,751</u> | <u>1,039,636</u> |
| Total funds | | <u><u>29,343,901</u></u> | <u><u>32,535,033</u></u> |

The Fallibroome Trust
(A Company Limited by Guarantee)
Registered number: 07346144

Balance Sheet (continued)
As at 31 August 2019

The financial statements on pages 24 to 63 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'RD Hipperson', is written over the printed name and title.

RD Hipperson
Chair of Trustees

The notes on pages 29 to 63 form part of these financial statements.

The Fallibroome Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2019

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 478,465 | 217,141 |
| Cash flows from investing activities | 23 | (146,208) | 342,592 |
| Cash flows from financing activities | 22 | (13,929) | (1,672) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 318,328 | 558,061 |
| Cash and cash equivalents at the beginning of the year | | 2,804,204 | 2,246,143 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 24 | 3,122,532 | 2,804,204 |
| | | <hr/> | <hr/> |

The notes on pages 29 to 63 form part of these financial statements

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Fallibroome Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer of existing academies into the academy trust**

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

| | |
|---|--------------|
| Freehold & Leasehold buildings | - 6-48 years |
| Leasehold Land | - 125 years |
| Furniture and equipment | - 4 years |
| Motor vehicles | - 4 years |
| Specialist equipment | - 10 years |
| Computer equipment and technology equipment | - 3 years |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 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.

1.10 Cash at bank and in hand

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. 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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Long term leasehold land and buildings

The long term leasehold land and buildings within the accounts relate to the academy premises which are donated to the academy trust on conversion on a 125 year lease. The long term land and buildings were valued by the District Valuer Services (DVS). These are being depreciated in accordance with the accounting policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market value.

The Fallibroome Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

3. Income from donations and capital grants

| | Unrestricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|------------------------------------|---|-----------------------------|-----------------------------|
| Transfer from Single Academy Trust on joining Multi Academy Trust | - | - | - | 5,544,128 |
| | - | - | - | 5,544,128 |
| Donations | 90,786 | - | 90,786 | 65,120 |
| Devolved formula capital allocations | - | 266,902 | 266,902 | 82,531 |
| Schools condition allocation | - | 495,283 | 495,283 | 483,058 |
| | 90,786 | 762,185 | 852,971 | 630,709 |
| | 90,786 | 762,185 | 852,971 | 6,174,837 |
| <i>Total 2018</i> | 253,582 | 5,921,255 | 6,174,837 | |

The Fallibroome Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

4. Funding for the academy trust's educational operations

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 16,534,457 | 16,534,457 | 15,694,485 |
| Other DfE/ESFA grants | - | 511,306 | 511,306 | 267,296 |
| Pupil premium | - | 760,288 | 760,288 | 749,730 |
| | - | 17,806,051 | 17,806,051 | 16,711,511 |
| Other government grants | | | | |
| SEN funding | - | 454,405 | 454,405 | 315,517 |
| Nursery grant funding | - | 202,456 | 202,456 | 180,589 |
| Other local authority grants | - | 112,312 | 112,312 | - |
| | - | 769,173 | 769,173 | 496,106 |
| Other funding | | | | |
| Catering income | 11,984 | 687,785 | 699,769 | 658,944 |
| Exam income | - | 15,934 | 15,934 | 20,320 |
| SLICE grant income | - | - | - | 7,443 |
| Medical needs income | - | 9,919 | 9,919 | 10,927 |
| | 11,984 | 19,288,862 | 19,300,846 | 17,905,251 |
| Total 2018 | 1,999 | 17,903,252 | 17,905,251 | |

The Fallibroome Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

5. Income from other trading activities

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trips, visits and other activities | - | 536,108 | 536,108 | 652,506 |
| Hire of facilities | 148,050 | - | 148,050 | 129,548 |
| Income from staff deployment | 30,224 | - | 30,224 | 81,788 |
| Student income | - | - | - | 42,720 |
| Initial teacher training | 25,295 | - | 25,295 | 14,556 |
| Uniform | 3,799 | - | 3,799 | 10,574 |
| Insurance income | - | 5,083 | 5,083 | 11,140 |
| Other income | 112,413 | 7,026 | 119,439 | 52,271 |
| After school income | - | 160,028 | 160,028 | 64,884 |
| | <u>319,781</u> | <u>708,245</u> | <u>1,028,026</u> | <u>1,059,987</u> |
| <i>Total 2018</i> | <u>246,384</u> | <u>813,603</u> | <u>1,059,987</u> | |

6. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------------|------------------------------------|-----------------------------|-----------------------------|
| Short term deposits | <u>4,332</u> | <u>4,332</u> | <u>1,908</u> |

In 2018, investment income of £1,908 relates to unrestricted funds.

The Fallibroome Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

7. Expenditure

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ | <i>Total</i> <i>2018</i> £ |
|--|--|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Expenditure on fundraising trading activities: | | | | | |
| Direct costs | 55,736 | - | 527,126 | 582,862 | 651,726 |
| Educational operations: | | | | | |
| Direct costs | 13,805,729 | - | 1,456,746 | 15,262,475 | 14,463,455 |
| Support costs | 2,742,559 | 2,007,573 | 1,270,851 | 6,020,983 | 5,603,168 |
| Teaching school | 46,000 | - | 17,725 | 63,725 | 61,290 |
| | <u>16,650,024</u> | <u>2,007,573</u> | <u>3,272,448</u> | <u>21,930,045</u> | <u>20,779,639</u> |
| <i>Total 2018</i> | <u><i>15,649,321</i></u> | <u><i>1,974,850</i></u> | <u><i>3,155,468</i></u> | <u><i>20,779,639</i></u> | |

8. Analysis of expenditure by activities

| | Direct costs 2019 £ | Support costs 2019 £ | Total funds 2019 £ | <i>Total funds</i> <i>2018</i> £ |
|------------------------|---|--|--|--|
| Educational operations | <u>15,262,475</u> | <u>6,020,983</u> | <u>21,283,458</u> | <u>20,066,623</u> |
| <i>Total 2018</i> | <u><i>14,463,455</i></u> | <u><i>5,603,168</i></u> | <u><i>20,066,623</i></u> | |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2019 £ | Total funds 2018 £ |
|----------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 13,805,729 | 13,310,480 |
| Depreciation | 122,287 | 121,453 |
| Vocational courses | 63,217 | 90,807 |
| Technology | 351,756 | 185,966 |
| Educational supplies | 402,240 | 306,644 |
| Examination fees | 232,151 | 246,097 |
| Staff development | 75,051 | 76,831 |
| Specialist educational providers | 143,946 | 99,862 |
| Other direct costs | 66,098 | 25,315 |
| | <u>15,262,475</u> | <u>14,463,455</u> |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2019 £ | <i>Total funds 2018 £</i> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| LGPS adjustment | 154,000 | <i>153,000</i> |
| Staff costs | 2,742,559 | <i>2,280,671</i> |
| Depreciation | 888,940 | <i>890,224</i> |
| Technology | 74,979 | <i>143,491</i> |
| Recruitment and support | 31,268 | <i>42,325</i> |
| Maintenance of premises and equipment | 255,065 | <i>222,264</i> |
| Other occupancy costs | 524,913 | <i>462,686</i> |
| Administration and bursarial | 240,975 | <i>332,104</i> |
| Cleaning | 159,514 | <i>164,063</i> |
| Rent and rates | 137,322 | <i>137,650</i> |
| Insurance | 115,436 | <i>93,126</i> |
| Transport | 50,002 | <i>61,477</i> |
| Catering costs | 590,220 | <i>566,998</i> |
| Other support costs | 16,875 | <i>17,339</i> |
| Governance costs | 38,915 | <i>35,750</i> |
| | 6,020,983 | <i>5,603,168</i> |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2019 £ | <i>2018 £</i> |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 18,131 | <i>17,801</i> |
| Depreciation of tangible fixed assets | 1,010,860 | <i>1,011,677</i> |
| Fees paid to auditors for: | | |
| - audit | 23,500 | <i>23,500</i> |
| - other services | 6,550 | <i>6,550</i> |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 12,522,681 | 11,752,102 |
| Social security costs | 1,196,188 | 1,107,921 |
| Pension costs | 2,685,246 | 2,615,883 |
| | <u>16,404,115</u> | <u>15,475,906</u> |
| Agency staff costs | 245,909 | 173,415 |
| | <u>16,650,024</u> | <u>15,649,321</u> |

b. Staff numbers

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

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 217 | 208 |
| Administration and support | 284 | 262 |
| Management | 31 | 30 |
| | <u>532</u> | <u>500</u> |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Staff costs (continued)

c. Higher paid staff

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

| | 2019 | 2018 |
|---------------------------------|--------------|--------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 6 | 3 |
| In the band £70,001 - £80,000 | 1 | 2 |
| In the band £80,001 - £90,000 | 1 | 1 |
| In the band £90,001 - £100,000 | 1 | - |
| In the band £120,001 - £130,000 | 1 | - |
| In the band £130,001 - £140,000 | - | 1 |
| | ===== | ===== |

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including national insurance and pension contributions) received by key management personnel for the services to the academy trust was £824,676 (2018 - £813,802).

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

11. Central services

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Premises services
- Educational support services
- IT services
- Other as arising

The academy trust charges for these services on the following basis:

The trust charges for these services at a flat rate of 5% of general annual grant.

The actual amounts charged during the year were as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Adlington Primary School | 24,915 | 24,837 |
| Broken Cross Primary Academy & Nursery | 24,417 | 22,851 |
| Nether Alderley Primary School | 21,508 | 22,416 |
| Falibroome Academy | 338,469 | 338,804 |
| Gawsworth Primary School | 40,413 | 38,968 |
| Whirley Primary School | 38,495 | 38,151 |
| Winsford Academy | 254,766 | 255,424 |
| Upton Priory School * | 66,622 | 41,068 |
| Total | 809,605 | 782,519 |

* - 7 months only in prior year

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

12. Trustees' remuneration and expenses

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

| | | 2019 | 2018 |
|------------|----------------------------|------------------|------------------|
| | | £ | £ |
| P W Rubery | Remuneration | 125,000 - | 135,000 - |
| | | 130,000 | 140,000 |
| | Pension contributions paid | Nil | Nil |

During the year ended 31 August 2019, expenses totalling £962 were reimbursed or paid directly to 1 Trustee (2018 - £1,658 to 1 Trustee).

13. Trustees' and Officers' insurance

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

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

14. Tangible fixed assets

| | Freehold land and buildings £ | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment and technology equipment £ | Motor vehicles £ | Specialist equipment £ | Assets under construc- tion £ | Total £ |
|--------------------------|--|---|------------------------------------|--|------------------------|------------------------------|---|------------|
| Cost or valuation | | | | | | | | |
| At 1 September 2018 | 22,030,002 | 17,508,693 | 264,585 | 1,019,197 | 54,249 | 177,504 | 254,156 | 41,308,386 |
| Additions | 178,004 | 385,168 | 47,420 | 275,433 | - | 7,107 | 19,593 | 912,725 |
| Transfers intra group | 6,179 | 267,570 | - | - | - | - | (273,749) | - |
| At 31 August 2019 | 22,214,185 | 18,161,431 | 312,005 | 1,294,630 | 54,249 | 184,611 | - | 42,221,111 |
| Depreciation | | | | | | | | |
| At 1 September 2018 | 3,768,587 | 702,567 | 252,624 | 905,496 | 35,573 | 54,284 | - | 5,719,131 |
| Charge for the year | 545,787 | 330,653 | 11,670 | 98,132 | 6,938 | 18,047 | - | 1,011,227 |
| At 31 August 2019 | 4,314,374 | 1,033,220 | 264,294 | 1,003,628 | 42,511 | 72,331 | - | 6,730,358 |
| Net book value | | | | | | | | |
| At 31 August 2019 | 17,899,811 | 17,128,211 | 47,711 | 291,002 | 11,738 | 112,280 | - | 35,490,753 |
| At 31 August 2018 | 18,261,415 | 16,806,126 | 11,961 | 113,701 | 18,676 | 123,220 | 254,156 | 35,589,255 |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

14. Tangible fixed assets (continued)

The Winsford Academy is currently occupied under licence but will be transferred to the Academy Trust at some point in the future under a leasehold agreement.

Freehold land and buildings includes freehold land of £3,930,000 (2018 - £3,930,000) which is not depreciated.

15. Stocks

| | 2019 £ | 2018 £ |
|-----------|---------------|---------------|
| Fuel | 8,335 | 5,995 |
| Catering | 3,981 | 3,674 |
| Resources | 2,976 | 7,971 |
| Uniform | 332 | 4,987 |
| | <u>15,624</u> | <u>22,627</u> |

16. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 100,144 | 43,844 |
| Other debtors | 224,048 | 313,198 |
| Prepayments and accrued income | 302,276 | 359,619 |
| VAT recoverable | 189,997 | 129,027 |
| | <u>816,465</u> | <u>845,688</u> |

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Other loans | 17,839 | 17,840 |
| Trade creditors | 397,550 | 169,147 |
| Other taxation and social security | 281,275 | 274,402 |
| Other creditors | 332,147 | 297,854 |
| Accruals and deferred income | 589,141 | 564,048 |
| | <u>1,617,952</u> | <u>1,323,291</u> |

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Deferred income at 1 September 2018 | 289,452 | 303,105 |
| Resources deferred during the year | 381,320 | 289,452 |
| Amounts released from previous periods | (289,452) | (303,105) |
| | <u>381,320</u> | <u>289,452</u> |

Deferred income relates to income received before the year end but relates to the following academic and financial year.

Included within other loans are Salix loans totalling £17,839 (2018 - £17,840), no interest is charged on the loan balances which are repayable over 8 years.

18. Creditors: Amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|-------------|----------------|----------------|
| Other loans | <u>107,521</u> | <u>121,450</u> |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2019 £ | 2018 £ |
|--------------------------|---------------|---------------|
| Repayable by instalments | 36,214 | 50,141 |
| | <u>36,214</u> | <u>50,141</u> |

Included within other loans are Salix loans totalling £107,521 (2018 - £121,450), no interest is charged on the loan balances which are repayable over 7 years.

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Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 1,039,636 | 426,883 | (108,768) | - | - | 1,357,751 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 602,627 | 16,534,457 | (16,812,300) | (62,707) | - | 262,077 |
| SEN/IPF Funding from Local Authority | - | 454,405 | (454,405) | - | - | - |
| Other DfE/ESFA grants | - | 511,306 | (477,485) | (16,495) | - | 17,326 |
| Other restricted income | - | 1,200,543 | (1,149,191) | - | - | 51,352 |
| Pupil premium | - | 760,288 | (760,288) | - | - | - |
| Trips, visits and other activities | 38,558 | 536,108 | (535,656) | - | - | 39,010 |
| Teaching school | 70,565 | 89,738 | (63,725) | (96,578) | - | - |
| Pension reserve | (5,282,000) | - | (557,000) | - | (2,537,000) | (8,376,000) |
| | <u>(4,570,250)</u> | <u>20,086,845</u> | <u>(20,810,050)</u> | <u>(175,780)</u> | <u>(2,537,000)</u> | <u>(8,006,235)</u> |

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Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds (continued)

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Restricted fixed asset funds | | | | | | |
| DfE Group capital grants | 5,782,245 | 762,185 | (204,718) | (19,837) | - | 6,319,875 |
| Capital expenditure from restricted and unrestricted funds | 742,901 | - | (123,531) | 195,617 | - | 814,987 |
| Legacy school donated assets | 29,540,501 | - | (682,978) | - | - | 28,857,523 |
| | <u>36,065,647</u> | <u>762,185</u> | <u>(1,011,227)</u> | <u>175,780</u> | <u>-</u> | <u>35,992,385</u> |
| Total Restricted funds | <u>31,495,397</u> | <u>20,849,030</u> | <u>(21,821,277)</u> | <u>-</u> | <u>(2,537,000)</u> | <u>27,986,150</u> |
| Total funds | <u>32,535,033</u> | <u>21,275,913</u> | <u>(21,930,045)</u> | <u>-</u> | <u>(2,537,000)</u> | <u>29,343,901</u> |

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

Unrestricted General Funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted General Funds

This fund represents grants received for the academy trusts operational activities and developments.

Pension Reserve

This fund represents the academy trust's share of the pension liability arising of the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received from DfE to carry out works of a capital nature and also the donation of leasehold land and buildings from the local authority on a 125 year lease and capital expenditure from GAG and unrestricted funds.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

The Fallibroome Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Adlington Primary School | 97,194 | 99,899 |
| Broken Cross Primary Academy & Nursery | 133,408 | 159,768 |
| Fallibroome Academy | 259,341 | 177,935 |
| Gawsworth Primary School | 42,219 | 71,062 |
| Nether Alderley Primary School | (13,938) | 7,224 |
| Upton Priory School | 332,525 | 203,470 |
| Whirley Primary School | 109,672 | 131,942 |
| Winsford Academy | 772,287 | 789,176 |
| Central Services | (5,192) | 40,345 |
| Teaching School | - | 70,565 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 1,727,516 | 1,751,386 |
| Restricted fixed asset fund | 35,992,385 | 36,065,647 |
| Pension reserve | (8,376,000) | (5,282,000) |
| | <hr/> | <hr/> |
| Total | 29,343,901 | 32,535,033 |
| | <hr/> <hr/> | <hr/> <hr/> |

The following academy is carrying a net deficit on its portion of the funds as follows:

| | Deficit £ |
|--------------------------------|--------------|
| Nether Alderley Primary School | (13,938) |
| | <hr/> <hr/> |

Nether Alderley Primary School began the year with low reserves and incurred exceptional expenditure across a range of categories, including staff absence. Staffing costs at Nether Alderley represent less than 80% of income so the CEO and COO are now working closely with the local governing body to reduce non-fixed expenditure and ensure that the school's budget is brought back to a surplus position by the end of the 2019-20 financial year.

The Fallibroome Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2019 £ | Total 2018 £ |
|---|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Adlington Primary School | 408,671 | 80,976 | 6,756 | 127,695 | 624,098 | 591,787 |
| Broken Cross Primary Academy & Nursery | 581,015 | 90,926 | 3,268 | 128,729 | 803,938 | 707,817 |
| Fallibroome Academy | 5,604,837 | 738,564 | 181,159 | 1,554,236 | 8,078,796 | 8,416,799 |
| Gawsworth Primary School | 656,534 | 92,651 | 21,713 | 221,298 | 992,196 | 931,141 |
| Nether Alderley Primary School | 365,580 | 47,080 | 12,313 | 156,137 | 581,110 | 536,598 |
| Upton Priory School | 1,288,038 | 253,624 | 25,487 | 255,521 | 1,822,670 | 1,041,612 |
| Whirley Primary School | 586,099 | 148,785 | 19,489 | 181,692 | 936,065 | 913,896 |
| Winsford Academy | 3,809,269 | 1,047,805 | 132,055 | 997,933 | 5,987,062 | 5,699,254 |
| Central Services | 505,686 | 297,884 | - | 224,588 | 1,028,158 | 867,768 |
| Teaching School | 46,000 | - | - | 18,725 | 64,725 | 61,290 |
| Academy trust | 13,851,729 | 2,798,295 | 402,240 | 3,866,554 | 20,918,818 | 19,767,962 |

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19. Statement of funds (continued)

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

| | <i>Balance at 1 September 2017 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2018 £</i> |
|------------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | <u>1,038,959</u> | <u>503,872</u> | <u>(138,626)</u> | <u>(364,569)</u> | <u>-</u> | <u>1,039,636</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 485,572 | 15,694,485 | (15,773,343) | 195,913 | - | 602,627 |
| Start Up Grant (SUG) | 147,388 | - | (147,388) | - | - | - |
| SEN/IPF | | | | | | |
| Funding from local authority | - | 315,517 | (315,517) | - | - | - |
| Other DfE/ESFA grants | - | 267,296 | (267,296) | - | - | - |
| Other restricted income | - | 1,037,321 | (1,037,321) | - | - | - |
| Pupil premium | - | 749,730 | (749,730) | - | - | - |
| Trips, visits and other activities | 32,502 | 652,506 | (646,450) | - | - | 38,558 |
| Teaching school | - | 77,389 | (61,291) | 54,467 | - | 70,565 |
| Pension reserve | (5,542,000) | (691,000) | (631,000) | - | 1,582,000 | (5,282,000) |
| | <u>(4,876,538)</u> | <u>18,103,244</u> | <u>(19,629,336)</u> | <u>250,380</u> | <u>1,582,000</u> | <u>(4,570,250)</u> |

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19. Statement of funds (continued)

| | <i>Balance at 1 September 2017 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2018 £</i> |
|--|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Restricted fixed asset funds | | | | | | |
| DfE group capital grants | 5,408,025 | 565,589 | (191,369) | - | - | 5,782,245 |
| Capital expenditure from restricted and unrestricted funds | 765,887 | - | (137,175) | 114,189 | - | 742,901 |
| Legacy school donated assets | 24,176,967 | 6,046,667 | (683,133) | - | - | 29,540,501 |
| | <u>30,350,879</u> | <u>6,612,256</u> | <u>(1,011,677)</u> | <u>114,189</u> | <u>-</u> | <u>36,065,647</u> |
| Total Restricted funds | <u>25,474,341</u> | <u>24,715,500</u> | <u>(20,641,013)</u> | <u>364,569</u> | <u>1,582,000</u> | <u>31,495,397</u> |
| Total funds | <u>26,513,300</u> | <u>25,219,372</u> | <u>(20,779,639)</u> | <u>-</u> | <u>1,582,000</u> | <u>32,535,033</u> |

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|--|--|--|-----------------------------------|
| Tangible fixed assets | - | - | 35,490,753 | 35,490,753 |
| Current assets | 1,357,751 | 2,095,238 | 501,632 | 3,954,621 |
| Creditors due within one year | - | (1,617,952) | - | (1,617,952) |
| Creditors due in more than one year | - | (107,521) | - | (107,521) |
| Provisions for liabilities and charges | - | (8,376,000) | - | (8,376,000) |
| Total | <u>1,357,751</u> | <u>(8,006,235)</u> | <u>35,992,385</u> | <u>29,343,901</u> |

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2018 £</i> | <i>Restricted funds 2018 £</i> | <i>Restricted fixed asset funds 2018 £</i> | <i>Total funds 2018 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 35,589,255 | 35,589,255 |
| Current assets | 1,148,730 | 2,047,397 | 476,392 | 3,672,519 |
| Creditors due within one year | (109,094) | (1,214,197) | - | (1,323,291) |
| Creditors due in more than one year | - | (121,450) | - | (121,450) |
| Provisions for liabilities and charges | - | (5,282,000) | - | (5,282,000) |
| Total | 1,039,636 | (4,570,250) | 36,065,647 | 32,535,033 |

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

| | 2019 £ | 2018 £ |
|--|-------------------|--------------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (654,132) | 4,439,733 |
| Adjustments for: | | |
| Depreciation | 1,011,227 | 1,011,677 |
| Capital grants from DfE and other capital income | (762,185) | (565,589) |
| Defined benefit pension scheme cost less contributions payable | 403,000 | 478,000 |
| Defined benefit pension scheme finance cost | 154,000 | 153,000 |
| Decrease/(increase) in stocks | 7,003 | (4,385) |
| Decrease/(increase) in debtors | 29,223 | (48,184) |
| Increase in creditors | 294,661 | 298,925 |
| Dividends, interest and rents from investments | (4,332) | (1,908) |
| Assets transferred on joining the MAT | - | (6,046,667) |
| Surplus on joining MAT | - | (188,461) |
| Non cash LGPS deficit on joining MAT | - | 691,000 |
| Net cash provided by operating activities | 478,465 | 217,141 |

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22. Cash flows from financing activities

| | 2019 £ | 2018 £ |
|--|-----------------|----------------|
| Repayments of borrowing | (13,929) | (1,672) |
| Net cash used in financing activities | (13,929) | (1,672) |

23. Cash flows from investing activities

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Dividends, interest and rents from investments | 4,332 | 1,908 |
| Purchase of tangible fixed assets | (912,725) | (483,407) |
| Capital grants from DfE Group | 762,185 | 565,589 |
| Cash transferred on joining MAT | - | 258,502 |
| Net cash (used in)/provided by investing activities | (146,208) | 342,592 |

24. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Cash in hand | 3,122,532 | 2,804,204 |
| Total cash and cash equivalents | 3,122,532 | 2,804,204 |

25. Capital commitments

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | 306,066 | 344,952 |

26. Pension commitments

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

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

26. Pension commitments (continued)

Contributions amounting to £273,928 were payable to the schemes at 31 August 2019 (2018 - £265,030) and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,373,000 (2018 - £1,594,000).

A copy of the latest valuation report can be found by following this link to [Teachers' Pensions website](#).

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,111,000 (2018 - £1,022,000), of which employer's contributions totalled £910,000 (2018 - £835,000) and employees' contributions totalled £ 201,000 (2018 - £187,000). The agreed contribution rates for future years are 24.9-34 per cent for employers and 5.5-8.5 per cent for employees.

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.

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Notes to the Financial Statements
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26. Pension commitments (continued)

Principal actuarial assumptions

| | 2019 | 2018 |
|--|-------------|-------------|
| | % | % |
| Discount rate for scheme liabilities (Adlington Primary School) | 1.8 | 2.7 |
| Discount rate for scheme liabilities (All other academies) | 1.8 | 2.8 |
| Rate of increase in salaries (Adlington Primary School) | 2.7 | 2.7 |
| Rate of increase in salaries (The Fallibroome Academy) | 2.6 | 2.6 |
| Rate of increase in salaries (All other academies) | 2.6 | 2.7 |
| Rate of increase in pension for payment / inflation (Adlington Primary School) | 2.4 | 2.3 |
| Rate of increase in pension for payment / inflation (The Fallibroome Academy) | 2.3 | 2.3 |
| Rate of increase in pension for payment / inflation (All other academies) | 2.3 | 2.4 |
| Commutation of pension to lump sums (pre April 2005) | 50 | 50 |
| Commutation of pension to lump sums (post April 2005) | 75 | 75 |

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

| | 2019 | 2018 |
|-----------------------------|--------------|--------------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.2 | 22.3 |
| Females | 23.5 | 24.5 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.1 | 23.9 |
| Females | 25 | 26.5 |

Sensitivity analysis

| | 2019 | 2018 |
|----------------------------|--------------|--------------|
| | £000 | £000 |
| Discount rate +0.1% | (556) | (419) |
| Discount rate -0.1% | 556 | 419 |
| Salary increase rate +0.1% | 89 | 76 |
| Salary increase rate -0.1% | (89) | (76) |
| CPI rate +0.1% | 456 | 337 |
| CPI rate -0.1% | (456) | (337) |

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26. Pension commitments (continued)

The academy trust's share of the assets in the scheme was:

| | At 31 August 2019 £ | At 31 August 2018 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 6,956,000 | 6,459,000 |
| Corporate bonds | 5,341,000 | 4,115,000 |
| Property | 1,183,000 | 1,013,000 |
| Cash and other liquid assets | 183,000 | 117,000 |
| Total market value of assets | 13,663,000 | 11,704,000 |

The actual return on scheme assets was £574,000 (2018 - £714,000).

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

| | 2019 £ | 2018 £ |
|---|--------------------|--------------------|
| Current service cost | (1,244,000) | (1,303,000) |
| Past service cost | (67,000) | (10,000) |
| Net Interest cost | (154,000) | (153,000) |
| Total amount recognised in the Statement of Financial Activities | (1,465,000) | (1,466,000) |

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

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| At 1 September | 16,986,000 | 14,937,000 |
| Transferred in on existing academies joining the trust | - | 1,655,000 |
| Current service cost | 1,244,000 | 1,303,000 |
| Interest cost | 494,000 | 412,000 |
| Employee contributions | 201,000 | 187,000 |
| Actuarial losses/(gains) | 3,216,000 | (1,366,000) |
| Benefits paid | (169,000) | (152,000) |
| Past service costs | 67,000 | 10,000 |
| At 31 August | 22,039,000 | 16,986,000 |

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Notes to the Financial Statements
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26. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| At 1 September | 11,704,000 | 9,395,000 |
| Transferred in on existing academies joining the trust | - | 964,000 |
| Interest income | 340,000 | 259,000 |
| Actuarial gains | 679,000 | 216,000 |
| Employer contributions | 908,000 | 835,000 |
| Employee contributions | 201,000 | 187,000 |
| Benefits paid | (169,000) | (152,000) |
| At 31 August | 13,663,000 | 11,704,000 |

27. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Not later than 1 year | 17,498 | 16,846 |
| Later than 1 year and not later than 5 years | 10,571 | 18,155 |
| | 28,069 | 35,001 |

28. Members' liability

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

29. Related party transactions

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

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses already disclosed in note 13.

30. Post balance sheet events

Eaton Bank Academy and Marlborough Primary School joined The Fallibroome Trust on 1st September 2019.

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31. Teaching school trading account

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|-----------|-----------|-----------|-----------|
| Income | | | | |
| Direct income | | | | |
| Grant Income | 49,250 | | 40,000 | |
| Other income | | | | |
| Fundraising and other activities | 40,488 | | 37,389 | |
| Total income | | 89,738 | | 77,389 |
| Expenditure | | | | |
| Direct expenditure | | | | |
| Direct staff costs | 46,000 | | 44,904 | |
| Material and supplies | 8,000 | | 10,082 | |
| Specialist providers | - | | 2,438 | |
| Staff development | 1,600 | | 275 | |
| Staff training | 7,000 | | - | |
| Total direct expenditure | 62,600 | | 57,699 | |
| Other expenditure | | | | |
| Technology costs | - | | 1,027 | |
| Catering costs | - | | 574 | |
| Professional fees | 330 | | 1,398 | |
| Other costs | 795 | | 592 | |
| Total other expenditure | 1,125 | | 3,591 | |
| Total expenditure | | 63,725 | | 61,290 |
| Transfers between funds excluding depreciation | | (96,579) | | 54,467 |
| (Deficit)/surplus from all sources | | (70,566) | | 70,566 |
| Teaching school balances at 1 September 2018 | | 70,566 | | - |
| Teaching school balances at 31 August 2019 | | - | | 70,566 |