
FLYING HIGH TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FLYING HIGH TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS / DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Mr N Robinson Mr C Wheatley Mr J Brown Mrs J Shaw Mr I Collinson Mr D Elliott
Directors	Mr D Elliott, Staff Director Dr W Daley Mr P Wilkes, Staff Director (resigned 2 December 2014) Mrs A Pearce-Burton (resigned 15 September 2014) Mr D Hinds (resigned 24 March 2015) Mr P Flint (appointed 24 September 2014) Mr N Robinson, Chair Mr C Wheatley, Chief Executive Officer Mr J Brown Mr J Beaumont (appointed 1 April 2015) Mr P Bennett (appointed 24 March 2015) Mr S Houlton (appointed 24 March 2015)
Company Registered Number	08076374
Principal and Registered Office	Candleby Lane Cotgrave Nottingham NG12 3LG
Company Secretary	Mr N Layfield
Senior Management Team	Mr C Wheatley, Chief Executive Officer Mr G Robins, Director of School Improvement & Quality Assurance Mrs Z Maxey, Director of Business & Finance Mr P Goodman, Director of Teaching School & Resources
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc Birmingham OSC Ariel House 2138 Coventry Road Sheldon B26 3JW

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Internal Auditor	Schools and Academies Finance Ltd Top Valley Academy Top Valley Drive Nottingham NG5 9AZ

FLYING HIGH TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Directors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Flying High Trust (the Trust) for the year ended 31 August 2015. The Directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year, the Trust operated for 5 primary academies which increased to 8 post year end. All of the academies are in Nottinghamshire. Its academies have a combined pupil capacity of 3,110 and had a roll of 2,743 in the October 2015 school census.

Structure, governance and management

a. CONSTITUTION

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of the Flying High Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the Flying High Trust.

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

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. DIRECTORS' INDEMNITIES

Directors benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Directors by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to; (i) any claim arising from any act or omission which Directors know to be a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Trust. Further, this Article does not authorise a Trustee to benefit from any indemnity insurance that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

Under the articles of association, the Board of Directors should comprise not less than three directors and may include two parent directors (unless local governing bodies have parent governors) and up to five representatives of local governing bodies, typically the chair or vice chair. The parent directors should be elected by parent governors from local governing bodies. The representatives of Local Governing Bodies should be elected by chairs of Local Governing Bodies across the Trust, once the number of participating schools exceeds five.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Directors are appointed for a four-year term provided that they remain eligible in their category i.e. chairs of Local Governing Bodies are elected annually so may not complete a four year term as representative of chairs of Local Governing Bodies. No more than one third of the directors should be employees of the Trust.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The training for each new director will depend on their existing experience. Where necessary, induction will include relevant training on key aspects of their roles and responsibilities – either in-house or through external providers as appropriate. New directors will be given the opportunity to meet in the various academies of the Trust and to meet with key staff. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, risk registers and development plans that they will need to undertake their roles.

f. ORGANISATIONAL STRUCTURE

The governance and management of the Trust comprises the following elements:

Members - are ultimately responsible for: signing off the Annual Report and Accounts; the appointment of directors; and agreeing amendments to the articles of association and funding agreement.

Directors - are responsible for the effective management and performance of the Trust. The Directors will hold at least three meetings each year. The Directors can also appoint separate committees for each academy to be known as Local Governing Bodies; and can establish any other committees they deem to be necessary. These other committees can include persons who are not directors as long as the majority of members on any such committee are Directors. The Directors shall appoint the Chief Executive Head and Head teachers of member academies, and may delegate such powers and functions as they consider necessary i.e. recruitment and selection of Head teachers to local governing bodies.

Pupils, standards, audit and strategic development group, and Finance, personnel and resources group - these are working groups established and appointed by the Board of Directors. The Board will task these groups with specific areas for exploration and advice to be fed back to the Board of Directors. These working groups will meet at least once per term, as frequently and often as is necessary to complete the required tasks. They are advisory and not decision-making groups.

Local Governing Bodies - these will have powers and functions delegated to them by the Board of Directors. Local Governing Bodies may be paired where the academies are in a supporter/sponsored arrangement; and the chair of the supporting academy may represent the sponsored Local Governing Body on the Board of Directors. In exceptional situations of poor performance the Board of Directors may intervene and replace a local governing body.

Chief Executive Officer - will be recruited by the Board of Directors and is directly accountable to the Board. The Board is responsible for the performance management of the Chief Executive Officer. The Chief Executive Officer:

- is both a member and director.
- will chair the Strategic Heads' Group
- is responsible for the performance of all academies in the Trust; and the performance management of the Head teachers of the participating academies.

Strategic Heads' Group - this group will comprise Head teachers and senior leaders from the Trust central team. The group will be designated by Chief Executive Officer in consultation with the Board of Directors. The strategic heads' group will support the Chief Executive Officer in securing the vision, development and high performance of the Trust.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FHT Management Team - this comprises the Director of Business and Finance, Director of School Improvement, Director of Teaching School and Resources, Project Manager and administrative support. The team works directly for the Chief Executive Officer.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Cotgrave Candleby Lane School is a Teaching School and provides professional development programmes and opportunities through Inspiring Leaders Limited.

Objectives and Activities

a. OBJECTS AND AIMS

The objects of the Trust, as set out in the Articles of Association, are specifically restricted to:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum; and
- b) providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the United Kingdom especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

The ethos behind the Trust is grounded in strong moral purpose and school improvement. Each individual academy will constantly seek to improve on its previous best, while also accepting a collective responsibility for ensuring that all schools within the partnership are enabled to improve to become outstanding. All Flying High Trust schools are at the heart of the community they serve, offering the very best education, support and care; and an environment of aspiration, underpinned by the highest expectations.

Together, through the Flying High Trust, we aim to:

- develop school communities where every individual can flourish and maximise their potential, and where no target is unreachable;
- provide an exciting, inspirational curriculum, grounded in literacy and mathematics and which strongly reflects 21st century technologies;
- raise attainment and achievement by empowering children, parents and the local community.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main strategy of the Trust is encompassed in its principle aim - to ensure long-term sustainable improvement in order to impact significantly on the life chances of the children and families within the partnership schools. We believe that:

Primary ethos is crucial to success – at the core of this is getting into the heart of every child. Positive relationships, and understanding, adapting and responding to the diverse needs of individuals are central to all we do.

Effective parental collaboration and communication - supporting parents to be completely engaged with their child's education is paramount to success. We pride ourselves on our collaboration and communication with parents. A firm belief in working in partnership with parents drives us to develop a wide range of ways to engage even the most hard to reach parents. This essential collaborative approach underpins the primary ethos and we feel passionate that it is not lost. Parents matter!

Commitment to raising aspirations beyond the school gates – the most successful schools impact beyond the classroom and into the wider school community. All schools in our trust serve very different and diverse communities. We aim to celebrate the uniqueness of school communities while inspiring and raising aspirations for children and their families. Flying High Trust schools will be the catalyst for whole community improvement by offering services, providing support and bringing communities together. Strengthening schools through strengthening communities is fundamental to the aims of Flying High Trust.

The power of partnership - given the changing landscape of education, particularly the reduction of local authority capacity to support all schools, there is a danger that primary schools can become isolated. The multi-academy trust offers a great opportunity for primary schools to work together to develop and share practice; to provide development and leadership opportunities for staff; and to challenge each other to provide the highest quality teaching and learning experiences for children.

The Trust has three clear areas within its organisational function: outstanding schools, improving schools and schools in a category (sponsored).

The intention is that members of the Trust which are deemed outstanding schools will take responsibility to support another (improving) school. Once sustained impact is achieved and the improving school has achieved good / outstanding then the process evolved to them being the supporting school, and so on.

A small number of schools in a category would be taken on by the Trust with more concern, as capacity to improve these schools is an absolute necessity. We would only be considering this sponsoring option if we are clear that we offer a sustained improvement offer, with a leadership solution and that the school is best place to be within our Trust, e.g. has been previously supported by us or other schools within our Teaching School alliance. We realise that these schools require greater capacity to succeed and we also would be clear that we understood the context of the schools and therefore understand what the school needs to substantially improve in the long term. We are in it for the long haul and intend to one day enable the school in a category to have the capacity itself to support another on the improvement journey.

We do however realise that developing the Trust's capacity is crucial to success and therefore we will be extremely careful in choosing the schools which we feel we want to sponsor, only taking on a smaller number of these schools to ensure value is added.

It is our intention for the Trust to be at the forefront of positive system leadership. We hope to facilitate school to school support, to identify and grow capacity in schools in need of improvement and to engage with good / outstanding schools to support wider improvement.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

A strength of the Trust is the collegiate union of strong autonomous schools which value working together in partnership to secure system leadership.

The key objectives for the year ended 31 August 2015 have been:

- To continue the development of the central team and internal capacity to support and improve academies within the Trust;
- To maintain the performance of Cotgrave Candleby Lane School as an outstanding primary school with attainment and progress well above the national average;
- To maintain progress at The Flying High Academy (formerly Rosebrook Primary School) in its journey of improvement out of special measures;
- To support Hillside Primary School and Peafield Lane Academy on their progress from good to outstanding;
- The successful conversion of Ernehale Junior School (April 2015); and
- To identify three primary schools for conversion during the 2015-16 academic year, maintaining a balance of good and outstanding schools to provide support for underperforming schools.

c. PUBLIC BENEFIT

The Directors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. The main public benefit delivered by the Trust is the maintenance and development of a high quality education to all pupils in its care. It is the Directors aim to provide outstanding teaching and learning opportunities in all schools within the Trust.

Achievements and performance

a. REVIEW OF ACTIVITIES INCLUDING KEY PERFORMANCE INDICATORS

The main charitable activity undertaken by the Trust is the delivery of a high quality education to all pupils in its care. This year has been another successful year with attainment progress broadly at level 4 with expected progress across almost all schools.

Areas for development for the coming year will be to ensure that attainment and progress across the Trust is brought up to at least the national level, in particular the achievement of high attainers and those making more than expected progress. Shared priorities identified by Trust schools are moderation and assessment, assessment for learning, parental engagement and mastering maths.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Stage 2 results 2015

Cotgrave Candleby Lane School

Reading (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	89	80	48	0	91	33
2015 Actual	92	80	50	0	96	40
Writing (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	-	36	2	94	36
2015 Actual	95		50		100	65
Maths (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	77	41	9	90	34
2015 Actual	92		52	15	100	35
SPAG (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	80	73	55	4	-	-
2015 Actual	78	78	45	0	-	-

Ernehale Junior School

Reading (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	89	80	48	0	91	33
2015 Actual	100	95	59	0	100	35
Writing (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	-	36	2	94	36
2015 Actual	97	-	41	6	97	24
Maths (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	77	41	9	90	34
2015 Actual	92	79	40	10	97	24
SPAG (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	80	73	55	4	-	-
2015 Actual	87	83	71	2		

The Flying High Academy, Ladybrook

Reading (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	89	80	48	0	91	33
2015 Actual	93	93	35	0	100	45
Writing (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	-	36	2	94	36
2015 Actual	83	83	40	0	95	60
Maths (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	77	41	9	90	34
2015 Actual	100	100	50	0	100	58
SPAG (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	80	73	55	4	-	-
2015 Actual	78	78	45	0	-	-

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DIRECTORS' REPORT (continued)
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Hillside Primary & Nursery School

Reading (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	89	80	48	0	91	33
2015 Actual	84	74	43		84	31
Writing (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	-	36	2	94	36
2015 Actual	90	76	29		98	31
Maths (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	77	41	9	90	34
2015 Actual	90	84	43	3	95	31
SPAG (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	80	73	55	4	-	-
2015 Actual	71	71	53			

Peafield Lane Academy

Reading (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	89	80	48	0	91	33
2015 Actual	93	-	58	0	100	53
Writing (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	-	36	2	94	36
2015 Actual	96	-	49	0	100	51
Maths (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	87	77	41	9	90	34
2015 Actual	96	-	67	7	100	67
SPAG (%)	Level 4+	Level 4B+	Level 5+	Level 6	2LP+	3LP+
National 15	80	73	55	4	-	-
2015 Actual	93	-	87	4	-	-

2015 2 Level Progress

2015 2 Levels Progress	National	Trust Average
Reading	91	96
Writing	94	98
Maths	90	98

2015 3 Level Progress

2015 3 Levels Progress	National	Trust Average
Reading	34	41
Writing	36	46
Maths	34	43

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

b. GOING CONCERN

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to 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.

Financial review

The majority of the academies income was obtained from the Education Funding Agency (EFA) in the form of the General Annual Grant and other recurrent grants, the use of which is restricted to particular purposes. The grants received in the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Income and costs are increasing as the Trust includes new academies that converted during the year. During the year ending 31 August 2015, total expenditure was more than covered by recurrent grant funding from the EFA plus income from other sources.

The Trust held fund balances at 31 August 2015 totalling approximately £16,074,000, allocated as follows:

	£000
Cotgrave Candleby Lane School	138
Candleby Lane Teaching School Alliance	174
Ernehale Junior School	159
Flying High Academy, Ladybrook	34
Hillside Primary & Nursery School	93
Peafield Lane Academy	199
Central Services	14
Total before fixed asset fund and pension reserve	811
Restricted fixed asset fund	18,073
Pension reserve	(2,810)
Total	16,074

a. RISK MANAGEMENT

Directors are responsible for the management of risks to which the Trust is exposed. Officers maintain a detailed operational risk register in accordance with the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. A high level risk register is owned by the Board of Directors and this is reviewed on an annual basis.

The pupils, standards, audit and strategic development group is responsible for the detailed review of headline risks and appropriate escalation to the Board.

The Senior Management Team of the Trust hold a half termly risk meeting when key risks, priorities and actions to mitigate the identified risks are considered.

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DIRECTORS' REPORT (continued)
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b. RESERVES POLICY

The reserves policy of the Trust is to carry forward sufficient funds to meet the long term objectives of the Trust and to provide working capital, whilst ensuring that it does not affect its current operational activities. The level of reserve is reviewed and set on an annual basis as part of the annual budget setting plan of the Trust, a target reserve of 5% has been set for 2015/16. This will be reviewed in light of the planned expansion of the Trust.

c. INVESTMENTS POLICY

The Trust operates an investment policy that seeks to maximise returns commensurate, with a very low risk profile.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust manages its risks appropriately. We consider that risks such as the uncertainty over the LGPS deficit and future changes to Education Services Grant funding will feature in the financial risk register as the main areas of concern.

The key risks identified by the Directors are:

- A decline of pupils' attainment and school performance. This is mitigated by rigorous monitoring of performance, a continued focus on high quality teaching, early identification and tracking of vulnerable and under-performing groups and developing and improving governance;
- Failure to achieve planned growth and capacity. This is mitigated by continuing to improve performance and ensuring that staff and pupils in participating academies have a good experience and become the best ambassadors for the Trust;
- Failure to manage finances effectively resulting in financial insecurity and instability. This is mitigated by the appointment of a suitably experienced and qualified Director of Business and Finance, appropriate finance management processes and systems implemented across FHT and regular training for all FHT business managers;
- FHT becomes over-reliant on the current Chief Executive Officer for the management and development of the Trust. This is mitigated by the appointment of a Director of School Improvement and Quality Assurance and Director of Teaching School and Resources, the creation of a strategic leadership group and building knowledge and capacity, together with succession planning to develop a future CEO;
- Liability for building maintenance and repairs in future participating academies is beyond FHT financial capacity to address. This is mitigated by robust due diligence processes, close collaboration and communication with the LA prior to completing the Transfer Agreement to ensure the LA fulfils its responsibilities and close liaison with the EFA re potential maintenance grants for identified priorities;
- FHT lacks the capacity and infrastructure to support participating schools. This is mitigated by the appointment of Directors of School Improvement, Business and Finance and Teaching School and Resources, a Project Manager, the adoption of central finance management systems, keeping workload and impact of central staff under review as the Trust expands and exploring opportunities for commissioning of central services.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust will continue striving to achieve its principle aim to ensure long-term sustainable improvement in order to impact significantly on the life chances of the children and families within the partnership schools.

A further three schools have joined the Trust since September 2015 – namely Edwalton Primary School (good), Bilsthorpe Flying High Academy (good) and Beeston Fields Primary School (requires improvement), and it is planned that a further two schools will have joined by the end of the 2015-16 year. The Trust is also working the DfE to provide support for under-performing schools.

In line with the business plan, thereafter, the Trust is looking to grow by approximately three primary schools per year, maintaining a balance of good and outstanding schools to provide support for underperforming schools.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not act as custodian trustee, no funds are held on behalf of other charities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Board of Directors on 9 December 2015 and signed on the board's behalf by:

Mr N Robinson, Chair

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that Flying High 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Flying High Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr D Elliott, Staff Director	6	6
Dr W Daley	5	6
Mr P Wilkes, Staff Director	3	3
Mrs A Pearce-Burton	0	1
Mr D Hinds	0	4
Mr P Flint	5	6
Mr N Robinson, Chair	6	6
Mr C Wheatley, Chief Executive Officer	6	6
Mr J Brown	5	6
Mr J Beaumont	2	2
Mr P Bennett	3	3
Mr S Hoult	1	2

Governance reviews:

Governor self-evaluation is an annual agenda item for local governing bodies in the spring term, with skills and competency self-evaluation sheets completed and submitted by each governor. A termly Chairs & Trust Board meeting is also held. Through both of these forums, skills and training needs are evaluated and addressed through a rolling programme of governor training. All schools within the Trust also subscribe to an outsourced governor development package and have access to a National Leader of Governance for support.

The Directors have established two working groups – Pupils, Standards & Strategic Development and Finance, Personnel & Resources. The Board will task these groups with specific areas for exploration and advice to be fed back to the Board of Directors.

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GOVERNANCE STATEMENT (continued)

The Finance, Personnel & Resources Group is a sub-committee of the main Board of Directors. Its purpose is to consider financial operation and performance, internal controls framework and audit, HR and Personnel (including pay), Health and Safety, Estates Strategy and to monitor the strategic risk register.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr J Beaumont	1	1
Mr D Elliott, Staff Director	1	2
Mr P Flint	2	2
Mr N Robinson, Chair	2	2
Mr C Wheatley, Chief Executive Officer	2	2

The Pupils, Standards & Strategic Development Group is also a sub-committee of the main Board of Directors. Its purpose is to consider the school improvement strategy and impact, safeguarding and wellbeing of pupils and the strategic development of the Trust.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr P Bennett	1	1
Mr J Brown	1	2
Dr W Daley	1	2
Mr S Hoult	1	1
Mr N Robinson, Chair	2	2
Mr C Wheatley, Chief Executive Officer	2	2

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

Improving educational outcomes

The principle aim of the Flying High Trust is to ensure long-term sustainable improvement in order to impact significantly on the life chances of the children and families within the partnership schools. The Trust is committed to providing the very highest quality teaching and learning to secure the best possible outcome for all pupils. This is demonstrated by:

- Targeted funds (e.g. pupil premium) are ring-fenced within spending plans and used to improve performance, attendance and behaviour by those pupils identified to receive funding via those sources. The effectiveness of these interventions is evaluated through performance data;
- Staffing structures are regularly reviewed and efficiencies identified in the deployment of staff without impacting negatively upon the delivery of education;
- Resources are targeted in line with SIP priorities ensuring that they are directed to where they are most needed and are most effective in meeting the educational needs;
- Co-ordinated and collaborative working across the Trust schools and wider teaching school alliance;
- A half termly Trust school risk group meeting to review the performance of each school in the following areas: attainment, learning and progress; teaching and learning; leadership and management; capacity to improve; behaviour and safety; narrowing the gaps for vulnerable pupils; additional support needs; finance and business; pupil voice; buildings and engagement. Action plans are implemented and progress against these monitored.

Better purchasing

Goods and services purchased are done so to achieve 'Value for Money' in terms of suitability, efficiency, time and cost. All contracts are reviewed on an annual basis to ensure that they are fit for purpose and provide good value in all aspects. Examples include:

- Implementing a trust wide review of insurance arrangements securing more effective cover and generating cost savings across the Trust;
- Securing other Trust wide contracts e.g. payroll, HR, health and safety compliance to get the best mix of quality, service and cost;
- Exploring alternative purchasing options (both on-line and direct suppliers) even for small purchases to ensure value for money;
- Requiring suppliers to compete on the grounds of cost, quality and suitability of goods and services;
- Competitive tendering procedures including option appraisal of the costs and benefits of alternatives over the longer term;
- Benchmarking financial performance against other academy trusts and similar schools.

Maximising Income generation

Processes are in place to maximise income including:

- Trust and central staff providing support and consultancy services to other schools;
- Maximising income generation opportunities – extended services, lettings, nursery provision;
- Income generation opportunities are regularly explored by the Trust's strategic leadership team.

FLYING HIGH TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Reviewing controls and managing risks

Monthly budget monitoring reports are produced and reviewed by the Director of Business & Finance, CEO and Head teachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Termly budget reports are reviewed by the Directors, local Governing Body Finance and Premises Committees, as well as by budget holders, in order to ensure that spending is within budget.

Actions taken to mitigate risk are outlined in the strategic risk register and the more detailed operational risk register maintained by the Trust's strategic leadership team. Both registers are reviewed annually and where appropriate, professional advice e.g. Legal, HR, Finance has been sought.

Reviewing operation to maximise use of resources

The Trust strategic leadership group review expenditure within each budget heading on a termly basis and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Trust and School Development Plans.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Flying High Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Finance, Personnel & Resources Group 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 Directors has considered the need for a specific internal audit function and has decided to appoint Schools and Academies Finance (SAAF) as internal auditor.

FLYING HIGH TRUST
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GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current year included:

- Payroll;
- Purchasing;
- Capital Contracts;
- Income;
- Accounting Systems (including Bank and Control Account Reconciliations);
- Reporting to Directors;
- Submission of Returns to the EFA.

On a termly basis, the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

SAAF as internal auditors have delivered on their planned schedule of work for the year ended 31 August 2015, and have confirmed that there have been no material breaches of the internal control systems.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel & Resources Group 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 Directors on 9 December 2015 and signed on its behalf, by:

Mr N Robinson, Chair

Mr C Wheatley, Chief Executive Officer
Accounting Officer

FLYING HIGH TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Flying High Trust I have considered my responsibility to notify the Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust Board of Directors are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2014).

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 Directors and EFA.

**Mr C Wheatley, Chief Executive
Officer
Accounting Officer**

Date: 9 December 2015

FLYING HIGH TRUST
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Directors (who act as governors of Flying High Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 EFA/DfE have been applied for the purposes intended.

The Directors 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 Directors on 9 December 2015 and signed on its behalf by:

Mr N Robinson, Chair

FLYING HIGH TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLYING HIGH TRUST

We have audited the financial statements of Flying High Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLYING HIGH TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW
16 December 2015

FLYING HIGH TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLYING HIGH TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flying High Trust during the year 1 September 2014 to 31 August 2015 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 Flying High Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Flying High Trust and EFA 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 Flying High Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF FLYING HIGH TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Flying High Trust's funding agreement with the Secretary of State for Education, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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 Trust's income and expenditure.

Our audit work involved:

- a review of the Trust systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Trust finance policy; and
- a review of the Internal Audit reports.

FLYING HIGH TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLYING
HIGH TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

16 December 2015

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>	
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from Local Authority on Conversion	3	115,986	(74,000)	1,900,000	1,941,986	5,914,889
Other voluntary income	3	10,661	-	2,197	12,858	42,304
Activities for generating funds	4	151,693	-	-	151,693	168,940
Investment income	5	1,300	-	-	1,300	623
Incoming resources from charitable activities	6	243,172	8,298,545	595,334	9,137,051	5,626,406
TOTAL INCOMING RESOURCES		522,812	8,224,545	2,497,531	11,244,888	11,753,162
RESOURCES EXPENDED						
Charitable activities	8	494,462	8,253,877	221,209	8,969,548	5,994,991
Governance costs	9	-	38,325	-	38,325	42,574
TOTAL RESOURCES EXPENDED	7	494,462	8,292,202	221,209	9,007,873	6,037,565
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		28,350	(67,657)	2,276,322	2,237,015	5,715,597

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	18	(27,050)	(27,066)	54,116	-	-
NET INCOME FOR THE YEAR		1,300	(94,723)	2,330,438	2,237,015	5,715,597
Actuarial gains and losses on defined benefit pension schemes		-	(50,000)	-	(50,000)	(251,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		1,300	(144,723)	2,330,438	2,187,015	5,464,597
<i>Total funds at 1 September 2014</i>		<i>1,024</i>	<i>(1,856,366)</i>	<i>15,742,146</i>	<i>13,886,804</i>	<i>8,422,207</i>
TOTAL FUNDS AT 31 AUGUST 2015		2,324	(2,001,089)	18,072,584	16,073,819	13,886,804

All activities relate to continuing operations.

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

The notes on pages 28 to 50 form part of these financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08076374

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		17,982,840		15,699,820
Investments	15		1		1
			<u>17,982,841</u>		<u>15,699,821</u>
CURRENT ASSETS					
Debtors	16	376,721		284,202	
Cash at bank		1,121,173		903,657	
			<u>1,497,894</u>	<u>1,187,859</u>	
CREDITORS: amounts falling due within one year	17		(596,916)	(534,876)	
			<u>900,978</u>		<u>652,983</u>
NET CURRENT ASSETS					
			<u>900,978</u>		<u>652,983</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			18,883,819		16,352,804
Defined benefit pension scheme liability	23		(2,810,000)		(2,466,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,073,819		13,886,804
			<u>16,073,819</u>		<u>13,886,804</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	808,911		609,634	
Restricted fixed asset funds	18	18,072,584		15,742,146	
			<u>18,881,495</u>	<u>16,351,780</u>	
Restricted funds excluding pension liability			18,881,495	16,351,780	
Pension reserve			(2,810,000)	(2,466,000)	
			<u>16,071,495</u>	<u>13,885,780</u>	
Total restricted funds			16,071,495		13,885,780
Unrestricted funds	18		2,324		1,024
			<u>16,073,819</u>		<u>13,886,804</u>
TOTAL FUNDS			16,073,819		13,886,804
			<u>16,073,819</u>		<u>13,886,804</u>

The financial statements were approved by the Directors, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

Mr N Robinson, Chair

The notes on pages 28 to 50 form part of these financial statements.

FLYING HIGH TRUST
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	40,815	408,019
Returns on investments and servicing of finance	21	1,300	623
Capital expenditure and financial investment	21	117,401	(11,029)
Cash transferred on conversion to an academy trust	2	58,000	293,064
INCREASE IN CASH IN THE YEAR		217,516	690,677

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	217,516	690,677
MOVEMENT IN NET FUNDS IN THE YEAR	217,516	690,677
Net funds at 1 September 2014	903,657	212,980
NET FUNDS AT 31 AUGUST 2015	1,121,173	903,657

The notes on pages 28 to 50 form part of these financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

FLYING HIGH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Directors 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 Trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	1% straight line
Property Improvements	-	4% straight line
Fixtures and Equipment	-	20% straight line
Computer Equipment	-	25% straight line
Assets Under Construction	-	See above

FLYING HIGH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

FLYING HIGH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. CONVERSION TO AN ACADEMY TRUST

On 1 April 2015 Ernehale Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Flying High Trust from Nottinghamshire County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Leasehold property	-	-	1,900,000	1,900,000
Budget surplus on LA funds	115,986	-	-	115,986
LGPS pension deficit	-	(74,000)	-	(74,000)
	<u>115,986</u>	<u>(74,000)</u>	<u>1,900,000</u>	<u>1,941,986</u>
Net assets/(liabilities)	<u>115,986</u>	<u>(74,000)</u>	<u>1,900,000</u>	<u>1,941,986</u>

The above net assets include £58,000 that were transferred as cash.

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	<i>Total 2014 £</i>
Transfer from Local Authority on Conversion	<u>115,986</u>	<u>1,826,000</u>	<u>1,941,986</u>	<u>5,914,889</u>
Donations	<u>10,661</u>	<u>2,197</u>	<u>12,858</u>	<u>42,304</u>
Voluntary income	<u>126,647</u>	<u>1,828,197</u>	<u>1,954,844</u>	<u>5,957,193</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	<i>Total 2014 £</i>
Extended services	109,423	-	109,423	139,360
Hire of facilities	42,270	-	42,270	29,580
	<u>151,693</u>	<u>-</u>	<u>151,693</u>	<u>168,940</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	<i>Total 2014 £</i>
Bank interest received	1,300	-	1,300	623

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	Total 2014 £
EFA Grants				
General Annual Grant (GAG)	-	5,975,095	5,975,095	4,330,168
EFA Capital Grants	-	504,208	504,208	68,528
Other EFA Grants	-	927,601	927,601	529,619
	-	7,406,904	7,406,904	4,928,315
Other Government Grants				
Early Years Funding	-	509,857	509,857	413,131
HLN / AFN Funding	-	178,440	178,440	52,186
Other Funding	-	14,923	14,923	45,273
Capital Funding	-	91,126	91,126	-
	-	794,346	794,346	510,590
Other Funding				
Absence Insurance Claims	-	53,257	53,257	61,725
Other Income	243,172	77,823	320,995	125,776
Teaching School	-	561,549	561,549	-
	243,172	692,629	935,801	187,501
	243,172	8,893,879	9,137,051	5,626,406

7. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	5,511,733	-	771,643	6,283,376	4,238,276
Support costs	1,010,902	572,972	1,102,298	2,686,172	1,756,715
Charitable activities	6,522,635	572,972	1,873,941	8,969,548	5,994,991
Governance	-	-	38,325	38,325	42,574
	6,522,635	572,972	1,912,266	9,007,873	6,037,565

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. CHARITABLE ACTIVITIES

	Total 2015 £	<i>Total 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teachers, educational support and teaching school salaries	4,455,838	3,171,523
Teachers, educational support and teaching school national insurance	316,802	222,742
Teachers, educational support and teaching school pension	646,337	456,195
Educational supplies	139,486	119,310
Technology costs	75,241	25,181
Educational visits	145,632	86,581
Other educational services	205,716	156,744
Other teaching school costs	298,324	-
	6,283,376	<i>4,238,276</i>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff salaries	697,678	483,507
Support staff national insurance	32,979	25,682
Support staff pension	280,245	158,201
Depreciation	175,544	114,385
Pension finance cost	52,000	59,000
Indirect employee expenses	97,296	56,947
Repairs and maintenance	126,901	128,293
Cleaning	166,199	130,230
Rates and utilities	129,191	101,637
Insurance	150,681	102,211
Transport costs	719	4,161
Technology costs	75,719	74,027
Telephone	14,684	16,614
Printing, postage and stationery	66,972	43,629
Licences and subscriptions	5,673	12,149
Other support costs	139,967	125,906
Advertising and marketing	7,724	4,307
Legal and professional	43,797	20,490
Catering	422,203	95,339
	2,686,172	<i>1,756,715</i>
	8,969,548	<i>5,994,991</i>

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NOTES TO THE FINANCIAL STATEMENTS
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9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	Total 2014 £
Auditors' remuneration	-	14,000	14,000	12,000
Auditors' non audit costs	-	5,660	5,660	5,950
Legal expenses	-	18,665	18,665	24,624
	-	38,325	38,325	42,574

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	5,153,516	3,655,030
Social security costs	349,781	248,424
Other pension costs (Note 23)	926,582	614,396
	6,429,879	4,517,850
Supply teacher costs	92,756	54,028
	6,522,635	4,571,878

b. Staff numbers

The average number of persons employed by the Trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	86	69
Administration and support	114	76
Management	4	3
	204	148

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>1</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £90,001 - £100,000	1	<i>1</i>
	=====	=====

The employees in the analysis above all participated in the Teachers' Pension Scheme.

11. CENTRAL SERVICES

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

- financial services;
- educational support services;
- IT support services; and
- other services as they arise.

The Trust charges for these services on the following basis:

Charges for central services made to the individual academies are based on a flat percentage of annual EFA funding between 3% and 5%. Agreements remain in place between the Trust and one academy to waive the charges. During the year, charges were also received from Hillside Primary School & Nursery in respect of the previous year.

The actual amounts charged during the year were as follows:

	2015
	£
Hillside Primary School & Nursery	63,392
The Flying High Academy	55,995
Peafield Lane School	34,279
Ernehale Junior School	11,086
	=====
Total	164,752
	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. DIRECTORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Directors (2014 - 3) in respect of defined benefit pension schemes.

Mr C Wheatley	£10,000 - £15,000 (2014 - £10,000 - £15,000)
Mr P Wilkes	£0 - £5,000 (2014 - £5,000 - £10,000)
Mr D Elliott	£5,000 - £10,000 (2014 - £5,000 - £10,000)

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer and other Staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and other staff members under their contracts of employment, and not in respect of their role as Directors, The value of Directors' remuneration and other benefits for the period they were Directors was as follows:

	2015	<i>2014</i>
	£	£
Mr C Wheatley	95,000-100,000	<i>95,000-100,000</i>
Mr P Wilkes	15,000-20,000	<i>60,000-65,000</i>
Mr D Elliott	25,000-30,000	<i>25,000-30,000</i>

During the year ended 31 August 2015, expenses totalling £2,415 (2014 - £1,374) were reimbursed to 3 Directors (2014 - 3).

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,730 (2014 - £1,700). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TANGIBLE FIXED ASSETS

	Leasehold Property £	Property Improvement £	Fixtures and Equipment £	Computer Equipment £	Assets Under Construction £
Cost					
At 1 September 2014	15,708,000	87,260	13,740	71,518	17,402
Additions	361,809	43,705	131,521	19,332	-
Transfer on conversion	1,900,000	-	-	-	-
Transfer from subsidiary	-	-	-	3,862	-
Transfer between classes	17,402	-	-	-	(17,402)
	<u>17,987,211</u>	<u>130,965</u>	<u>145,261</u>	<u>94,712</u>	<u>-</u>
Depreciation					
At 1 September 2014	164,517	3,199	1,287	29,097	-
Charge for the year	142,050	3,491	8,049	21,954	-
Transfers from subsidiary	-	-	-	1,665	-
	<u>306,567</u>	<u>6,690</u>	<u>9,336</u>	<u>52,716</u>	<u>-</u>
Net book value					
At 31 August 2015	<u>17,680,644</u>	<u>124,275</u>	<u>135,925</u>	<u>41,996</u>	<u>-</u>
<i>At 31 August 2014</i>	<u>15,543,483</u>	<u>84,061</u>	<u>12,453</u>	<u>42,421</u>	<u>17,402</u>
				Total	£
Cost					
At 1 September 2014					15,897,920
Additions					556,367
Transfer on conversion					1,900,000
Transfer from subsidiary					3,862
Transfer between classes					-
					<u>18,358,149</u>
Depreciation					
At 1 September 2014					198,100
Charge for the year					175,544
Transfers from subsidiary					1,665
					<u>375,309</u>
Net book value					
At 31 August 2015					<u>17,982,840</u>
<i>At 31 August 2014</i>					<u>15,699,820</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is freehold land at valuation of £2,452,700 (2014 - £2,452,700) which is not depreciated.

With the exceptions of Cotgrave Candleby Lane School and Ernehale Junior School, Leasehold Property has been valued in line with the valuation provided to the academies on conversion by the EFA. Cotgrave Candleby Lane School has been valued in line with a valuation report prepared by Fisher Hargreaves Proctor dated 19 November 2012 on a depreciated replacement cost basis. Ernehale Junior School has been valued in line with an insurance valuation for 2015/16 taking re-instatements costs into consideration.

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Market value	
At 1 September 2014 and 31 August 2015	<u><u>1</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
CCLS Trading Limited	100%

The aggregate of the share capital and reserves as at 31 August 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
CCLS Trading Limited	<u><u>1</u></u>	<u><u>(2,197)</u></u>

Teaching school activities are now performed as part of the Trust's charitable activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. DEBTORS

	2015	2014
	£	£
Trade debtors	119,717	10,115
Amounts owed by group undertakings	-	26,456
VAT recoverable	101,368	90,058
Other debtors	-	11,999
Prepayments and accrued income	155,636	145,574
	376,721	284,202
	376,721	284,202

17. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	132,708	132,473
Amounts owed to group undertakings	1	-
Other taxation and social security	113,073	86,650
Other creditors	245	1,057
Accruals and deferred income	350,889	314,696
	596,916	534,876
	596,916	534,876

Deferred income

		£
Deferred income at 1 September 2014		285,338
Resources deferred during the year		194,170
Amounts released from previous years		(269,740)
		209,768
Deferred income at 31 August 2015		209,768

At the balance sheet date, the Trust had received amounts in advance for Universal Free School Meals, Capital Maintenance Work, High Learning Needs Income, Rates Relief and a School Improvement Grant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Surplus on Conversion	-	115,986	-	(115,986)	-	-
Other Unrestricted Income	1,024	406,826	(494,462)	88,936	-	2,324
	<u>1,024</u>	<u>522,812</u>	<u>(494,462)</u>	<u>(27,050)</u>	<u>-</u>	<u>2,324</u>
Restricted funds						
General Annual Grant (GAG)	542,590	5,975,095	(5,930,057)	4,159	-	591,787
Other EFA Grants	-	927,601	(912,248)	-	-	15,353
Other Government Grants	-	703,220	(703,220)	-	-	-
Other Income	-	53,257	(53,257)	-	-	-
School Funds	31,288	77,823	(73,740)	(7,947)	-	27,424
Teaching School Pension Reserve	35,756	561,549	(399,680)	(23,278)	-	174,347
	<u>(2,466,000)</u>	<u>(74,000)</u>	<u>(220,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(2,810,000)</u>
	<u>(1,856,366)</u>	<u>8,224,545</u>	<u>(8,292,202)</u>	<u>(27,066)</u>	<u>(50,000)</u>	<u>(2,001,089)</u>
Restricted fixed asset funds						
Assets Transferred on Conversion	15,551,389	1,900,000	(142,927)	-	-	17,308,462
Assets Acquired from Other Funds	148,431	502,251	(31,651)	54,116	-	673,147
Unspent DFC Grants	42,326	40,633	(42,326)	-	-	40,633
Teaching School PAN Grant	-	2,197	(966)	-	-	1,231
PBSP Grant	-	50,000	(3,339)	-	-	46,661
	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450</u>
	<u>15,742,146</u>	<u>2,497,531</u>	<u>(221,209)</u>	<u>54,116</u>	<u>-</u>	<u>18,072,584</u>
Total restricted funds	<u>13,885,780</u>	<u>10,722,076</u>	<u>(8,513,411)</u>	<u>27,050</u>	<u>(50,000)</u>	<u>16,071,495</u>
Total of funds	<u><u>13,886,804</u></u>	<u><u>11,244,888</u></u>	<u><u>(9,007,873)</u></u>	<u><u>-</u></u>	<u><u>(50,000)</u></u>	<u><u>16,073,819</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

Unrestricted funds:

Surplus on Conversion - represents those resources received on conversion which may be used towards meeting any of the objects of the Trust at the discretion of the Directors. The policy of the Trust is to utilise these funds in priority to current year GAG income.

Other Unrestricted Funds - represents other resources received during the year which may be used towards meeting any of the objects of the Trust at the discretion of the Directors.

Restricted funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the EFA, all of which are to be used to cover the running costs of the academy.

Other EFA Grants - represent EFA grants, including Pupil Premium and UIFSM, received for specific purposes.

Other Government Grants - represents grants from other Government sources received for specific purposes.

Other Income / School Funds - represents other income received which must be used for the specific purposes intended.

Teaching School - represents income and expenditure relating to the Teaching School, the operations of which were transferred from CCLS Trading Limited during the year. The Teaching School fund carry forward comprises ring fenced collaborative grants from NCTL (National College of Teaching & Learning) which are already committed to be spent on the projects and initiatives for which they were awarded.

Pension Reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds:

Assets Transferred on Conversion - represents the net book value of land, buildings and other assets transferred to the academy by the Local Authority on conversion.

Assets Acquired from Other Funds - represents the net book value of assets purchased post conversion acquired from academy funding streams including GAG.

DFC Grants Unspent - represents the level of DFC Grants received during the year which have not been spent at the year-end.

Teaching School - represents the net book value of assets donated by CCLS Trading Limited.

PAN / PBSP Grant - represents specific capital grants received which are unspent at the year-end.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Cotgrave Candleby Lane School	311,792
Hillside Primary School and Nursery	93,308
Flying High Academy, Ladybrook	33,627
Peafield Lane School	198,521
Ernehale Junior School	159,432
Central Services	14,555
	811,235
Total before fixed asset fund and pension reserve	811,235
Restricted fixed asset fund	18,072,584
Pension reserve	(2,810,000)
	16,073,819
	16,073,819

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Other direct costs £	Other costs excluding depreciation £	Total £
Cotgrave Candleby Lane School	1,948,726	286,226	478,023	527,194	3,240,169
Hillside Primary School and Nursery	1,292,476	212,967	148,567	313,602	1,967,612
Flying High Academy, Ladybrook	881,516	166,397	102,407	256,662	1,406,982
Peafield Lane School	966,090	190,367	108,285	281,517	1,546,259
Ernehale Junior School	243,340	49,546	25,818	46,972	365,676
Central Services	86,829	105,399	1,299	112,104	305,631
	5,418,977	1,010,902	864,399	1,538,051	8,832,329
	5,418,977	1,010,902	864,399	1,538,051	8,832,329

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NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	1,024	522,812	(494,462)	(27,050)	-	2,324
Restricted funds	(1,856,366)	8,224,545	(8,292,202)	(27,066)	(50,000)	(2,001,089)
Restricted fixed asset funds	15,742,146	2,497,531	(221,209)	54,116	-	18,072,584
	<u>13,886,804</u>	<u>11,244,888</u>	<u>(9,007,873)</u>	<u>-</u>	<u>(50,000)</u>	<u>16,073,819</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	17,982,840	17,982,840	15,699,820
Fixed asset investments	-	1	-	1	1
Current assets	2,324	1,405,826	89,744	1,497,894	1,187,859
Creditors due within one year	-	(596,916)	-	(596,916)	(534,876)
Provisions for liabilities and charges	-	(2,810,000)	-	(2,810,000)	(2,466,000)
	<u>2,324</u>	<u>(2,001,089)</u>	<u>18,072,584</u>	<u>16,073,819</u>	<u>13,886,804</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	2,237,015	5,715,597
Returns on investments and servicing of finance	(1,300)	(623)
Assets transferred on conversion	(1,941,986)	(5,914,889)
Depreciation of tangible fixed assets	175,544	114,385
Fixed asset donation from subsidiary	(2,197)	-
Capital grants from EFA and other sources	(595,334)	(68,528)
Increase in debtors	(34,533)	(30,320)
Increase / (decrease) in creditors	(16,394)	451,397
FRS 17 adjustments	220,000	141,000
Net cash inflow from operations	<u>40,815</u>	<u>408,019</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	1,300	623
	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(477,933)	(79,557)
Capital grants from EFA and other sources	595,334	68,528
Net cash inflow/(outflow) capital expenditure	117,401	(11,029)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1	Cash flow	Other non-cash changes	31 August
	September			2015
	2014	£	£	£
Cash at bank and in hand:	903,657	217,516	-	1,121,173
Net funds	903,657	217,516	-	1,121,173

23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's 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 Nottinghamshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £426,000 (2014 - £309,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £443,000, of which employer's contributions totalled £334,000 and employees' contributions totalled £109,000. The agreed contribution rates for future years are 18.3% for employers and a maximum of 12.5% 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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23. PENSION COMMITMENTS (continued)

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	5.80	2,206,000	6.50	1,851,000
Gilts	5.80	84,000	3.00	148,000
Other bonds	5.80	216,000	3.60	178,000
Property	5.80	389,000	5.50	288,000
Cash	5.80	107,000	2.90	108,000
Other	5.80	100,000	-	-
Total market value of assets		<u>3,102,000</u>		<u>2,573,000</u>
Present value of scheme liabilities		<u>(5,912,000)</u>		<u>(5,039,000)</u>
(Deficit)/surplus in the scheme		<u><u>(2,810,000)</u></u>		<u><u>(2,466,000)</u></u>

The Expected return on assets of 5.8% has been used across all academies with the exception of Ernehale Junior School where a rate of 5.6% has been applied.

The amounts recognised in the Balance sheet are as follows:

	2015 £	<i>2014 £</i>
Present value of funded obligations	(5,912,000)	<i>(5,039,000)</i>
Fair value of scheme assets	3,102,000	<i>2,573,000</i>
Net liability	<u><u>(2,810,000)</u></u>	<u><u>(2,466,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	<i>2014 £</i>
Current service cost	(502,000)	<i>(305,000)</i>
Interest on obligation	(214,000)	<i>(157,000)</i>
Expected return on scheme assets	162,000	<i>98,000</i>
Total	<u><u>(554,000)</u></u>	<u><u>(364,000)</u></u>
Actual return on scheme assets	<u><u>48,000</u></u>	<u><u>139,000</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	5,039,000	1,595,000
Current service cost	502,000	305,000
Interest cost	214,000	157,000
Contributions by scheme participants	109,000	73,000
Actuarial (Gains)/losses	(64,000)	482,000
Benefits paid	(8,000)	-
Transfer on conversion	120,000	2,427,000
	<u>5,912,000</u>	<u>5,039,000</u>

Movements in the fair value of the Trust's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	2,573,000	732,000
Expected return on assets	162,000	98,000
Actuarial gains and (losses)	(114,000)	231,000
Contributions by employer	334,000	223,000
Contributions by employees	109,000	73,000
Benefits paid	(8,000)	-
Transfer on conversion	46,000	1,216,000
	<u>3,102,000</u>	<u>2,573,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was losses of £537,000 (2014 - £487,000).

The Trust expects to contribute £347,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	71.00 %	72.00 %
Gilts	3.00 %	6.00 %
Other bonds	7.00 %	7.00 %
Property	13.00 %	11.00 %
Cash	3.00 %	4.00 %
Other	3.00 %	- %

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	<i>2014</i>
RPI increases	3.60 %	<i>3.50 %</i>
CPI increases	2.70 %	<i>2.70 %</i>
Salary increases	4.50 %	<i>4.50 %</i>
Pension increases	2.70 %	<i>2.70 %</i>
Discount rate	4.00 %	<i>4.00 %</i>

The rates disclosed above have been applied in the valuation for all academies with the exception of Cotgrave Candleby Lane School where percentages of 3.5%, 2.6%, 4.4%, 2.6% and 4% have been applied.

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

	2015	<i>2014</i>
Retiring today (in years)		
Males	22.1	<i>22.0</i>
Females	25.2	<i>25.1</i>
Retiring in 20 years (in years)		
Males	24.2	<i>24.1</i>
Females	27.6	<i>27.4</i>

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	<i>2014</i>	<i>2013</i>
	£	£	£
Defined benefit obligation	(5,912,000)	<i>(5,039,000)</i>	<i>(1,595,000)</i>
Scheme assets	3,102,000	<i>2,573,000</i>	<i>732,000</i>
Deficit	(2,810,000)	<i>(2,466,000)</i>	<i>(863,000)</i>
Experience adjustments on scheme liabilities	64,000	<i>(482,000)</i>	<i>(298,000)</i>
Experience adjustments on scheme assets	(114,000)	<i>231,000</i>	<i>62,000</i>

24. CONTINGENT LIABILITIES

In the event of the constituent academies of Flying High Trust ceasing to operate as academies, provisions are included in the funding agreements relating to the clawback of assets and monies paid to the constituent academies.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Inspiring Leaders Limited:

Inspiring Leaders Limited is a not for profit company in which Mr C Wheatley, a Director, is also a director. During the year, Flying High Trust raised invoices to Inspiring Leaders Limited totalling £109,597 (2014 - £59,355). The balance due from Inspiring Leaders Limited at 31 August 2015 was £10,223 (2014 - £7,950) and is included within trade debtors.

Flying High Trust also received invoices from Inspiring Leaders Limited totalling £4,877 (2014 - £nil). There is no balance outstanding at the year-end.

PHB Education:

PHB Education is a firm run by Mr P Bennett, a Director. The firm has provided consultancy services to the Trust for a number of years prior to his appointment as a Director. Since his appointment, PHB Education has invoiced the Trust £7,148 of which £1,125 is outstanding at the year-end and included within trade creditors. The Directors have considered the relationship in line with requirements of the Academies Financial Handbook and are satisfied that time is charged at a rate which is sufficiently below market value.