

Company Registration Number: 08076374 (England & Wales)

FLYING HIGH TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

FLYING HIGH TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Brown Mrs W Daley Mr N Robinson Mr P Smith Mrs J Thain
Trustees	Mr J Beaumont Mr P Bennett Mr S Hoult (appointed 20 May 2019) Mrs S Littlefair Mrs K McKenna (resigned 29 September 2019) Mr N Robinson, Chair Mr C Wheatley, Chief Executive Officer and Accounting Officer
Company Registered Number	08076374
Company Name	Flying High Trust
Principal and Registered Office	Candleby Lane Cotgrave Nottingham Nottinghamshire NG12 3LG
Company Secretary	Ms R Kerr
Senior Management Team	Mr C Wheatley, Chief Executive Officer Mr P Goodman, Deputy Chief Executive Officer and Director of Teaching School Mrs Z Maxey, Director of Business & Finance Miss C Varley, Director of Education
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

FLYING HIGH TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 25 primary academies in the East Midlands (Nottingham City, Nottinghamshire and Derbyshire). Currently, the academies have a combined pupil capacity (F2 to Year 6) of 7,140 and had a roll of 6,664 in the October 2019 school census.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Company's expense to cover the liability of the Trustees and 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 Trustees 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 Trustees in their capacity as Directors of the Company. 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.

Method of Recruitment and Appointment or Election of Trustees

Under section 50 of the articles of association, the Members will appoint up to five Trustees and the Chief Executive Officer. In addition, Article 58 permits the Trustees to appoint additional Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post, which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting or an Annual General Meeting.

No more than one third of the Trustees should be employees of the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

The training for each new Trustee 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 Trustees will be given the opportunity to meet in the various academies of the Trust and to meet with key staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, risk registers and development plans that they will need to undertake their roles.

Organisational Structure

As a charity and company limited by guarantee, the Trust is governed by a board of trustees (the Board) who have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishing and running of the academies maintained by the Trust.

In order to support the effective operation of the Trust and the Academies, the Board has established a number of committees to which it delegates certain of its powers and functions. In summary, the Board has established three different types of committee:

- Two main Board committees which are established to deal with Trust-wide matters - Finance, people and resources, and pupils, standards and strategic development (Board Committees);
- Local Hub Boards which are established to scrutinise the performance of a group of schools and to provide a channel of communications and influence between the Board and local governing bodies; and
- Local Governing Bodies (LGB) which are established by the Board to support the effective operation of the Academies.

Terms of reference set out the constitution, membership and proceedings of the committees the Board has established, these are reviewed together with the membership of the committees at least once every twelve months.

In addition to the Board and committees, a Chief Executive Officer has been appointed and they are directly accountable to the Board and act as the Accounting Officer for the Trust. The Board is responsible for the performance management of the Chief Executive Officer.

To support the Chief Executive Officer, a Strategic Development Group has been established comprising the Deputy CEO, Director of Education and the Director of Business and Finance. The team works directly to the Chief Executive Officer.

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

Risk Management

Trustees 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 Trustees and this is reviewed on a termly 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 Leadership 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The policy and procedures for setting pay and remuneration of the Trust Senior Leadership team is determined by the Finance, People and Resources committee. Their remit in relation to these arrangements are detailed below:

- Review the staffing structure of the Trust based on plans presented by the Chief Executive Officer and/or Director of Business & Finance and funds available for the Trust, and make recommendations to the Board.
- Ensure that a consistent approach to performance management is adopted across the Trust.
- Consider and recommend a pay policy for the Trust to be agreed by the Board and ensure that a consistent approach to pay review is in place across the Trust.
- Ensure that the Trust adopts an appropriate range of personnel procedures e.g. disciplinary, grievance, capability and remuneration.

The pay and remuneration of the Trust's Senior Leadership Team is determined through the approved pay policy and progression is based on performance management, which must be reported to and approved by the Finance, People and Resources committee.

Employment of Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the academy. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee Involvement

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Trade Union Facility Time

The Trust had 3 members of staff (FTE - 2.6) who were relevant union officials during the period. None of the staff spent any time on facility time within the scope of the Regulations so no further disclosures are required.

Related Parties and other Connected Charities and Organisations

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and Activities

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.

Objectives, Strategies and Activities

The ethos behind the Trust is one of sustainable school improvement; and schools joining the Trust do so with the prime aim of improving themselves and each other so that they can all become outstanding schools driven by a self-improving system.

This is achieved through the development and embedding of the professional continuum; attracting high calibre trainees to our School Centred Initial Teacher Training programme, nurturing talent, providing high quality bespoke CPD to shape careers and ensuring we grow our own inspirational school leaders. Together we can achieve excellence.

This ethos is guided by our core principles:

- Children first - at the heart of every decision is 'will this benefit our children'?
- Aspiration for all - children, staff, families and local communities to aim high and dream big, look back with pride and forward with confidence.
- Ensuring our schools are at the heart of their communities.
- Supporting meaningful partnership - schools that support and challenge each other to become the best schools in the universe through mutual accountability.
- A commitment to continuous improvement - to strive to provide the best opportunities for our children so that they can look back with pride and forward with confidence.
- Primary led - this is our area of passion and expertise and we focus on developing the whole child and each child as an individual.

The key objects / aims for the year ended 31 August 2019 are summarised below:

- Demonstrate a restlessness to continually improve, to never stand still, with the ultimate aim providing the best opportunities and experiences for our children.
- Strive to ensure that every child fulfils their potential regardless of potential barriers to learning.
- Commit to become an outstanding, self-improving Trust and to supporting the profession and development of all schools within the partnership.
- Commit to a school-led system.
- Commit to the values, principles, policies and procedures of the Trust.
- To ultimately strive for all of our schools to be the best schools in the Universe.

Public Benefit

The Trustees 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 Trustees 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 Trustees aim to provide outstanding teaching and learning opportunities in all schools within the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic Report

Achievements and Performance

The Trust now provides education for over 6,500 children in the East Midlands, fulfilling its main charitable activity of the delivery of a high quality education to all pupils in its care.

The Trust is centred on schools working in collaboration to ensure sustainable improvement. The growth model is centred on capacity, ensuring that the Trust has the internal capacity, both within the central team and our partner schools, to effect positive change in supporting all schools to become outstanding. This capacity model is based on a 2:1 ratio, whereby there are a minimum of two good or better schools (those with the capacity to support) to one school requiring support.

The Trust has grown over the past twelve months to increase the number of academies from 20 to 23. The following academies joining the Trust during the 2018/19 academic year:

- Alderman Pounder Infant School (joined 1 September 2018).
- Ernehale Infant School (joined 1 December 2018).
- Brooklands Primary School (joined 1 July 2019).

The quality of education provided by the Trust has improved over the year, and this is reflected in both the Ofsted judgements achieved by schools inspected during the year and Key Stage 2 results.

The following academies were inspected during 2018/19 and either maintained or improved their Ofsted judgements:

- Edwalton Primary School – inspected September 2018, maintaining an overall good judgement.
- Bilsthorpe Flying High Academy – inspected September 2018, maintaining an overall good judgement.
- Greenwood Primary & Nursery School – inspected June 2019, maintaining an overall good judgement.

Attainment and Progress Outcomes

The performance data for 2019 shows that performance is improving and the Trust is above the national averages for children achieving ARE or above. A summary of the key school performance data is shown below:

Early Years

EYFS GLD	Trust 2019	National 2019
EXP	74%	72%

Phonics

Y1 PHONICS	Trust 2019	National 2019
ARE	82%	82%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 1

KS1 READING	Trust 2019	National 2019
ARE	76%	75%

KS1 WRITING	Trust 2019	National 2019
ARE	72%	69%

KS1 MATHS	Trust 2019	National 2019
ARE	77%	76%

Key Stage 2

KS2 READING	Trust 2019	National 2019
ARE	76%	73%

KS2 WRITING	Trust 2019	National 2019
ARE	83%	78%

KS2 MATHS	Trust 2019	National 2019
ARE	84%	79%

KS2 EGPS	Trust 2019	National 2019
ARE	81%	78%

KS2 COMBINED	Trust 2019	National 2019
ARE	69%	65%

Key Financial Performance Indicators

Indicator	Target	Actual
Staff costs as a % of total income	< or = 75%	72.6%
Surplus as % of total income	> or = 5%	11.2%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Going Concern

After making appropriate enquires, the Board of Trustees has 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 Statement of Accounting Policies.

Financial Review

The majority of the Trust's income is obtained from the DfE via the Education Standards Funding Agency (ESFA) in the form of recurrent grants (Revenue and Capital) to the Trust's academies, the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure is shown within Restricted Funds in the Statement of Financial Activities.

As at 31 August 2019, the net book value of fixed assets was £63,384,889 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the Trust's academies.

Key financial policies adopted or reviewed during the year cover procurement of goods and services, tendering, gifts and hospitality, expenses and anti-fraud all of which are set out in the Trust Financial Procedures Policy. In addition, reviews were also undertaken of the Whistleblowing and Business Interest policies. The Trust's procedures set out the framework for financial management, including the financial responsibilities of Trustees, Trust Senior Leadership Team, Head teachers and finance staff centrally and in academies. Delegated financial responsibilities are set out within the Trust's scheme of delegation and the financial procedures.

The central services offer covers school improvement and quality assurance, governance, staff wellbeing and development, finance, governance, health and safety, estates, IT and HR. This offer is under continual review and will continue to develop alongside the growth of the Trust.

Reserves Policy

The Board of Trustees review the level of reserves annually as part of the strategic financial planning process. This review takes into account the nature of the income and expenditure streams, and the need to match these against existing commitments, future cost pressures and the nature of the reserves held.

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.

During the year, three academies have joined the Trust contributing towards the current level of reserves at the 31 August 2019.

The Trust held fund balances at 31 August 2019 totalling £47,695,268 as outlined in note 19 to the financial statements, which is allocated as follows:

Fund	£
Restricted Fixed Asset Fund	63,895,086
Pension Reserve	(20,287,000)
Restricted Funds	4,087,182
Total Balance	47,695,268

Of the total restricted fixed asset fund, £63,384,889 can only be realised through the disposal of fixed assets.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

All schools within the Trust undertake robust three year strategic financial planning and within the restricted funds balance, there are a number of ring-fenced funds, which have already committed for the 2019/20 financial year. In addition, the restricted funds balance will also be used to invest in the following:

- The Trust is committed towards maintaining our buildings and a 10-year estates strategy and capital maintenance programme is being developed. As part of this all schools will be developing, maintaining and allocating funding towards a rolling maintenance programme.
- ICT provision is a key part of our children's learning, and all of our academies will be developing, maintaining and allocating funding towards a rolling maintenance programme.

The future cost pressures facing the education sector in particular, will also reduce the reserves held over the medium term.

Investment Policy

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

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 Trustees 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 Deputy CEO, Director of Education, the creation of a strategic leadership group and building knowledge and capacity.
- 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 ESFA re potential maintenance grants for identified priorities.
- FHT lacks the capacity and infrastructure to support participating schools. This is mitigated by the appointment of a Deputy CEO, Director of Education, Directors of School Improvement, Director of Business and Finance, an Operations 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.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for Future Periods

The Trust is centred on schools working in collaboration to ensure sustainable improvement. The growth model is centred on capacity, ensuring that the Trust has the internal capacity, within both the central team and our partner schools, to effect positive change in supporting all schools to become outstanding. Capacity is based on a 2:1 ratio, whereby there are a minimum of two good or better schools (those with the capacity to support) to one school requiring support.

The growth plan of the Trust is measured and deliberate to ensure that it is sustainable, and there is sufficient school improvement and business development capacity. The experience of establishing and growing a Multi Academy Trust has enabled the Trust to clearly identify principles for growth, effective strategies and systems to ensure consistency and impact, and to develop at a sustainable rate. Over a three-year period, the Trust intends to grow to 30 to 40 schools in line with the growth plan.

Funds held as Custodian Trustee on Behalf of Others

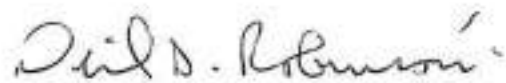
The Trust does not act as custodian trustee, no funds are held on behalf of other charities.

Auditor

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18/12/19 and signed on its behalf by:



Mr N Robinson
Chair

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, 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 Trustees 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 Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr J Beaumont	3	3
Mr P Bennett	2	3
Mr S Hoult	1	1
Mrs S Littlefair	2	3
Mrs K McKenna	3	3
Mr N Robinson, Chair	3	3
Mr C Wheatley, Chief Executive Officer and Accounting Officer	3	3

During the year, there has been one appointment – Mr S Hoult on 20 May 2019. In addition, Mrs K McKenna resigned as a Trustee after the end of the accounting period on 29 September 2019.

The Trustees have established two working committees – Pupils, Standards & Strategic Development and Finance, People & Resources. The Board will task these groups with specific areas for exploration and advice to be fed back to the Board of Trustees. The two working committees each met a further three times.

In addition, the Trustees have been provided with regular financial information such that they satisfied that they maintain adequate oversight over the Trust's funds.

The purpose of this Finance, People & Resources working committee 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Beaumont	3	3
Mrs S Littlefair	2	3
Mr N Robinson	3	3
Mr C Wheatley	3	3

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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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. 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.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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.
- The Trust's strategic leadership team regularly explores income generation opportunities.

Reviewing Controls and Managing Risks

Monthly budget monitoring reports are produced and reviewed by the Director of Business & Finance, CEO, Board of Trustees, Local Governing Bodies and Head teachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

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 on-going 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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GOVERNANCE STATEMENT (CONTINUED)

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 Trustees;
- regular reviews by the Board of Trustees and working committees 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Schools and Academies Finance (SAAF) as internal auditor.

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 period included testing of the following systems:

- payroll;
- purchasing;
- capital contracts;
- income;
- accounting systems (including bank and control account reconciliations);
- reporting to governors; and
- submission of returns to the ESFA.

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

SAAF, as internal auditors, have delivered on their planned schedule of work for the year ended 31 August 2019, and have confirmed that there have been no material breaches of the internal control systems.

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GOVERNANCE STATEMENT (CONTINUED)

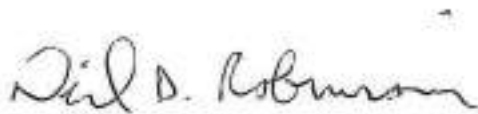
Review of effectiveness

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 financial management and governance self-assessment process;
- 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18/12/19 and signed on their behalf by:



Mr N Robinson
Chair



Mr C Wheatley
Accounting Officer

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr C Wheatley
Accounting Officer
Date:

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

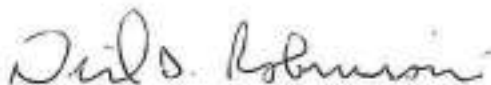
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 18/12/19 and signed on its behalf by:



Mr N Robinson
Chair

FLYING HIGH TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FLYING HIGH TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

FLYING HIGH TRUST
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

FLYING HIGH TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 opinions we have formed.

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

Date:

FLYING HIGH TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FLYING HIGH TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

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

This report is made solely to Flying High Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Flying High Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flying High Trust and ESFA, 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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
(A company limited by guarantee)

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

Conclusion

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

Robert Anderson

Streets Audit LLP

Date:

FLYING HIGH TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	4					
Transfer on conversion		234,375	(1,415,132)	10,841,000	9,660,243	6,362,733
Other donations and capital grants		-	76,212	992,916	1,069,128	1,416,583
Charitable activities	5	1,017,810	30,370,437	-	31,388,247	27,120,599
Teaching schools	30	-	893,828	-	893,828	934,884
Other trading activities	6	333,622	210,270	-	543,892	448,234
Investments	7	2,614	-	-	2,614	2,648
Total income		1,588,421	30,135,615	11,833,916	43,557,952	36,285,681
Expenditure on:						
Charitable activities	8,9	1,568,790	32,055,578	1,587,272	35,211,640	30,174,270
Teaching schools	8,30	-	877,293	-	877,293	1,032,049
Total expenditure		1,568,790	32,932,871	1,587,272	36,088,933	31,206,319
Net income / (expenditure)		19,631	(2,797,256)	10,246,644	7,469,019	5,079,362
Transfers between funds	19	(19,631)	(66,136)	85,767	-	-
Net movement in funds before other recognised gains/(losses)		-	(2,863,392)	10,332,411	7,469,019	5,079,362
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(3,661,000)	-	(3,661,000)	3,879,000
Net movement in funds		-	(6,524,392)	10,332,411	3,808,019	8,958,362

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reconciliation of funds:					
Total funds brought forward	-	(9,675,426)	53,562,675	43,887,249	34,928,887
Net movement in funds	-	(6,524,392)	10,332,411	3,808,019	8,958,362
Total funds carried forward	<u>-</u>	<u>(16,199,818)</u>	<u>63,895,086</u>	<u>47,695,268</u>	<u>43,887,249</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 67 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	63,384,889	52,908,045
		<u>63,384,889</u>	<u>52,908,045</u>
Current assets			
Debtors	16	3,096,384	2,887,302
Cash at bank and in hand		5,186,014	3,947,663
		<u>8,282,398</u>	<u>6,834,965</u>
Creditors: amounts falling due within one year	17	(3,681,399)	(2,803,236)
Net current assets		<u>4,600,999</u>	<u>4,031,729</u>
Total assets less current liabilities		<u>67,985,888</u>	<u>56,939,774</u>
Creditors: amounts falling due after more than one year	18	(3,620)	(4,525)
Net assets excluding pension liability		<u>67,982,268</u>	<u>56,935,249</u>
Defined benefit pension scheme liability	26	(20,287,000)	(13,048,000)
Total net assets		<u><u>47,695,268</u></u>	<u><u>43,887,249</u></u>

FLYING HIGH TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	63,895,086	53,562,675
Restricted income funds	19	4,087,182	3,372,574
Restricted funds excluding pension asset	19	<u>67,982,268</u>	<u>56,935,249</u>
Pension reserve	19	<u>(20,287,000)</u>	<u>(13,048,000)</u>
Total restricted funds	19	<u>47,695,268</u>	<u>43,887,249</u>
Unrestricted income funds	19	<u>-</u>	<u>-</u>
Total funds		<u><u>47,695,268</u></u>	<u><u>43,887,249</u></u>

The financial statements on pages 23 to 67 were approved by the Trustees, and authorised for issue on 18/12/19 and are signed on their behalf, by:



Mr N Robinson
Chair

The notes on pages 28 to 67 form part of these financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	539,130	(102,875)
Cash flows from investing activities	23	702,101	342,974
Cash flows from financing activities	22	(2,880)	(4,854)
Change in cash and cash equivalents in the year		1,238,351	235,245
Cash and cash equivalents at the beginning of the year		3,947,663	3,712,418
Cash and cash equivalents at the end of the year	24	5,186,014	3,947,663

The notes on pages 28 to 67 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 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Flying High Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 1% straight line
Property improvements	- 4% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 20% straight line
Assets under construction	- No depreciation

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

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

Concessionary loans have initially been recognised and measured at the amount received. The carrying amount has been adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

1.12 Operating leases

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

FLYING HIGH TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.13 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.

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

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

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to a Trust involved the transfer of identifiable assets and liabilities and the operation of the school for ENIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 3.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation any any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Trust's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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3. Conversion to an academy trust

On 1 September 2018 Alderman Pounder Infant and Nursery 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 as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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 funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	2,175,000	2,175,000
Current assets				
Cash - representing budget surplus on LA funds	108,471	-	-	108,471
Local Government Pension Scheme Deficit	-	(529,000)	-	(529,000)
Net assets/(liabilities)	<u>108,471</u>	<u>(529,000)</u>	<u>2,175,000</u>	<u>1,754,471</u>

Leasehold property has been transferred to the Trust under a 125 year lease from the local authority. Leasehold property has been valued on conversion based on the current insurance valuation.

The Local Government Pension Scheme Deficit valuation at conversion is based on the report received from the actuary.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Conversion to an academy trust (continued)

On 1 December 2018 Ernehale Infant 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 ENIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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 funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,697,000	1,697,000
Current assets				
Cash - representing budget surplus on LA funds	45,135	-	-	45,135
Cash - representing budget surplus on other school funds	-	2,867	-	2,867
Local Government Pension Scheme Deficit	-	(366,000)	-	(366,000)
Net assets/(liabilities)	<u>45,135</u>	<u>(363,133)</u>	<u>1,697,000</u>	<u>1,379,002</u>

Leasehold property has been transferred to the Trust under a 125 year lease from the local authority. Leasehold property has been valued on conversion based on the current insurance valuation.

The Local Government Pension Scheme Deficit valuation at conversion is based on the report received from the actuary.

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3. Conversion to an academy trust (continued)

On 1 July 2019 Brooklands Primary 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 Derbyshire County Council for ENIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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 funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	6,969,000	6,969,000
Current assets				
Cash - representing budget surplus on LA funds	80,769	-	-	80,769
Cash - representing budget surplus on other school funds	-	10,001	-	10,001
Local Government Pension Scheme Deficit	-	(533,000)	-	(533,000)
Net assets/(liabilities)	<u>80,769</u>	<u>(522,999)</u>	<u>6,969,000</u>	<u>6,526,770</u>

Leasehold property has been transferred to the Trust under a 125 year lease from the local authority. Leasehold property has been valued on conversion based on the current insurance valuation.

The Local Government Pension Scheme Deficit valuation at conversion is based on the report received from the actuary.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Amounts Transferred on Conversion	234,375	(1,415,132)	10,841,000	9,660,243
	<u>234,375</u>	<u>(1,415,132)</u>	<u>10,841,000</u>	<u>9,660,243</u>
Donations	-	76,212	11,971	88,183
Capital Grants	-	-	980,945	980,945
Grants	-	-	-	-
	<u>-</u>	<u>76,212</u>	<u>992,916</u>	<u>1,069,128</u>
	<u>234,375</u>	<u>(1,338,920)</u>	<u>11,833,916</u>	<u>10,729,371</u>
	<u>234,375</u>	<u>(1,338,920)</u>	<u>11,833,916</u>	<u>10,729,371</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Amounts Transferred on Conversion	541,789	(704,056)	6,525,000	6,362,733
	<u>541,789</u>	<u>(704,056)</u>	<u>6,525,000</u>	<u>6,362,733</u>
Donations	-	17,123	-	17,123
Capital Grants	-	-	1,382,310	1,382,310
Grants	-	17,150	-	17,150
	<u>-</u>	<u>34,273</u>	<u>1,382,310</u>	<u>1,416,583</u>
	<u>541,789</u>	<u>(669,783)</u>	<u>7,907,310</u>	<u>7,779,316</u>
	<u>541,789</u>	<u>(669,783)</u>	<u>7,907,310</u>	<u>7,779,316</u>

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5. Funding for the Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
ESFA Grants			
General Annual Grant (GAG)	-	23,495,448	23,495,448
Other ESFA Grants	-	3,522,836	3,522,836
	-	27,018,284	27,018,284
Other Government Grants			
Local Authority Income	-	3,093,033	3,093,033
	-	3,093,033	3,093,033
Other Funding			
Other Income	1,017,810	259,120	1,276,930
	1,017,810	259,120	1,276,930
	1,017,810	30,370,437	31,388,247
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
ESFA Grants			
General Annual Grant (GAG)	-	20,817,079	20,817,079
Other ESFA Grants	-	2,935,287	2,935,287
	-	23,752,366	23,752,366
Other Government Grants			
Local Authority Income	-	2,330,844	2,330,844
	-	2,330,844	2,330,844
Other Funding			
Other Income	787,018	250,371	1,037,389
	787,018	250,371	1,037,389
	787,018	26,333,581	27,120,599

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Extended Services	218,800	-	218,800
Hire of Facilities	114,822	-	114,822
English Hub	-	17,378	17,378
Insurance Claims	-	192,892	192,892
	<u>333,622</u>	<u>210,270</u>	<u>543,892</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Extended Services	130,920	-	130,920
Hire of Facilities	113,233	-	113,233
Insurance Claims	-	204,081	204,081
	<u>244,153</u>	<u>204,081</u>	<u>448,234</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank Interest Received	<u>2,614</u>	<u>2,614</u>	<u>2,648</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Operations:				
Direct Costs	20,937,251	-	2,253,472	23,190,723
Support Costs	5,333,518	2,868,743	3,818,656	12,020,917
Teaching School	246,812	-	630,481	877,293
	<u>26,517,581</u>	<u>2,868,743</u>	<u>6,702,609</u>	<u>36,088,933</u>

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Educational Operations:				
Direct Costs	18,484,495	-	1,955,352	20,439,847
Support Costs	4,274,686	2,180,959	3,278,778	9,734,423
Teaching School	229,743	-	802,306	1,032,049
	<u>22,988,924</u>	<u>2,180,959</u>	<u>6,036,436</u>	<u>31,206,319</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	<u>23,190,723</u>	<u>12,020,917</u>	<u>35,211,640</u>

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9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational Operations	<u>20,439,847</u>	<u>9,734,423</u>	<u>30,174,270</u>

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff Costs	20,169,700	<i>17,501,362</i>
Educational Supplies	491,423	<i>442,039</i>
Technology Costs	244,846	<i>195,995</i>
Educational Visits and School Fund Expenditure	504,315	<i>421,674</i>
Other Educational Services	1,214,713	<i>1,301,280</i>
Indirect Employee Expenses	565,726	<i>577,497</i>
	<u>23,190,723</u>	<u><i>20,439,847</i></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension Finance Cost	354,000	376,000
Staff Costs	5,285,575	4,257,172
Depreciation	647,339	559,396
Indirect Employee Expenses	39,116	41,796
Maintenance	1,481,986	949,312
Cleaning	672,671	625,938
Rates and Utilities	551,103	469,868
Insurance	162,983	135,841
Technology Costs	328,951	288,648
Other Support Costs	764,400	569,948
Legal and Professional Costs	150,593	170,599
Catering	1,499,572	1,208,671
Governance Costs	82,628	81,234
	<u>12,020,917</u>	<u>9,734,423</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	83,129	74,056
Depreciation of tangible fixed assets	647,339	559,396
Fees paid to auditors for:		
- audit	26,800	25,250
- other services	15,630	14,250
	<u>782,938</u>	<u>777,002</u>

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	19,061,325	16,367,084
Social security costs	1,680,542	1,446,360
Pension costs	4,960,220	4,174,833
	<u>25,702,087</u>	<u>21,988,277</u>
Agency staff costs	669,695	827,105
Staff restructuring costs	50,304	90,583
Apprenticeship levy	95,495	82,959
	<u>26,517,581</u>	<u>22,988,924</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	46,434	48,933
Severance payments	3,870	40,000
Other restructuring costs	-	1,650
	<u>50,304</u>	<u>90,583</u>

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11. Staff costs (continued)

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £3,870 (2018 - £40,000). The expense represents a single severance payment in the year (2018 - one).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	330	293
Administration and support	690	652
Management	4	4
	<u>1,024</u>	<u>949</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £80,000 was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	12	12
In the band £70,001 - £80,000	6	6
In the band £80,001 - £90,000	3	1
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Trust comprise the directors and the senior management team on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £439,000 (2018 - £376,500).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. 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:

5% of the ESFA General Annual Grant Funding.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Alderman Pounder Infant and Nursery School	40,247	-
Beeston Fields Primary School and Nursery	69,789	69,391
Bilsthorpe Flying High Academy	37,562	37,907
Brooklands Primary School	11,725	-
Cotgrave Candleby Lane School	97,612	98,917
Edwalton Primary School	73,341	73,425
Emehale Infant School	35,550	-
Emehale Junior School	46,908	46,322
FHA Ladybrook	72,981	66,755
Greenwood Primary and Nursery School	80,528	79,842
Greythorn Primary School	55,540	56,792
Haddon Primary and Nursery School	39,957	37,582
Hillside Primary and Nursery School	78,294	76,785
Horsendale Primary School	40,611	41,072
Killisick Junior School	43,242	39,453
Kirkstead Junior Academy	42,108	22,839
Leamington Primary and Nursery Academy	84,355	81,347
Mapplewells Primary and Nursery School	46,536	43,462
Peafield Lane Academy	58,711	59,036
Pinxton Village Schools: John King Infant Academy	26,972	17,970
Pinxton Village Schools: Longwood Infant Academy	14,705	9,295
Porchester Junior School	35,746	34,701
Stanstead Primary and Nursery School	43,345	44,222
Total	1,176,365	1,037,115

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13. Trustees' remuneration and expenses

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

		2019	2018
		£	£
Mr C Wheatley	Remuneration	140,000 -	125,000 -
		145,000	130,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2019, expenses totalling £2,058 were reimbursed or paid directly to 1 Trustee (2018 - £2,140 to 1 Trustee). Expenses paid relate to mileage and other costs incurred in undertaking the director's employed role.

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost for the year ended 31 August 2019 is not separately identifiable from the total insurance premium paid.

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15. Tangible fixed assets

	Long-term leasehold property £	Property improvement £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2018	52,718,486	323,820	1,057,951	254,369	267,351	-	54,621,977
Additions	10,841,000	42,665	165,676	-	60,842	14,000	11,124,183
Transfers between classes	1,142,088	-	(1,147,829)	5,741	-	-	-
At 31 August 2019	64,701,574	366,485	75,798	260,110	328,193	14,000	65,746,160
Depreciation							
At 1 September 2018	1,374,448	34,122	-	127,296	178,066	-	1,713,932
Charge for the year	536,887	13,237	-	51,334	45,181	700	647,339
At 31 August 2019	1,911,335	47,359	-	178,630	223,247	700	2,361,271
Net book value							
At 31 August 2019	62,790,239	319,126	75,798	81,480	104,946	13,300	63,384,889
At 31 August 2018	51,344,038	289,698	1,057,951	127,073	89,285	-	52,908,045

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15. Tangible fixed assets (continued)

Included within long-term leasehold property is land with a value of £4,597,700 which is not depreciated.

Where available, long-term leasehold property has been valued in line with the valuation provided to the academies on conversion by the ESFA. 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. Other long-term leasehold property has been valued in line with insurance valuations taking re-instatement costs into consideration.

All leasehold properties are held under 125 year leases from the local authority.

16. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	260,148	148,316
Other debtors	1,857,452	2,010,458
Prepayments and accrued income	978,784	728,528
	<u>3,096,384</u>	<u>2,887,302</u>

Included in other debtors is VAT recoverable of £1,848,096 (2018 - £2,005,724).

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17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	905	2,880
Trade creditors	887,923	622,004
Other taxation and social security	426,214	357,002
Other creditors	424,117	350,831
Accruals and deferred income	1,942,240	1,470,519
	<u>3,681,399</u>	<u>2,803,236</u>
	2019 £	2018 £
Deferred income:		
Deferred income at 1 September	1,166,106	710,333
Resources deferred during the year	1,479,512	1,150,508
Amounts released from previous periods	(1,129,530)	(694,735)
Deferred income at 31 August	<u>1,516,088</u>	<u>1,166,106</u>

At the balance sheet date, the Trust had received amounts in advance for Universal Infant Free School Meals, High Learning Needs Income, Teaching School Grants, Rates Relief, School Improvement Grants and Academy Start Up Funding.

Other loans represent Salix loans received to fund Trust projects. The loans are interest-free, unsecured and repayable by instalments.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	3,620	4,525
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2019	2018
	£	£
Between one and two years		
Other loans	905	905
	<u> </u>	<u> </u>
Between two and five years		
Other loans	2,715	2,715
	<u> </u>	<u> </u>
Over five years		
Other loans	-	905
	<u> </u>	<u> </u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019	2018
	£	£
Payable or repayable by instalments	-	905
	<u> </u>	<u> </u>
	-	905
	<u> </u>	<u> </u>

Other loans represent Salix loans received to fund Trust projects. The loans are interest-free, unsecured and repayable by instalments.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	-	1,354,046	(1,354,046)	-	-	-
Surplus on Conversion	-	234,375	(214,744)	(19,631)	-	-
	-	1,588,421	(1,568,790)	(19,631)	-	-
Restricted general funds						
General Annual Grant (GAG)	2,904,797	23,495,448	(22,727,257)	(13,884)	-	3,659,104
Other ESFA Grants	40,000	3,522,836	(3,554,156)	-	-	8,680
Other Government Grants	-	3,093,033	(3,093,033)	-	-	-
Other Income	-	269,104	(269,104)	-	-	-
School Funds	77,309	271,988	(244,650)	-	-	104,647
Notts Teaching School	247,886	760,927	(756,905)	(48,049)	-	203,859
Darby Teaching School	102,582	132,901	(120,388)	(4,203)	-	110,892
English Hub	-	17,378	(17,378)	-	-	-
Pension Reserve	(13,048,000)	(1,428,000)	(2,150,000)	-	(3,661,000)	(20,287,000)
	(9,675,426)	30,135,615	(32,932,871)	(66,136)	(3,661,000)	(16,199,818)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
NBV of Fixed Assets	52,908,045	10,841,000	(647,339)	283,183	-	63,384,889
Unspent ESFA Capital Grants	654,630	980,945	(939,933)	(185,445)	-	510,197
Other Capital Donations	-	11,971	-	(11,971)	-	-
	<u>53,562,675</u>	<u>11,833,916</u>	<u>(1,587,272)</u>	<u>85,767</u>	<u>-</u>	<u>63,895,086</u>
Total Restricted funds	<u>43,887,249</u>	<u>41,969,531</u>	<u>(34,520,143)</u>	<u>19,631</u>	<u>(3,661,000)</u>	<u>47,695,268</u>
Total funds	<u>43,887,249</u>	<u>43,557,952</u>	<u>(36,088,933)</u>	<u>-</u>	<u>(3,661,000)</u>	<u>47,695,268</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. 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.

General 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 ESFA, all of which are to be used to cover the running costs of the academies.

Other ESFA Grants - represents other funding received from the ESFA received for specific purposes.

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

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

Teaching Schools - represents income and expenditure relating to the Teaching Schools. The Teaching Schools fund carry forward comprises ring-fenced collaborative grants from NCTL (National College of Teaching and 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:

NBV of Fixed Assets - represents the net book value of fixed assets transferred on conversion and subsequently acquired from the Trust's funding streams.

ESFA Capital Grants / Other Capital Donations - represents funding received specifically for capital purposes.

Transfers:

Transfers in the funds analysis represent fixed asset additions from GAG income, transactions between the Teaching School and Trust academies and to transfer unspent DFC on conversion from unrestricted funds to restricted fixed asset funds.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Alderman Pounder Infant and Nursery School	34,116	-
Beeston Fields Primary School and Nursery	155,020	105,838
Bilsthorpe Flying High Academy	43,008	3,492
Brooklands Primary School	76,491	-
Cotgrave Candleby Lane School	164,566	154,238
Edwalton Primary School	363,544	267,626
Ernehale Infant School	16,187	-
Ernehale Junior School	210,045	211,633
FHA Ladybrook	392,838	298,297
Greenwood Primary and Nursery School	229,893	227,791
Greythorn Primary School	111,623	101,306
Haddon Primary and Nursery School	150,620	108,495
Hillside Primary and Nursery School	257,201	192,397
Horsendale Primary School	154,211	142,122
Killisick Junior School	285,593	169,224
Kirkstead Junior Academy	47,532	59,210
Leamington Primary and Nursery Academy	108,305	48,324
Mapplewells Primary and Nursery School	101,237	75,170
Peafield Lane Academy	231,078	247,227
Pinxton Village Schools: John King Infant Academy	86,072	107,839
Pinxton Village Schools: Longwood Infant Academy	104,911	94,781
Porchester Junior School	47,422	49,893
Stanstead Primary and Nursery School	104,534	120,784
Teaching Schools	314,751	350,468
Flying High Trust	296,384	236,419
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,087,182	3,372,574
Restricted fixed asset fund	63,895,086	53,562,675
Pension reserve	(20,287,000)	(13,048,000)
	<hr/>	<hr/>
Total	47,695,268	43,887,249
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Other direct costs £	Other costs excluding depreciation £	Total 2019 £
Alderman Pounder Infant and Nursery School	845,767	263,787	52,035	235,762	1,397,351
Beeston Fields Primary School and Nursery	1,062,919	228,169	254,271	226,381	1,771,740
Bilthorpe Flying High Academy	634,590	116,638	95,640	193,195	1,040,063
Brooklands Primary School	168,780	65,053	22,583	34,036	290,452
Cotgrave Candleby Lane School	1,768,968	375,101	263,665	489,658	2,897,392
Edwalton Primary School	1,077,913	240,600	164,785	320,946	1,804,244
Ernehale Infant School	450,065	102,230	28,233	160,805	741,333
Ernehale Junior School	707,401	185,468	111,591	201,973	1,206,433
FHA Ladybrook	1,207,755	290,249	159,012	309,453	1,966,469
Greenwood Primary and Nursery School	1,533,913	495,067	198,031	258,443	2,485,454
Greythorn Primary School	950,078	218,117	141,295	228,520	1,538,010
Haddon Primary and Nursery School	585,212	114,786	83,839	316,394	1,100,231
Hillside Primary and Nursery School	1,298,706	364,304	203,673	319,711	2,186,394
Horsendale Primary School	641,567	169,268	94,694	250,642	1,156,171
Killisick Junior School	671,215	161,100	114,579	197,683	1,144,577
Kirkstead Junior Academy	571,548	98,727	130,912	178,315	979,502
Leamington Primary and Nursery Academy	1,367,601	255,830	237,432	301,169	2,162,032
Mapplewells Primary and Nursery School	887,032	187,280	127,871	280,584	1,482,767
Peafield Lane Academy	1,039,567	278,150	124,589	352,835	1,795,141
John King Infant Academy	487,687	74,327	38,722	136,121	716,857
Longwood Infant Academy	248,235	77,804	22,811	73,298	422,148
Porchester Junior School	504,828	119,944	103,123	248,463	976,356
Stanstead Primary and Nursery School	710,724	146,631	134,972	220,356	1,212,683
Teaching Schools	100,044	146,768	583,092	47,389	877,293
Flying High Trust	767,631	656,945	112,665	553,260	2,090,501
	<u>20,269,744</u>	<u>5,432,343</u>	<u>3,604,115</u>	<u>6,135,392</u>	<u>35,441,594</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	-	1,033,819	(1,033,819)	-	-	-
Surplus on Conversion	-	541,789	(359,579)	(182,210)	-	-
	-	1,575,608	(1,393,398)	(182,210)	-	-
Restricted general funds						
General Annual Grant (GAG)	2,151,940	20,817,079	(20,127,564)	63,342	-	2,904,797
Other ESFA Grants	145,006	2,935,267	(3,040,293)	-	-	40,000
Other Government Grants	-	2,330,844	(2,330,844)	-	-	-
Other Income	-	238,354	(238,354)	-	-	-
School Funds	81,771	272,315	(242,567)	(34,210)	-	77,309
Notts Teaching School	346,154	914,119	(973,016)	(39,371)	-	247,886
Derby Teaching School	-	20,765	(59,033)	140,850	-	102,582
Pension Reserve	(14,368,000)	(726,000)	(1,829,000)	-	3,875,000	(13,048,000)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
	(11,643,129)	26,802,763	(28,840,671)	130,611	3,875,000	(9,675,426)
Restricted fixed asset funds						
NBV of Fixed Assets	45,854,791	6,525,000	(559,396)	1,087,650	-	52,908,045
Unspent ESFA Capital Grants	717,225	1,365,661	(398,163)	(1,030,093)	-	654,630
Local Authority Grants	-	16,649	(10,691)	(5,958)	-	-
	46,572,016	7,907,310	(968,250)	51,599	-	53,562,675
Total Restricted funds	34,928,887	34,710,073	(29,808,921)	182,210	3,875,000	43,887,249
Total funds	34,928,887	36,285,681	(31,202,319)	-	3,875,000	43,887,249

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	63,384,889	63,384,889
Current assets	7,747,131	535,267	8,282,398
Creditors due within one year	(3,656,329)	(25,070)	(3,681,399)
Creditors due in more than one year	(3,620)	-	(3,620)
Provisions for liabilities and charges	(20,287,000)	-	(20,287,000)
Total	(16,199,818)	63,895,086	47,695,268

Analysis of net assets between funds - prior year

	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	52,908,045	52,908,045
Current assets	6,134,669	700,296	6,834,965
Creditors due within one year	(2,757,570)	(45,666)	(2,803,236)
Creditors due in more than one year	(4,525)	-	(4,525)
Provisions for liabilities and charges	(13,048,000)	-	(13,048,000)
Total	(9,675,426)	53,562,675	43,887,249

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	<u>7,469,019</u>	<u>5,079,362</u>
Adjustments for:		
Depreciation	647,339	559,396
Capital grants from the ESFA and other capital income	(992,916)	(1,382,310)
Interest receivable	(2,614)	(2,648)
Defined benefit pension scheme obligation inherited	1,428,000	726,000
Defined benefit pension scheme cost less contributions payable	1,791,000	1,453,000
Defined benefit pension scheme finance cost	354,000	376,000
Increase in debtors	(209,082)	(1,218,300)
Increase in creditors	890,384	827,625
Leasehold property on conversion	(10,841,000)	(6,525,000)
Defined benefit pension scheme administration cost	5,000	4,000
Net cash provided by/(used in) operating activities	<u><u>539,130</u></u>	<u><u>(102,875)</u></u>

22. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(2,880)	(4,854)
Net cash used in financing activities	<u><u>(2,880)</u></u>	<u><u>(4,854)</u></u>

23. Cash flows from investing activities

	2019 £	2018 £
Bank interest received	2,614	2,648
Purchase of tangible fixed assets	(293,429)	(1,041,984)
Capital grants from the ESFA and other capital income	992,916	1,382,310
Net cash provided by investing activities	<u><u>702,101</u></u>	<u><u>342,974</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	5,186,014	3,947,663
Total cash and cash equivalents	5,186,014	3,947,663

25. Contingent liabilities

In the event of the constituent academies of the 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.

26. Pension commitments

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

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

Contributions amounting to £403,625 were payable to the schemes at 31 August 2019 (2018 - £348,046) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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)
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £1,840,000 (2018 - £1,581,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,762,000 (2018 - £1,505,000), of which employer's contributions totalled £1,336,000 (2018 - £1,143,000) and employees' contributions totalled £426,000 (2018 - £362,000). 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Pension Increase Rate	2.2 and 2.3	2.3 and 2.4
Salary Increase Rate	2.8 and 3.7	2.8 and 2.9
Discount Rate	1.8 and 1.9	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.7 and 21.9	21.9 and 22.7
Females	24.4	24.4 and 25.6
<i>Retiring in 20 years</i>		
Males	23.3 and 23.9	23.9 and 24.9
Females	26.2 and 26.5	26.5 and 28.0

Sensitivity analysis

	2019 £000	2018 £000
0.5% Decrease in Real Discount Rate	5,218,000	3,662,000
0.5% Increase in Salary Increase Rate	749,000	625,000
0.5% Increase in Pension Increase Rate	4,439,000	3,126,000

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	11,598,000	9,480,000
Gilts / Bonds	2,436,000	1,994,000
Property	2,367,000	1,975,000
Cash	621,000	311,000
Other	1,610,000	931,000
Total market value of assets	18,632,000	14,691,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Pension commitments (continued)

The actual return on scheme assets was £619,000 (2018 - £828,000).

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

	2019 £	2018 £
Current service cost	(2,641,000)	(2,596,000)
Past service cost	(486,000)	-
Interest income	432,000	336,000
Interest cost	(786,000)	(712,000)
Total amount recognised in the Statement of financial activities	(3,481,000)	(2,972,000)

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

	2019 £	2018 £
At 1 September	27,739,000	25,843,000
Conversion of academy trusts	3,141,000	1,767,000
Current service cost	2,641,000	2,596,000
Interest cost	786,000	712,000
Employee contributions	426,000	362,000
Changes in assumptions	4,048,000	(3,387,000)
Benefits paid	(348,000)	(154,000)
Past service costs	486,000	-
At 31 August	38,919,000	27,739,000

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	14,691,000	11,475,000
Conversion of academy trusts	1,713,000	1,041,000
Interest income	432,000	336,000
Return on assets less net interest	387,000	492,000
Employer contributions	1,336,000	1,143,000
Employee contributions	426,000	362,000
Benefits paid	(348,000)	(154,000)
Administration expenses	(5,000)	(4,000)
At 31 August	18,632,000	14,691,000

27. Operating lease commitments

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

	2019 £	2018 £
Amounts payable:		
Not later than 1 year	76,835	70,021
Later than 1 year and not later than 5 years	149,290	151,587
Later than 5 years	11,619	23,237
	237,744	244,845

28. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Related party transactions

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

Income Related Party Transactions:

Inspiring Leaders Limited:

Inspiring Leaders Limited is a not-for-profit company in which Mr C Wheatley, a Trustee of the Trust, is also a director. His role as a director in the company is not remunerated.

During the year, the Trust raised invoices to Inspiring Leaders Limited totalling £170,464 (2018 - £125,073). The balance due from Inspiring Leaders Limited at 31 August 2019 was £16,470 (2018 - £68,959) and is included within trade debtors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Related party transactions (continued)

Expenditure Related Party Transactions:

Inspiring Leaders Limited:

Inspiring Leaders Limited is a not-for-profit company in which Mr C Wheatley, a Trustee of the Trust, is also a director. His role as a director in the company is not remunerated.

During the year, the Trust received net invoices from Inspiring Leaders Limited totalling £66,547 (2018 - £18,870). The balance due to Inspiring Leaders Limited at 31 August 2019 was £1,188 (2018 - £nil) and is included within trade creditors.

PHB Education:

PHB Education is a firm run by Mr P Bennett, a Trustee of the Trust. The firm has provided consultancy services to the Trust for a number of years prior to his appointment as a director.

During the year, PHB Education invoiced the Trust for services provided of £5,764 (2018 - £8,469). The balance outstanding at the year-end was £155 (2018 - £1,112) and is included within trade creditors.

The Trustees have considered the relationship in line with the requirements of the AFH and are satisfied that time is charged at a rate which is sufficiently below market value. PHB Education has provided a statement of assurance confirming that the value of work above £2,500 has been provided 'at no more than cost'.

Kate McKenna Associates Limited:

Kate McKenna Associates Limited is a company in which Mrs K McKenna, a Trustee of the Trust, is a director and shareholder. Mrs K McKenna resigned as a Trustee of the Trust on 29 September 2019.

During the year, Kate McKenna Associates Limited provided consultancy services to the Teaching School and invoiced the Trust £52,530 (2018 - £86,500). There was no balance outstanding at either year-end.

The consultancy services were provided in relation to specific grant funding received by the Teaching School. The Trust is responsible for administering the Teaching School funding. However, they are not responsible for the awarding of contracts. The grant relates to a regional Teaching School Council Fund which the Teaching School has been nominated to hold as a banker on behalf of the Teaching School Council. Although the grant is held by the Trust, the directors do not influence and are not the decision makers on how this funding is spent.

Mr N Robinson:

Mr N Robinson is a Trustee of the Trust.

Mr N Robinson has provided consultancy services to the Teaching School and invoiced the Trust £2,000 (2018 - £2,000). There was no balance outstanding at either year-end.

The consultancy services were provided in relation to specific grant funding received by the Teaching School.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

30. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct Income				
Grants, Membership and Activities	893,828		934,884	
Other Income				
Transferred on Conversion	-		140,850	
Total Income		893,828		1,075,734
Expenditure				
Direct Expenditure				
Direct Staff Costs	100,044		97,853	
Other Direct Expenditure	583,092		778,007	
Total Direct Expenditure	683,136		875,860	
Other Expenditure				
Other Staff Costs	146,768		131,890	
Other Expenditure	47,389		24,299	
Total Other Expenditure	194,157		156,189	
Total Expenditure		877,293		1,032,049
Transfers between funds excluding depreciation		(52,252)		(39,371)
(Deficit)/surplus from all sources		(35,717)		4,314
Teaching school balances at 1 September 2018		350,468		346,154
Teaching school balances at 31 August 2019		314,751		350,468

