

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 2018

FLYING HIGH TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr J Brown Mrs W Daley Mr N Robinson Mr P Stone
Directors	Mr J Beaumont Mr P Bennett Mrs S Littlefair Mrs K McKenna 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	Mr N Layfield
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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 21 primary academies in the East Midlands (Nottingham City, Nottinghamshire and Derbyshire). Currently, the academies have a combined pupil capacity (F2 to Year 6) of 6,105 and had a roll of 5,739 in the October 2018 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 directors of the Flying High Trust are the directors for the purposes of company law and the trustees for the purposes of charity law. The charitable company is known as the Flying High Trust.

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

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.

Directors' Indemnities

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

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

The term of office for any director 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 director, any director may be re-appointed or re-elected at a General Meeting or an Annual General Meeting.

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

Policies and Procedures Adopted for the Induction and Training of Directors

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

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

Members

Composition:

There are up to five members of whom only one can also be a director.

Function of Members:

The members will meet annually and their key roles will be to:

- act as custodians of the visions and values of the Trust; and fulfil the duties of charitable trustees in terms of compliance, prudence and care;
- receive the annual report and accounts;
- appoint directors; and
- ensure that the Board of Directors is fulfilling its responsibilities.

Board of Directors

Composition:

Two of the directors will chair the local hub boards. The Director of Education, the Director of Business and Finance, Deputy CEO and the Company Secretary will attend board meetings.

Function of Directors:

The directors will meet termly as a full Board, as well as in committees - Pupils, Standards and Strategic Development Committee and Finance, People and Resources Committee.

The Board will focus on the high-level performance of the Trust and its strategic development.

The key roles of directors will be to:

- account to members for the performance of the Trust;
- hold Local Hub Boards to account for the performance of schools in each hub;
- hold the Director of Business and Finance to account for the financial performance of the Trust and the effective use of resources;
- hold the Director of Education and Directors of School Improvement and Quality Assurance to account for the effectiveness of school improvement strategies, the overall performance of schools, and the attainment and progress of children across the Trust;
- be responsible for the 'operation' of the Trust and its strategic development;
- oversee the Trust's strategic risk register and ensure that key risks are addressed or mitigated;
- ensure that the Trust complies with its statutory responsibilities; and
- oversee the strategic development and performance of the Teaching School.

Pupils, Standards and Strategic Development Group, and Finance, People and Resources Group - these are committees established and appointed by the Board of Directors. The Board will task these committees with specific areas for exploration and advice to be fed back to the Board of Directors. These Committees will meet at least once per term, as frequently and often as is necessary to complete the required tasks. They are advisory and not decision-making groups.

Local Hub Boards

The local hub boards are a sub-committee of the director working group Pupils, Standards and Strategic Development. The local hubs play a vital role in ensuring that the performance of each school is well scrutinised and that appropriate resources are deployed to support school improvement priorities. The local hub boards enable local governing bodies to influence the development of policy and practice across an expanding trust.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Composition:

The local hub board comprises a representative (normally the chair or vice-chair) of each of the schools in the hub regardless of Ofsted or Trust grading so long as the local governing body has the capacity to provide representation for the regional hub. The local hub boards are chaired by a trustee, appointed by the Board of Trustees. The local hub boards will be supported by the hub's Director of Quality Assurance and School Improvement, the FHT Project Manager and a National Leader of Governance (when appropriate).

Function of the Local Hub Boards:

The local hub boards focus on school improvement and the performance of the schools in the hub. These boards meet termly. The roles of each local hub board is to:

- scrutinise the performance of each school within the hub, based on their performance dashboards and focusing particularly on the areas judged to be 'red' and 'amber';
- ensure that FHT resources and support are being deployed effectively, and are having a positive impact across hub schools, based on the priorities identified within individual school action plans;
- moderate and ensure consistency in policy implementation across the hub;
- identify and share effective practice within and between schools; and
- maintain effective two-way communications between the Board, the local hub and local governing bodies.

Local Governing Bodies

Each school retains its own local governing body, or could join another school(s) to share a local governing body.

Composition of Local Governing Bodies (LGB):

As per current Schemes of Delegation which allow significant flexibility to meet local context and needs, LGBs focus on creating governing bodies comprising people with the right skills and commitment to ensure effective governance.

Function of Local Governing Bodies:

The Trust delegates powers to LGBs through their Schemes of Delegation and in addition hold the local hub boards to account for the performance of their schools. They are expected to undertake an annual self-evaluation of the effectiveness of their governance and identify priorities for improving governance. While the functions of LGBs are largely the same (as identified in their Schemes of Delegation), they will receive different levels of support and intervention based on their performance and that of the school.

In general, it is expected that LGBs will be responsible, in each school, for:

- ensuring that the school promotes the vision and values of the Trust;
- the safety and well-being of staff and pupils;
- the attainment and progress of pupils;
- the quality of teaching and learning;
- the range and quality of the curriculum;
- the appointment, development and performance management of staff;
- the effective deployment of funds and resources;
- ensuring that the school meets the standards of financial management and controls set out in the FHT Finance Policy;
- the maintenance of the site and buildings;
- engaging effectively with parents and the local community; and
- ensuring that the school fulfils the Trust's Expectations for Engagement policy.

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

- is a member of the Board of Directors; and
- is responsible for the performance of all academies in the Trust; and the performance management of the Headteachers of the participating academies.

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

FHT Management Team - this comprises the Deputy CEO, Director of Education and the Director of Business and Finance. The team works directly with Chief Executive Officer.

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, Personnel and Resources group. 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, Personnel and Resources group.

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Risk Management

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

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

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

Trade Union Facility Time

The following information has been gathered in relation to the Trade Union (Facility Time Publication Requirements) Regulations 2017 which came into force on the 1 April 2017, and covers the period 1 April 2017 to 31 March 2018. Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities as a TU representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties. There is no such entitlement to paid time off for undertaking activities.

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.

Connected Organisations including Related Party Relationships

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

Objectives and Activities

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 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 every child fulfils their potential regardless of potential barriers to learning.
- Commit to become an outstanding, self-improving school 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 to be the best school in the Universe.

Public Benefit

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and Performance

The Trust now provides education for over 5,000 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 16 to 20. The following academies joining the Trust during the 2017/18 academic year:

- Stanstead Primary & Nursery School (joined 1 September 2017)
- John King Infant Academy (joined 1 January 2018)
- Longwood Infant Academy (joined 1 January 2018)
- Kirkstead Junior Academy (joined 1 February 2018)

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 2017/18 and either maintained or improved their Ofsted judgements:

- Ernehale Junior School - inspected January 2018, maintaining an overall good judgement;
- Beeston Fields Primary & Nursery School - inspected May 2018, improved from a previous judgement of requires improvement to good;
- Greythorn Primary School – inspected July 2018, improved from a previous judgement of requires improvement to good.

Attainment and Progress Outcomes

The performance data for 2018 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:

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

EYFS, Phonics and KS1


Early Years


EYFS GLD	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
EXP	70%	71%	71%	72%	


Phonics

Y1 PHONICS	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	83%	81%	84%	83%	

Key Stage 1

KS1 READING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	71%	76%	75%	75%	

KS1 WRITING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	68%	68%	72%	70%	

KS1 MATHS	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	75%	75%	77%	76%	


EYFS, Phonics and KS1 Headlines


- There has been an increase from 2017 in GLD, phonics and all individual subjects and combined for both ARE and high score at KS1. The most significant rise is in reading and writing with a 4pp increase.
- Phonics and KS1 Results in all subjects shows we are performing at or above the national average.


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DIRECTORS' REPORT (continued)
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Key Stage 2 Attainment

KS2 READING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	68%	72%	75%	75%	

KS2 WRITING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	75%	76%	80%	78%	

KS2 MATHS	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	80%	75%	79%	76%	

KS2 EGPS	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	73%	77%	78%	78%	

KS2 COMBINED	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
ARE	63%	61%	68%	64%	


KS2 Attainment Headlines


- There has been an increase from 2017 in all individual subjects and combined for ARE with the exception of maths which has decreased by 1pp. The three-year picture shows significant increases in all subjects and combined, the most significant is combined with a 16pp increase from 2016.
- KS2 Results in all subjects and combined shows we are performing at or above the national average for ARE.


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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 Progress

KS2 READING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
VA	-1.5	0.0	0.2	0.0	

KS2 WRITING	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
VA	0.5	0.0	0.9	0.0	

KS2 MATHS	Trust 2017	National 2017	Trust 2018	National 2018	Trust Trend
VA	-0.1	0.0	0.8	0.0	

KS2 Progress Headlines

- In 2018 progress scores in all subjects are above the national expectation.

Key Financial Performance Indicators

Indicator	Target	Actual
Staff Costs as a % of Income	< or = 75%	73.9%
Surplus as % of Total Income	> or = 5%	10.6%

Going Concern

After making appropriate enquires, the Board of Directors 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 and the associated expenditure is shown within Restricted Funds in the Statement of Financial Activities.

As at 31 August 2018, the net book value of fixed assets was £52,908,045 and movements in tangible fixed assets are shown in note 14 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 has been enhanced covering 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 Directors 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, four academies have joined the Trust contributing towards the current level of reserves at the 31 August 2018.

The Trust held fund balances at 31 August 2018 totalling £43,887,249 as outlined in note 18 to the financial statements, which is allocated as follows:

Restricted Fixed Asset Fund	£53,562,675
Pension Reserve	(£13,048,000)
Restricted Funds	£3,372,574
Total Balance	£43,887,249

Of the total restricted fixed asset fund, £52,908,045 can only be realised through the disposal of fixed assets.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018/19 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 directors are:

- A decline of pupils' attainment and school performance. This is mitigated by rigorous monitoring of performance, a continued focus on high quality teaching, early identification and tracking of vulnerable and under-performing groups and developing and improving governance.
- Failure to achieve planned growth and capacity. This is mitigated by continuing to improve performance and ensuring that staff and pupils in participating academies have a good experience and become the best ambassadors for the Trust.
- Failure to manage finances effectively resulting in financial insecurity and instability. This is mitigated by the appointment of a suitably experienced and qualified Director of Business and Finance, appropriate finance management processes and systems implemented across FHT and regular training for all FHT business managers.
- FHT becomes over-reliant on the current Chief Executive Officer for the management and development of the Trust. This is mitigated by the appointment of a 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.

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DIRECTORS' REPORT (continued)
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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, both within 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 thirty to forty 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

Insofar as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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 directors' report, incorporating a strategic report, approved by order of the Board of Directors, as the company directors, on 18/12/18 and signed on the Board's behalf by:



Mr N Robinson, Chair

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Flying High Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of directors' responsibilities. The Board of Directors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr J Beaumont	3	3
Mr P Bennett	3	3
Mrs S Littlefair	3	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 have been no appointments or resignations.

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr J Beaumont	3	3
Mr P Bennett	3	3
Mrs S Littlefair	3	3
Mrs K McKenna	3	3
Mr N Robinson	3	3
Mr C Wheatley	3	3

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GOVERNANCE STATEMENT (continued)

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr J Beaumont	3	3
Mr P Bennett	3	3
Mrs S Littlefair	3	3
Mrs K McKenna	3	3
Mr N Robinson	3	3
Mr C Wheatley	3	3

REVIEW OF VALUE FOR MONEY

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

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

FLYING HIGH TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Better Purchasing

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

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

Maximising Income Generation

Processes are in place to maximise income including:

- Trust and central staff providing support and consultancy services to other schools.
- Maximising income generation opportunities – extended services, lettings, nursery provision.
- 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 and Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Termly budget reports are reviewed by the directors, Local Governing Body Finance and Premises Committees, as well as by budget holders, in order to ensure that spending is within budget.

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

Reviewing Operation to Maximise Use of Resources

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Flying High Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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:

- 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 auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

SAAF, as internal auditors, have delivered on their planned schedule of work for the year ended 31 August 2018, and have confirmed that there have been no material breaches of the internal control systems.

FLYING HIGH TRUST
(A company limited by guarantee)

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 work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, People & Resources Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 18/12/16 and signed on their behalf, by:



Mr N Robinson, Chair



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

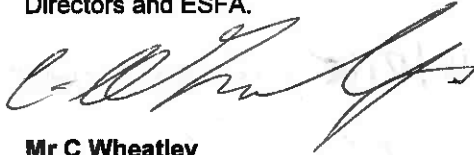
FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Flying High Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr C Wheatley
Accounting Officer

18/12/18

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The directors (who act as trustees of Flying High Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

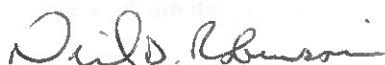
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Directors on 18/12/18 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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Directors' 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 directors' 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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of directors' responsibilities, the directors (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 directors 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 directors 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 directors 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 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 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 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: 20/12/18

FLYING HIGH TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 11 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flying High Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flying High Trust and the 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 dated [enter date here], and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 20/12/18

FLYING HIGH TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and Capital Grants:					
Transfer from Local Authority on Conversion	3	541,789	(704,056)	6,525,000	6,362,733
Transfer of Existing Academy into the Trust	3	-	-	-	8,843,666
Other Donations and Capital Grants	3	-	34,273	1,382,310	913,443
Charitable Activities	4	787,018	26,333,581	-	27,120,599
Other Trading Activities	5	244,153	204,081	-	448,234
Investments	6	2,648	-	-	2,648
Teaching School		-	934,884	-	934,884
TOTAL INCOME	1,575,608	26,802,763	7,907,310	36,285,681	35,807,825
EXPENDITURE ON:					
Teaching School		-	1,032,049	-	1,032,049
Charitable Activities		1,393,398	27,808,622	968,250	30,170,270
TOTAL EXPENDITURE	7	1,393,398	28,840,671	968,250	31,202,319
NET BEFORE TRANSFERS		182,210	(2,037,908)	6,939,060	5,083,362
Transfers between Funds	18	(182,210)	130,611	51,599	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	(1,907,297)	6,990,659	5,083,362
Actuarial Gains / (Losses) on Defined Benefit Pension Schemes	22	-	3,875,000	-	3,875,000
NET MOVEMENT IN FUNDS		-	1,967,703	6,990,659	8,958,362
RECONCILIATION OF FUNDS:					
Total Funds Brought Forward		-	(11,643,129)	46,572,016	34,928,887
TOTAL FUNDS BROUGHT FORWARD		-	(9,675,426)	53,562,675	43,887,249

The notes on pages 31 to 66 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

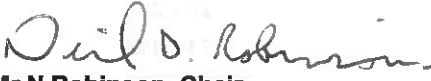
	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		52,908,045		45,854,791
CURRENT ASSETS					
Debtors	15	2,887,302		1,669,002	
Cash at bank and in hand		3,947,663		3,712,418	
		<u>6,834,965</u>		<u>5,381,420</u>	
CREDITORS: amounts falling due within one year	16	(2,803,236)		(1,931,919)	
NET CURRENT ASSETS			4,031,729		3,449,501
TOTAL ASSETS LESS CURRENT LIABILITIES			56,939,774		49,304,292
CREDITORS: amounts falling due after more than one year	17		(4,525)		(7,405)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			56,935,249		49,296,887
Defined benefit pension scheme liability	22		13,048,000)		14,368,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			43,887,249		34,928,887

FLYING HIGH TRUST
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BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	3,372,574		2,724,871	
Restricted fixed asset funds	18	53,562,675		46,572,016	
Restricted income funds excluding pension liability		56,935,249		49,296,887	
Pension reserve		(13,048,000)		(14,368,000)	
Total restricted income funds			43,887,249		34,928,887
TOTAL FUNDS			43,887,249		34,928,887

The financial statements on pages 27 to 66 were approved by the directors, and authorised for issue, on 18/12/18 and are signed on their behalf, by:


Mr N Robinson, Chair

The notes on pages 31 to 66 form part of these financial statements.

FLYING HIGH TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(102,875)</u>	<u>778,369</u>
Cash flows from investing activities:			
Bank interest received		2,648	1,978
Purchase of tangible fixed assets		(1,041,984)	(451,438)
Capital grants from ESFA and other capital grants		<u>1,382,310</u>	<u>831,138</u>
Net cash provided by investing activities		<u>342,974</u>	<u>381,678</u>
Cash flows from financing activities:			
Repayments of Salix loans		(4,854)	(4,854)
New Salix loans		-	17,113
Net cash (used in)/provided by financing activities		<u>(4,854)</u>	<u>12,259</u>
Change in cash and cash equivalents in the year		235,245	1,172,306
Cash and cash equivalents brought forward		<u>3,712,418</u>	<u>2,540,112</u>
Cash and cash equivalents carried forward	21	<u><u>3,947,663</u></u>	<u><u>3,712,418</u></u>

The notes on pages 31 to 66 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 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Flying High Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

FLYING HIGH TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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 incorporating income and expenditure account.

1.7 Taxation

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

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FOR THE YEAR ENDED 31 AUGUST 2018

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 and provisions

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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 instruments.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.13 Conversions to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £NIL 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 an academy 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 Donations - Transfer from Local Authority on Conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 2.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 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 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. CONVERSION TO AN ACADEMY TRUST

During the year, the schools below converted to academy trust status under the Academies Act 2010 on the dates shown and all the operations and assets and liabilities were transferred to Flying High Trust from Nottingham City Council / Derbyshire County Council for £NIL consideration.

- Stanstead Nursery & Primary School on 1 September 2017.
- John King Infant School on 1 January 2018.
- Longwood Infant School on 1 January 2018.
- Kirkstead Junior School on 1 February 2018.

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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Leasehold Property	-	-	6,525,000	6,525,000
Budget Surplus on LA Funds	541,789	-	-	541,789
Budget Surplus on Other School Funds	-	21,944	-	21,944
LGPS Pension Deficit	-	(726,000)	-	(726,000)
Net Assets / (Liabilities)	541,789	(704,056)	6,525,000	6,362,733

The above net assets include £557,230 that were transferred as cash.

All Leasehold Property has been transferred to the Trust under 125 year leases.

FLYING HIGH TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

SPLIT BY ACADEMY

	Stanstead Nursery & Primary School £	John King Infant School £	Longwood Infant School £	Kirkstead Junior School £	Total £
Leasehold Property	1,925,000	900,000	700,000	3,000,000	6,525,000
Budget Surplus on LA Funds	103,620	108,102	244,192	85,875	541,789
Budget Surplus on Other School Funds	632	7,010	3,810	10,492	21,944
LGPS Pension Deficit	(419,000)	(121,000)	(48,000)	(138,000)	(726,000)
	<u>1,610,252</u>	<u>894,112</u>	<u>900,002</u>	<u>2,958,367</u>	<u>6,362,733</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total 2018 £	Total 2017 £
Transfer from Local Authority on Conversion	541,789	(704,056)	6,525,000	6,362,733	8,843,666
Transfer of Existing Academy into the Trust	-	-	-	-	3,515,824
	<u>541,789</u>	<u>(704,056)</u>	<u>6,525,000</u>	<u>6,362,733</u>	<u>12,359,490</u>
Donations and Sponsorship	-	17,123	-	17,123	44,704
Capital Grants	-	-	1,382,310	1,382,310	831,138
Grants	-	17,150	-	17,150	37,601
	<u>-</u>	<u>34,273</u>	<u>1,382,310</u>	<u>1,416,583</u>	<u>913,443</u>
	<u>541,789</u>	<u>(669,783)</u>	<u>7,907,310</u>	<u>7,779,316</u>	<u>13,272,933</u>
Total 2017	<u><u>863,274</u></u>	<u><u>(4,604,457)</u></u>	<u><u>17,014,116</u></u>	<u><u>13,272,933</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
DfE / ESFA Grants				
General Annual Grant (GAG)	-	20,817,079	20,817,079	16,261,461
Other DfE / ESFA Income	-	2,935,287	2,935,287	2,507,831
	-	23,752,366	23,752,366	18,769,292
Other Government Grants				
Local Authority Income	-	2,330,844	2,330,844	1,610,232
	-	2,330,844	2,330,844	1,610,232
Other Funding				
Other Income	787,018	250,371	1,037,389	886,030
	787,018	250,371	1,037,389	886,030
	787,018	26,333,581	27,120,599	21,265,554
<i>Total 2017</i>	<i>628,204</i>	<i>20,637,350</i>	<i>21,265,554</i>	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Extended Services	130,920	-	130,920	92,192
Hire of Facilities	113,233	-	113,233	128,449
Insurance Claims	-	204,081	204,081	226,071
	244,153	204,081	448,234	446,712
<i>Total 2017</i>	<i>220,641</i>	<i>226,071</i>	<i>446,712</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Bank Interest Received	2,648	-	2,648	1,978
<i>Total 2017</i>	1,978	-	1,978	

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Teaching School	229,743	-	802,306	1,032,049	609,563
Educational Operations:					
Direct Costs	18,484,495	-	1,955,352	20,439,847	15,963,359
Support Costs	4,274,686	2,180,959	3,274,778	9,730,423	7,631,699
	22,988,924	2,180,959	6,032,436	31,202,319	24,204,621
<i>Total 2017</i>	18,063,246	1,443,828	4,697,547	24,204,621	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. CHARITABLE ACTIVITIES

	Total 2018 £	Total 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teachers and Educational Support Salaries	13,887,389	10,926,627
Teachers and Educational Support National Insurance	1,290,403	1,021,368
Teachers and Educational Support Pension	2,323,570	1,802,780
Educational Supplies	442,039	364,438
Technology Costs	195,995	151,901
Educational Visits	421,674	347,898
Other Educational Services	1,301,280	1,027,221
Indirect Employee Expenses	577,497	446,053
	<u>20,439,847</u>	<u>16,088,286</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support Staff Salaries	2,297,683	1,824,689
Support Staff National Insurance	137,288	101,883
Support Staff Pension	1,822,201	1,449,346
Depreciation	559,396	441,505
Pension Finance Cost	376,000	272,000
Indirect Employee Expenses	41,796	35,180
Repairs and Maintenance	949,312	503,754
Cleaning	625,938	473,608
Rates and Utilities	469,868	336,019
Insurance	135,841	130,447
Technology Costs	288,648	270,394
Other Support Costs	565,948	396,323
Legal and Professional	170,599	193,516
Catering	1,208,671	993,424
Governance Costs	81,234	84,684
	<u>9,730,423</u>	<u>7,506,772</u>
	<u><u>30,170,270</u></u>	<u><u>23,595,058</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Trust	559,396	441,505
Auditors' remuneration - audit	25,250	24,000
Auditors' remuneration - other services	14,250	15,800
Operating lease rentals	74,056	54,761

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	16,367,084	12,899,335
Social security costs	1,446,360	1,137,716
Operating costs of defined benefit pension schemes	4,174,833	3,278,181
	<u>21,988,277</u>	<u>17,315,232</u>
Apprenticeship levy	82,959	28,032
Supply staff costs	827,105	595,313
Staff restructuring costs	90,583	124,669
	<u><u>22,988,924</u></u>	<u><u>18,063,246</u></u>

Staff restructuring costs comprise:

	2018	2017
	£	£
Redundancy payments	48,933	36,176
Severance payments	40,000	51,607
Other restructuring costs	1,650	36,886
	<u>90,583</u>	<u>124,669</u>

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

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £40,000 (2017 - £nil). The expense represents a single severance payment in the year.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	293	266
Administration and support	650	505
Management	6	4
	<u>949</u>	<u>775</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	12	5
In the band £70,001 - £80,000	6	5
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

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

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 £376,500 (2017 - £450,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. CENTRAL SERVICES

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

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

The Trust charges for these services on the following basis:

Charges for central services made to the individual academies are based on a flat percentage of annual ESFA General Annual Grant funding at 5%.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Cotgrave Candleby Lane School	98,917	95,056
Hillside Primary School & Nursery	76,785	75,838
The Flying High Academy	66,755	61,342
Peafield Lane School	59,036	59,467
Ernehale Junior School	46,322	44,891
Beeston Fields Primary & Nursery	69,391	71,542
Bilsthorpe Flying High Academy	37,907	38,943
Edwalton Primary School	73,425	72,267
Greythorn Primary School	56,792	56,328
Greenwood Primary and Nursery School	79,842	76,377
Horsendale Primary School	41,072	34,694
Killsick Junior School	39,453	30,924
Haddon Primary and Nursery School	37,582	25,089
Leamington Primary and Nursery Academy	81,347	53,491
Mapplewells Primary School	43,462	7,461
Porchester Junior School	34,701	5,942
Stanstead Nursery and Primary School	44,222	-
John King Infant School	17,970	-
Longwood Infant School	9,295	-
Kirkstead Junior School	22,839	-
Total	<u>1,037,115</u>	<u>809,652</u>

12. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust or academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost for the year ended 31 August 2018 is not separately identifiable from the total insurance premium paid (2017 - £2,400).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. DIRECTORS' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Mr C Wheatley	Remuneration	125,000-130,000	110,000-115,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Mr D Elliott	Remuneration	nil	5,000-10,000
	Pension contributions paid	nil	0-5,000

During the year, no directors received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £2,140 (2017 - £2,697) were reimbursed to 1 director (2017 - 3).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Leasehold Property £	Property Improvement £	Fixtures and Equipment £	Computer Equipment £	Assets Under Construction £
Cost					
At 1 September 2017	46,202,664	323,820	210,196	202,268	70,379
Additions	(9,178)	-	44,173	65,083	987,572
Transfers on Conversion	6,525,000	-	-	-	-
At 31 August 2018	<u>52,718,486</u>	<u>323,820</u>	<u>254,369</u>	<u>267,351</u>	<u>1,057,951</u>
Depreciation					
At 1 September 2017	911,065	21,169	85,482	136,820	-
Charge for the Year	463,383	12,953	41,814	41,246	-
At 31 August 2018	<u>1,374,448</u>	<u>34,122</u>	<u>127,296</u>	<u>178,066</u>	<u>-</u>
Net book value					
At 31 August 2018	<u>51,344,038</u>	<u>289,698</u>	<u>127,073</u>	<u>89,285</u>	<u>1,057,951</u>
At 31 August 2017	<u>45,291,599</u>	<u>302,651</u>	<u>124,714</u>	<u>65,448</u>	<u>70,379</u>
				Total	£
Cost					
At 1 September 2017					47,009,327
Additions					1,087,650
Transfers on Conversion					6,525,000
At 31 August 2018					<u>54,621,977</u>
Depreciation					
At 1 September 2017					1,154,536
Charge for the Year					559,396
At 31 August 2018					<u>1,713,932</u>
Net book value					
At 31 August 2018					<u>52,908,045</u>
At 31 August 2017					<u>45,854,791</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS (continued)

Where available, 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 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.

Included within Leasehold Property is land of £4,597,700 which is not depreciated.

15. DEBTORS

	2018	2017
	£	£
Trade debtors	148,316	44,693
VAT recoverable	2,005,724	873,367
Other debtors	4,734	4,149
Prepayments and accrued income	728,528	746,793
	2,887,302	1,669,002
	2,887,302	1,669,002

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Other loans	2,880	4,854
Trade creditors	622,004	440,778
Other taxation and social security	357,002	325,341
Other creditors	350,831	285,149
Accruals and deferred income	1,470,519	875,797
	2,803,236	1,931,919
	2,803,236	1,931,919
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September	710,333	725,863
Resources deferred during the year	1,150,508	694,735
Amounts released from previous years	(694,735)	(710,265)
	1,166,106	710,333
	1,166,106	710,333

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

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NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: Amounts falling due within one year (continued)

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

17. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Other loans	4,525	7,405

Included within the above are amounts falling due as follows:

	2018	2017
	£	£
Between one and two years		
Other loans	905	2,880
Between two and five years		
Other loans	2,715	2,715
Over five years		
Other loans	905	1,810

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

	2018	2017
	£	£
Repayable by instalments	905	1,810

Other loans represents 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
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Surplus on Conversion	-	541,789	(359,579)	(182,210)	-	-
Other Unrestricted Income	-	1,033,819	(1,033,819)	-	-	-
	<u>-</u>	<u>1,575,608</u>	<u>(1,393,398)</u>	<u>(182,210)</u>	<u>-</u>	<u>-</u>
Restricted Funds						
General Annual Grant (GAG)	2,151,940	20,817,079	(20,127,564)	63,342	-	2,904,797
Other ESFA Grants	145,006	2,935,287	(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)
	<u>(11,643,129)</u>	<u>26,802,763</u>	<u>(28,840,671)</u>	<u>130,611</u>	<u>3,875,000</u>	<u>(9,675,426)</u>
Restricted Fixed Asset Funds						
Assets Transferred on Conversion	36,137,524	6,525,000	(371,198)	-	-	42,291,326
Assets Acquired from Other Funds	9,717,267	-	(188,198)	1,087,650	-	10,616,719
Local Authority Grants	-	16,649	(10,691)	(5,958)	-	-
ESFA Grants	717,225	1,365,661	(398,163)	(1,030,093)	-	654,630
	<u>46,572,016</u>	<u>7,907,310</u>	<u>(968,250)</u>	<u>51,599</u>	<u>-</u>	<u>53,562,675</u>
Total restricted funds	<u>34,928,887</u>	<u>34,710,073</u>	<u>(29,808,921)</u>	<u>182,210</u>	<u>3,875,000</u>	<u>43,887,249</u>
Total of funds	<u>34,928,887</u>	<u>36,285,681</u>	<u>(31,202,319)</u>	<u>-</u>	<u>3,875,000</u>	<u>43,887,249</u>

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

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

Unrestricted Funds:

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

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

Restricted Funds:

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

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

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

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

Teaching 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 & Learning) which are already committed to be spent on the projects and initiatives for which they were awarded.

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

Restricted Fixed Asset Funds:

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

Assets Acquired from Other Funds - represents the net book value of assets purchased post conversion acquired from funding streams including GAG, Other ESFA grants and Local Authority Grants.

ESFA Grants / Local Authority Grants - represents DFC, CIF, SCA and Other Local Authority Grants received for capital purposes which have not been spent at the year-end.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Cotgrave Candleby Lane School	154,238	40,479
Teaching Schools	350,468	346,154
Hillside Primary School and Nursery	192,397	157,753
The Flying High Academy	298,297	219,047
Peafield Lane School	247,227	245,620
Ernehale Junior School	211,633	187,568
Beeston Fields Primary School	105,838	137,440
Bilsthorpe Flying High Academy	3,492	3,133
Edwalton Primary School	267,626	144,935
Greythorn Primary School	101,306	118,397
Greenwood Primary and Nursery School	227,791	216,403
Horsendale Primary School	142,122	62,448
Killisick Junior School	169,224	164,394
Haddon Primary and Nursery School	108,495	99,164
Leamington Primary and Nursery Academy	48,324	82,889
Mapplewells Primary School	75,170	165,798
Porchester Junior School	49,893	86,214
Stanstead Nursery and Primary School	120,784	-
John King Infant School	107,839	-
Longwood Infant School	94,781	-
Kirkstead Junior School	59,210	-
Trust	236,419	247,035
Total before fixed asset fund and pension reserve	3,372,574	2,724,871
Restricted fixed asset fund	53,562,675	46,572,016
Pension reserve	(13,048,000)	(14,368,000)
Total	43,887,249	34,928,887

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18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Other direct costs £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Cotgrave Candleby Lane School	1,754,309	418,449	254,592	423,935	2,851,285	2,850,614
Hillside Primary School and Nursery	1,356,167	313,796	207,177	319,213	2,196,353	2,124,724
The Flying High Academy	1,197,082	214,913	149,033	308,953	1,869,981	1,737,766
Peafield Lane School	990,052	268,870	118,226	235,362	1,612,510	1,602,844
Ernehale Junior School	658,656	171,782	78,105	155,486	1,064,029	1,054,898
Beeston Fields Primary & Nursery	1,023,350	221,590	282,446	309,032	1,836,418	1,915,494
Bilsthorpe Flying High Academy	685,216	145,411	89,630	222,640	1,142,897	1,248,491
Edwalton Primary School	983,426	239,831	182,487	374,757	1,780,501	1,806,008
Greythorn Primary School	934,036	199,699	144,549	231,006	1,509,290	1,464,758
Greenwood Primary and Nursery School	1,494,478	455,510	153,622	283,020	2,386,630	2,173,594
Horsendale Primary School	615,559	163,888	74,051	126,151	979,649	828,530
Killisick Junior School	664,119	144,967	149,038	164,475	1,122,599	853,935
Haddon Primary and Nursery School	592,641	123,587	69,941	183,704	969,873	645,397
Leamington Primary and Nursery Academy	1,269,014	223,507	398,163	315,868	2,206,552	1,447,635
Mapplewells Primary School	805,252	163,040	152,092	219,949	1,340,333	198,754
Porchester Junior School	491,052	105,815	109,007	163,993	869,867	141,804
Stanstead Nursery and Primary School	652,275	140,578	141,176	229,332	1,163,361	-
John King Infant School	283,192	46,726	20,351	70,076	420,345	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

Longwood Infant School	157,846	47,508	9,863	40,259	255,476	-
Kirkstead Junior School Trust	335,336	53,576	86,805	99,845	575,562	-
	558,304	394,129	68,131	436,799	1,457,363	1,499,812
	<u>17,501,362</u>	<u>4,257,172</u>	<u>2,938,485</u>	<u>4,913,855</u>	<u>29,610,874</u>	<u>23,595,058</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds						
Surplus on Conversion	-	863,274	(854,009)	(9,265)	-	-
Other Unrestricted Income	4,566	850,823	(848,845)	(6,544)	-	-
	<u>4,566</u>	<u>1,714,097</u>	<u>(1,702,854)</u>	<u>(15,809)</u>	<u>-</u>	<u>-</u>
Restricted Funds						
General Annual Grant (GAG)	1,162,374	16,265,461	(15,255,434)	(20,461)	-	2,151,940
Other ESFA Grants	-	2,507,831	(2,362,825)	-	-	145,006
Other Government Grants	-	1,689,647	(1,689,647)	-	-	-
Other Income	-	308,376	(308,376)	-	-	-
School Funds	64,962	299,649	(282,840)	-	-	81,771
Notts Teaching School	188,556	820,648	(609,563)	(53,487)	-	346,154
Pension Reserve	(8,751,000)	(4,812,000)	(1,436,000)	-	631,000	(14,368,000)
	<u>(7,335,108)</u>	<u>17,079,612</u>	<u>(21,944,685)</u>	<u>(73,948)</u>	<u>631,000</u>	<u>(11,643,129)</u>
Restricted Fixed Asset Funds						
Assets Transferred on Conversion	24,543,173	11,880,000	(285,649)	-	-	36,137,524
Assets Acquired from Other Funds	5,118,442	4,302,978	(155,591)	451,438	-	9,717,267
Teaching School Assets	265	-	(265)	-	-	-
Local Authority Grants	73,904	31,300	-	(105,204)	-	-
ESFA Grants	289,441	799,838	(115,577)	(256,477)	-	717,225
	<u>30,025,225</u>	<u>17,014,116</u>	<u>(557,082)</u>	<u>89,757</u>	<u>-</u>	<u>46,572,016</u>
Total restricted funds	<u>22,690,117</u>	<u>34,093,728</u>	<u>(22,501,767)</u>	<u>15,809</u>	<u>631,000</u>	<u>34,928,887</u>
Total of funds	<u>22,694,683</u>	<u>35,807,825</u>	<u>(24,204,621)</u>	<u>-</u>	<u>631,000</u>	<u>34,928,887</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted Funds						
Surplus on Conversion	-	1,405,063	(1,213,588)	(191,475)	-	-
Other Unrestricted Income	4,566	1,884,642	(1,882,664)	(6,544)	-	-
	<u>4,566</u>	<u>3,289,705</u>	<u>(3,096,252)</u>	<u>(198,019)</u>	<u>-</u>	<u>-</u>
Restricted Funds						
General Annual Grant (GAG)	1,162,374	37,082,540	(35,382,998)	42,881	-	2,904,797
Other ESFA Grants	-	5,443,118	(5,403,118)	-	-	40,000
Other Government Grants	-	4,020,491	(4,020,491)	-	-	-
Other Income	-	546,730	(546,730)	-	-	-
School Funds	64,962	571,964	(525,407)	(34,210)	-	77,309
Notts Teaching School	188,556	1,734,767	(1,582,579)	(92,858)	-	247,886
Derby Teaching School	-	20,765	(59,033)	140,850	-	102,582
Pension Reserve	(8,751,000)	(5,538,000)	(3,265,000)	-	4,506,000	(13,048,000)
	<u>(7,335,108)</u>	<u>43,882,375</u>	<u>(50,785,356)</u>	<u>56,663</u>	<u>4,506,000</u>	<u>(9,675,426)</u>
Restricted Fixed Asset Funds						
Assets Transferred on Conversion	24,543,173	18,405,000	(656,847)	-	-	42,291,326
Assets Acquired from Other Funds	5,118,442	4,302,978	(343,789)	1,539,088	-	10,616,719
Teaching School Assets	265	-	(265)	-	-	-
Local Authority Grants	73,904	47,949	(10,691)	(111,162)	-	-
ESFA Grants	289,441	2,165,499	(513,740)	(1,286,570)	-	654,630
	<u>30,025,225</u>	<u>24,921,426</u>	<u>(1,525,332)</u>	<u>141,356</u>	<u>-</u>	<u>53,562,675</u>
	<u>22,690,117</u>	<u>68,803,801</u>	<u>(52,310,688)</u>	<u>198,019</u>	<u>4,506,000</u>	<u>43,887,249</u>
Total of funds	<u><u>22,694,683</u></u>	<u><u>72,093,506</u></u>	<u><u>(55,406,940)</u></u>	<u><u>-</u></u>	<u><u>4,506,000</u></u>	<u><u>43,887,249</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
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)
	<u>-</u>	<u>(9,675,426)</u>	<u>53,562,675</u>	<u>43,887,249</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	45,854,791	45,854,791
Current assets	-	4,664,195	717,225	5,381,420
Creditors due within one year	-	(1,931,919)	-	(1,931,919)
Creditors due in more than one year	-	(7,405)	-	(7,405)
Provisions for liabilities and charges	-	(14,368,000)	-	(14,368,000)
	<u>-</u>	<u>(11,643,129)</u>	<u>46,572,016</u>	<u>34,928,887</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	5,083,362	11,603,204
Adjustment for:		
Depreciation charges	559,396	441,505
Bank interest received	(2,648)	(1,978)
Increase in debtors	(1,218,300)	(781,622)
Increase in creditors	827,625	283,376
Capital grants from ESFA and other capital income	(1,382,310)	(831,138)
Defined benefit pension scheme obligation inherited	726,000	4,812,000
Defined benefit pension scheme cost less contributions payable	1,453,000	1,164,000
Defined benefit pension scheme finance cost	376,000	272,000
Leasehold property valuation on conversion / joining the trust	(6,525,000)	(16,182,978)
Net cash (used in)/provided by operating activities	<u>(102,875)</u>	<u>778,369</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	3,947,663	3,712,418
Total	3,947,663	3,712,418

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council and Derbyshire County Council. Both are Multi-employer defined benefit pension 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 £348,046 were payable to the schemes at 31 August 2018 (2017 - 282,840) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,581,000 (2017 - £1,240,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,505,000 (2017 - £1,160,000), of which employer's contributions totalled £1,143,000 (2017 - £874,000) and employees' contributions totalled £362,000 (2017 - £286,000). 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.

Nottinghamshire County Council

Principal actuarial assumptions:

	2018	2017
Discount Rate	2.65 %	2.60 %
Salary Increase Rate	3.80 %	4.20 %
Pension Increase Rate	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7 years	22.6 years
Females	25.6 years	25.5 years
Retiring in 20 years		
Males	24.9 years	24.8 years
Females	28.0 years	27.9 years

Derbyshire County Council - John King and Longwood

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

	2018	2017
Discount Rate	2.80 %	- %
Salary Increase Rate	2.80 %	- %
Pension Increase Rate	2.30 %	- %

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	21.9 years	n/a
Females	24.4 years	n/a
Retiring in 20 years		
Males	23.9 years	n/a
Females	26.5 years	n/a

Derbyshire County Council - Kirkstead

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

	2018	2017
Discount Rate	2.80 %	- %
Salary Increase Rate	2.90 %	- %
Pension Increase Rate	2.40 %	- %

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

	2018	2017
Retiring today		
Males	21.9 years	n/a
Females	24.4 years	n/a
Retiring in 20 years		
Males	23.9 years	n/a
Females	26.5 years	n/a

Sensitivity Analysis - Effect on Obligation	At 31 August 2018	At 31 August 2017
	£	£
0.5% Decrease in Real Discount Rate	3,662,000	3,410,000
0.5% Increase in Salary Increase Rate	625,000	525,000
0.5% Increase in Pension Increase Rate	3,126,000	2,875,000

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

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	9,480,000	7,589,000
Gilts / Bonds	1,994,000	1,747,000
Property	1,975,000	1,339,000
Cash	311,000	240,000
Other	931,000	560,000
Derivatives	-	-
Total market value of assets	14,691,000	11,475,000

The actual return on scheme assets was £806,000 (2017 - £1,264,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(2,596,000)	(1,951,000)
Past service cost	-	(87,000)
Interest income	336,000	207,000
Interest cost	(712,000)	(479,000)
Total	(2,972,000)	(2,310,000)

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

	2018 £	2017 £
Opening defined benefit obligation	25,843,000	14,881,000
Upon conversion	1,767,000	6,400,000
Transferred in on existing academies joining the trust	-	1,641,000
Current and past service costs	2,596,000	1,951,000
Interest cost	712,000	479,000
Employee contributions	362,000	286,000
Changes in assumptions and experience losses	(3,387,000)	194,000
Benefits paid	(154,000)	(76,000)
Past service costs	-	87,000
Closing defined benefit obligation	27,739,000	25,843,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	11,475,000	6,130,000
Upon conversion	1,041,000	2,484,000
Transferred in on existing academies joining the trust	-	745,000
Interest income	336,000	207,000
Return on assets less interest, other actuarial losses and administration expenses	488,000	825,000
Employer contributions	1,143,000	874,000
Employee contributions	362,000	286,000
Benefits paid	(154,000)	(76,000)
	<u>14,691,000</u>	<u>11,475,000</u>
Closing fair value of scheme assets	<u>14,691,000</u>	<u>11,475,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	68,753	71,972
Between 1 and 5 years	150,953	140,373
After more than 5 years	23,237	34,855
	<u>242,943</u>	<u>247,200</u>
Total	<u>242,943</u>	<u>247,200</u>

24. CONTINGENT LIABILITIES

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

25. 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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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transactions:

Inspiring Leaders Limited:

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

During the year, Flying High Trust raised invoices to Inspiring Leaders Limited totalling £125,073 (2017 - £96,196). The balance due from Inspiring Leaders Limited at 31 August 2018 was £68,959 (2017 - £17,871) and is included within trade debtors.

Expenditure Related Party Transactions:

Inspiring Leaders Limited:

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

Flying High Trust received net invoices from Inspiring Leaders Limited totalling £18,870 (2017 - £10,248). The balance due to Inspiring Leaders Limited at 31 August 2018 was £nil (2017 - £nil) and is included within trade creditors.

PHB Education:

PHB Education is a firm run by Mr P Bennett, a director 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 has invoiced the Trust £8,469 (2017 - £8,897) of which £1,112 (2017 - £132) is outstanding at the year-end and included within trade creditors. The directors have considered the relationship in line with requirements of the Academies Financial Handbook and are satisfied that time is charged at a rate which is sufficiently below market value. 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 director of the Trust, is a director and shareholder. The company has provided consultancy services to the Teaching School and invoiced the Trust £86,500 (2017 - £250). There is no balance outstanding at the 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 Trustees do not influence and are not the decision makers on how this funding is spent.

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26. RELATED PARTY TRANSACTIONS (continued)

Mr N Robinson:

Mr N Robinson is a director of the Trust. Mr N Robinson has provided consultancy services to the Teaching School and invoiced the Trust £2,000 (2017 - £2,000). There is no balance outstanding at the year-end. The consultancy services were provided in relation to specific grant funding received by the Teaching School.

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27. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Grant, Membership and Activities	934,884		820,648	
OTHER INCOME				
Transfer on Conversion	140,850		-	
TOTAL INCOME		1,075,734		820,648
EXPENDITURE				
DIRECT EXPENDITURE				
Direct Staff Costs	97,853		71,691	
Other Direct Costs	778,007		390,380	
OTHER EXPENDITURE				
Other Staff Costs	131,890		116,848	
Other Support Costs	24,299		30,644	
TOTAL EXPENDITURE		1,032,049		609,563
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION				
		(39,371)		(53,487)
SURPLUS FROM ALL SOURCES		4,314		157,598
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		346,154		188,556
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		350,468		346,154