

THE FALLIBROOME TRUST

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2015

Company Registration Number: 07346144
(England and Wales)



THE FALLIBROOME TRUST

Contents	Page
Reference and Administrative Details	1
Directors' Report	3
Governance Statement	19
Statement on Regularity, Propriety and Compliance	23
Statement of Directors' Responsibilities	24
Independent Auditor's Report on the Financial Statements	25
Independent Auditor's Report on Regularity	27
Statement of Financial Activities incorporating Income & Expenditure Account	29
Balance Sheet	30
Cash Flow Statement	31
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	32-36
Other Notes to the Financial Statements	37-56

THE FALLIBROOME TRUST

Reference and Administrative Details

Members:	Mr GM Gorton Mr RD Hipperson Mr AG Naylor	(Vice Chair) (Chair)
Directors:	Mr J Brooks Mr P Cresswell Mr GM Gorton Mr RD Hipperson Mrs V Meredith Mrs A Moore Mr AG Naylor Mr PW Rubery Mr P Thornber Miss J Watkins	(Vice Chair) (Chair) (resigned 5 March 2015) (Executive Principal & Accounting Officer) (appointed 6 October 2015)
Company Secretary:	Mrs A Nuttall	
Senior Managers:	Mr PW Rubery Mr FW Power Mr A Taylor-Edwards Mr JB Wilkinson Mr CR Craven Mrs EA Wilson	Executive Principal Head of School – The Fallibroome Academy Principal – The Winsford Academy Headteacher - Broken Cross Primary Academy & Nursery Headteacher - Nether Alderley Primary School Strategic Business Manager
Principal and Registered Office:	The Fallibroome Academy Priory Lane Macclesfield Cheshire SK10 4AF	
Company Registration Number:	07346144	
Auditors:	Dains LLP Suite 2, Albion House 2 Etruria Office Village Forge Lane Etruria Stoke-On-Trent ST1 5RQ	

THE FALLIBROOME TRUST

Reference and Administrative Details (continued)

Bankers:

Barclays Bank PLC
Manchester City Offices
51 Mosley Street
Manchester
M60 2AU

Business Centre
Lloyds Bank Commercial
Kings Street
Manchester
PO Box 1000
BX1 1LT

Solicitors:

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

THE FALLIBROOME TRUST

The Directors' Report

The Directors present their Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the period 1 September 2014 to 31 August 2015. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 2 Primary and 2 Secondary Academies in North West England. Its academies have a combined pupil capacity of 3589 and had a roll of 2663 in the schools' census in January 2015.

Structure, Governance and Management

Constitution

The multi-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 multi-academy trust. The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Fallibroome Trust and was established as a multi-academy trust on 13 August 2014 having previously operated as a single academy trust - The Fallibroome Academy, since August 2010.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on Page 1.

On the 1 September 2014 the Trust was joined by a further three schools and at 31 August 2015 The Fallibroome Trust was comprised as follows:

- Broken Cross Primary Academy & Nursery: (a 3-11 sponsored Primary and Nursery School)
- Fallibroome Academy: (a converter 11-19 Secondary School)
- Nether Alderley Primary School: (a converter 4-11 Primary School)
- Winsford Academy: (a sponsored 11-19 Secondary School – previously in the EACT multi Academy Trust)

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 whilst a Member, or within one year after ceasing to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before ceasing to be a Member.

Directors' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim.

The Directors' Report (continued)

Structure, Governance and Management (continued)

Method of recruitment and appointment or election of Trustees

All members of the Board of Trustees are appointed and/or elected in accordance with the Articles of Association of The Fallibroome Trust. The ultimate management of the Trust and its member schools is the responsibility of the Directors who are elected and co-opted under these Articles.

In summary the Articles provide that:

- The three Members are the first Directors (Article 48)
- The number of Directors may be no less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum (Article 45)
- The Executive Principal shall be a Director (Articles 46 and 47)
- There shall be a minimum of one Academy Director but otherwise such a number as the Members may decide. Only the Chair of a Local Governing Body will be eligible to be an Academy Director for as long as they remain in post. The Chairs of the Trust's schools will elect the relevant number of persons from amongst their number to be Academy Directors under an election process determined by the Members (Articles 46 and 51)
- There shall be a minimum of 2 Parent Directors unless there are Local Governing Bodies which include at least two Parent Members (Articles 46 and 53-56)
- The Members may appoint any Directors including Staff and Principals through any process they may determine except that the number of staff Directors (including the Executive Principal) may not exceed one third of the total number of Directors (Articles 46 and 50)
- The Directors may appoint Co-opted Directors (Articles 47 and 58)

The term of office for all Directors (with the exception of the Executive Principal) is 4 years. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

Notwithstanding the provisions of the Articles of Association, the approach that the Directors take in respect of the constitution of the Trust Board ensures that an appropriate range of skills and experience is established to enable them to carry out their responsibilities effectively and that due attention is given to succession planning.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors will be given a tour of the academies within the

The Directors' Report (continued)

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Directors (continued)

Trust and have the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is personalised to the individual.

The Academy Trust also organises 'Learning Walks' whereby both new and existing Directors and LGB members spend investigative time in our schools tailored to their individual areas of responsibility and interest.

Organisational Structure

The Trust's structure consists of the following levels:

- a. Board of Directors which includes a Finance, Audit and Remuneration Committee
- b. A Local Governing Body (LGB) for each school within the Trust
- c. A Senior Leadership Team (SLT) within each school
- d. Executive Principal who is the Accounting Officer for the Trust

The Directors are at the head of the organisational structure of the Trust and are responsible for the overall direction of the Trust and its strategic management. This involves determining the guiding principles within which the Trust operates, setting general policy, adopting a strategic plan, appointing the Local Governing Body for each school and ratifying individual schools' budgets. The Board monitors the activities of the schools within the Trust to ensure optimum operational efficiency and educational outcomes. The Directors make major decisions about capital expenditure and senior staff appointments. They are also responsible for ensuring that the Trust meets all its statutory obligations and, through the Executive Principal, LGBs and the Senior Leadership Teams of its individual schools that it complies with financial regulations. The Executive Principal is the Accounting Officer of the Trust.

The Board of Directors recognise that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through the Executive Principal, LGBs and local LGB committees to the SLTs of each school. The Governors of each LGB have delegated authority for implementing the Trust's general policies, adopting and monitoring a School Improvement Plan (SIP), and proposing an annual budget for ratification by the Board. The LGBs regularly report to the Trust via the Academy Director(s) on the educational, financial and administrative operations within their schools. The SLTs run each school at an executive level, implementing the policies laid down by the Directors and local Governors and in accordance with delegated authority. They are assisted by the pastoral and curriculum middle leaders appointed within each school and in particular organise teaching and support staff, facilities and students.

The Directors' Report (continued)

Structure, Governance and Management (continued)

Organisational Structure (continued)

An Executive Business Group is established at each secondary school comprising the Executive Principal, Principal/Head of School, Vice Principal(s) and Business Manager(s) and they, together with individual members of the SLTs as appropriate, meet at least weekly to discuss matters concerning finance, personnel and buildings. Outcomes of these meetings are recorded and reported to the LT and LGBs' Committees. A similar group comprising the Executive Principal, Strategic Business Manager and the two Primary School Headteachers meet at least fortnightly.

Related Parties and other Connected Charities and Organisations

The Fallibroome Trust has strong collaborative links with five feeder primary schools to the Fallibroome Academy, and these schools together with the two member primary schools of the Trust, form the Fallibroome Learning Community (FLC). Responsibility for the strategic direction of the Fallibroome Learning Community (FLC) lies with the FLC Board comprised of Governor and Headteacher representatives from the seven schools. The Winsford Academy is part of the Winsford Educational Partnership and will continue to build on the existing educational and sporting activities already shared with the local primary schools who are members of this group.

The Fallibroome Academy leads the Silk Teaching School Alliance, together with Mottram St Andrew Primary Academy. It has secondary, primary, special and higher education (HE) partners. The Alliance is directly accountable to the Department for Education (DfE), via the National College of Teaching and Leadership (NCTL), (formerly the National College) and is required to deliver agreed actions in six areas: Initial Teacher Training; School to School Support; Continuing Professional Development; Talent Spotting and Leadership Development; the recruitment and deployment of Specialist Leaders of Education and Research and Development.

The Fallibroome Trust Executive Principal and Mottram St Andrew Primary Academy Principal meet with the Teaching School Director on a weekly basis. Reports on activity against the Teaching School Development Plan are made to a subcommittee of Fallibroome Directors and Mottram St Andrew Governors. The Alliance strategic partners meet at least termly and make annual reports to the NCTL. Strategic partners are schools which take on extra responsibility for engaging their families of schools and leading on strands of Teaching School activity.

The Fallibroome Academy is a National Support School and the Executive Principal of the Trust is a designated National Leader in Education. The Trust is the sponsor to both its member schools, the Winsford Academy and Broken Cross Primary Academy, but in addition, continues to facilitate support and guidance to other educational establishments as requested. The Executive Principal is also a member of the West Midlands Regional Schools Commissioner's Headteachers' Board.

The Directors' Report (continued)

Objectives and Activities

The Fallibroome Trust will provide a 'world-class' education for its students. All schools in the Multi Academy Trust are built on the values of Trust, Respect and Optimism and are driven by the shared desire to create vibrant opportunities for personal growth for all members of the school communities.

Objects and Aims

The principal object and activity of the Trust is to advance education in the United Kingdom for the public benefit, in particular by offering a broad range of curriculum for pupils aged 3 to 19 and to pupils of different abilities.

In setting the Trust's objectives the Directors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives, Strategies and Activities

The Fallibroome Trust Strategic Plan defines our vision and values as follows:

- To create the conditions for effective learning and personal growth for all students and staff within the Trust
- To invite success by operating with Trust, Respect and Optimism and providing opportunities for Creativity and Service
- To promote a shared belief in the value of a Whole Education

These visions and values underpin the core objectives of the Trust which are:

- To ensure that all schools operate at their PAN and are judged to be outstanding or good as a result of every child reaching their potential.
- To secure the long term viability of the Trust.
- To deliver excellence in everything we do.

The unifying principles of the Trust are a shared belief in the value of a 'Whole education' and the principles of the 'Invitational Framework' as descriptors of our philosophy, culture and ethos.

The Trust Board have identified the following strategies designed to achieve the core objectives and reduce within school variation:

- To share achievement protocols. This will include effective data tracking, departmental monitoring, performance management and intervention.
- To improve the quality of Teaching and Learning and Behaviour Management by ensuring effective and relevant CPD for Teachers and Teaching Assistants.
- To improve the quality of Leadership and Management by investment in training such as NPQ ML, and NPQ SL, and aspiring senior leaders' programmes together with robust and effective performance management.

The Directors' Report (continued)

Objectives and Activities (continued)

Objectives, Strategies and Activities (continued)

- To market each school effectively to encourage parental commitment and meet individual PANs. This will be achieved by the creation of a MAT brand and the development of key marketing strategies to include open days, regular press coverage and the building of effective primary to secondary transition practices.
- To provide first class business support across the MAT, enabling Headteachers to focus on improving outcomes for students.
- To ensure effective Governance in all MAT schools, establishing interim executive boards at schools requiring improvement and confirming the Scheme of Delegation.
- To harmonise 'Trust-wide' policies and protocols and establish a regular Headteacher's Professional Forum and Executive Business Teams to share best practice and agree common approaches to educational, administrative and financial operations.
- To promote the concept of a 'Whole Education'
- To recruit and train the best staff by creating attractive conditions of service and working conditions and designing unique CPD programmes and opportunities.
- To secure the growth of the Trust establishing strategic partnerships with other trusts and members of Silk Alliance and by considering and confirming the criteria in business and academic terms for new schools to join the Trust.
- To sustain and continue the development of high quality facilities on each site both for individual school and community use.

Public Benefit

The Directors have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. The main public benefit delivered by the Trust is the provision of a high quality education to each of its students. The Trust endeavours to ensure that this education is accessible to every child and seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005. The Trust continues to review and update the schools' Access Plans. All new build and/or alterations are in accordance with current disability legislation. Where appropriate specialist equipment is resourced and purchased for use by students and a range of educational resources for students with specific disabilities is available across all curriculum areas. The Trust has made a significant investment in the appointment of specialist teachers and teaching assistants to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development and specialist training to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

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

The Trust is committed to ensuring equality of opportunity for all who learn and work within its schools. The Trust respects and values positively differences in race, gender, sexual

The Directors' Report (continued)

Public Benefit (continued)

orientation, ability, class and age. It strives to remove conditions which place people at a disadvantage and actively combats bigotry.

The Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Strategic Report

Achievements and Performance

Whilst the Trust has now completed a fifth year of operation; for the period September 2010 until 31 August 2014, it was a single Academy Trust comprising one school-The Fallibroome Academy. Conversion to a Multi Academy Trust in August 2014 and the subsequent increase to its membership from one school to four have required rapid change and adjustment including the planning and implementing of improvement strategies immediately.

Both The Winsford Academy and Broken Cross Primary Academy & Nursery are sponsored by the Trust and both schools joined Fallibroome with an Ofsted rating of 'Requires Improvement'. Nether Alderley Primary School has a current Ofsted rating of 'Good' and the Fallibroome Academy is 'Outstanding'.

Key Performance Indicators

Pupil Numbers

Total students in the period ended 31 August 2015 numbered 2648 across the four schools as follows:

Establishment Name	Number of Students	Capacity
Broken Cross Primary Academy & Nursery	58	210
	25	34
Fallibroome Academy	1526	1540
Nether Alderley Primary	99	105
Winsford Academy	940	1700

The Directors' Report (continued)

Strategic Report (continued)

Pupil Numbers (continued)

The Directors have already suspended the Sixth Form at Winsford (nominally 200 within the capacity figure indicated above) and intend to formally reduce the unrealistic PAN figure inherited on transfer from E-ACT.

Pupil recruitment at both Fallibroome and Nether Alderley is in line with expectations and local demographic changes. A population decline means that there are surplus places in all year groups and the school management continually reviews marketing and publicity strategies such as open days, open evenings and press liaison.

In respect of both Winsford and Broken Cross, Directors are clear on the requirement to enhance and continue the improvements made to both schools in the first year of sponsorship. Directors are confident that they will improve the public perception of both establishments in order to generate the required growth of their pupil numbers.

Academic Results

Directors are mindful of the Trust's prime purpose to raise standards and improve the life chances of its students. School leaders have worked hard to ensure intervention programmes were implemented at an early stage, providing students with sufficient assistance and support during their studies leading up to and including assessment periods. The impact of intervention strategies and improved teaching and learning has contributed to improved academic performance. The following results for each school indicate early evidence of impact in all four schools in the Fallibroome Trust and indicate a strong platform for future success.

Secondary Schools:

Lead School:

Fallibroome Academy:

'A' Level	2015	2014
A*- C	88.8%	87%
A*- B	67.8%	60.25%
A*	11.8%	8.8%
A*- A	36.7%	30%

GCSE	2015	2014
5+ A*- C	82%	84%
5+ A*- C EM	78%	82%
English A*- C	83%	81%
Maths A*- C	87%	87%
A*- A	37%	35%
EBacc	39%	40%

The Directors' Report (continued)

Strategic Report (continued)

Academic Results (continued)

Sponsored Secondary School: Winsford Academy:

'A' Level	2015	2014
A*-C	33.1%	35.8%
A*-B	14.7%	17%
A*	1.5%	0%
A*-A	8.9%	15%

GCSE	2015	2014
5+ A*- C	51.5%	48.5%
5+ A*-C EM	49.1%	41.3%
English A*- C	69.9%	58.7%
Maths A*- C	64.4%	50.5%
A* - A	10.2%	8.2%
EBacc	12.3%	6.6%

Analysis of levels of progress in English, Maths and Science confirm the improvement gained under 'sponsorship' and Directors acknowledge the work of both Fallibroome and Winsford staff in improving results at Winsford during a transitional and turbulent year.

Primary Schools

Sponsored School: Broken Cross Primary Academy & Nursery

KS2	2015	2014
% achieving Level 4+ in Reading	67	67
% achieving Level 4+ in Writing	67	67
% achieving Level 4+ in Mathematics	50	60
% achieving Level 4+ in Spelling, Punctuation & Grammar	50	47
% making expected progress - Reading	67	73
% making expected progress - Writing	67	80
% making expected progress Mathematics	50	60

The Directors' Report (continued)

Strategic Report (continued)

Academic Results (continued)

Broken Cross Primary Academy & Nursery (continued)

KS1	2015	2014
% achieving Level 2+ in Reading	100	86
% achieving Level 2+ in Writing	57	86
% achieving Level 2+ in Mathematics	100	60

	Phonics Screening Check Year 1
2012	85%
2013	75%
2014	71%
2015	90%

Academy Converter: Nether Alderley Primary School:

KS2	2015	2014
% achieving Level 4+ in Reading	93	100
% achieving Level 4+ in Writing	86	81
% achieving Level 4+ in Mathematics	86	88
% achieving Level 4+ in Spelling, Punctuation & Grammar	93	75
% making expected progress - Reading	100	94
% making expected progress - Writing	93	94
% making expected progress Mathematics	93	100

KS1	2015	2014
% achieving Level 2+ in Reading	100	100
% achieving Level 2+ in Writing	85	100
% achieving Level 2+ in Mathematics	100	100

	Phonics Screening Check Year 1
2012	78%
2013	75%
2014	46%
2015	100%

The Directors' Report (continued)

Strategic Report (continued)

Academic Results (continued)

Sixth Forms

Of the 153 Sixth Form students leaving the Fallibroome Academy at the end of their studies in 2015, 129 started University in the autumn 2015 including 3 Cambridge students, 2 studying sciences and one Medicine. It was a particularly strong year for Medicine with 6 places achieved, in addition to a Dentistry place. Ninety-four students gained a place at their first choice University, 82 at Russell Group Universities and 1 on an Art Foundation course. A further 7 students are holding deferred places to start in autumn 2016 and 13 students are taking a gap year with a view to re-applying to university in 2015.

Five students are taking higher level apprenticeships in areas such as Astra Zeneca, McCann Eriksson, finance and media. Of all the Year 13 leavers, 4 have started employment in the airline industry and armed services. Eight students moved onto specialist areas in the Performing Arts (Dance/Drama/Music) at Higher Education, with a particular lean this year towards Music Technology/Production and Theatre.

Of the 21 students leaving the Winsford Academy at the end of their studies, 8 have started University in autumn 2015, 5 have started apprentices and 1 has returned to the Sixth Form. Two have started employment and 5 are seeking work.

Continuing Professional Development (CPD)

The Trust continues to ensure that continuing professional development (CPD) training is available and undertaken by all staff.

At Fallibroome, in addition to the regular 'training school' programme of twilight CPD and the two annual conferences (New staff and Middle Leaders), a total of 177 external CPD courses were attended by Fallibroome staff with 62 teachers and 45 support staff attending courses.

Two members of the teaching staff at Fallibroome have successfully completed the National Professional Qualification for School Leaders (NPQSL). Three teachers have engaged in a three day Exploring Outstanding Teachers Programme (EOTP) and 7 members of staff completed the 4 day Investors in Excellence Programme (IIE).

The Executive Principal is a subject matter expert on the NPQH programme and a frequent speaker at National Conferences on Leadership and Management and Teaching and Learning.

The Trust continues to invest heavily into Co-operative Learning. Last year it funded one staff member to attend a four day training programme in the UK and 4 secondary school staff and 3 primary school staff attended the KAGAN academy in Florida in July 2015.

The Silk Alliance organised the national bi-annual Learning Brain Europe conference for Teaching and Learning delivered at the Lowry Theatre complex in Manchester in May 2015.

The Directors' Report (continued)

Strategic Report (continued)

Continuing Professional Development (CPD) (continued)

As the lead school in the Trust, Fallibroome staff have been working closely with teachers from all the schools in Trust. The focus at primary level has been to set up a peer support project which has focused on assessment, questioning and classroom routines. Teachers from the sponsored schools in the Trust have been paired with outstanding teachers from schools within the Fallibroome primary network. There have been 3 cycles which have involved subject input, joint planning, peer observations and feedback discussions. The same project has been run with 2 primary schools within the catchment area of Winsford.

At a secondary level Fallibroome has given support to Winsford Academy in the following main areas:

- Departmental mentoring: Directors of Teaching and Learning have taken on a mentoring role with Heads of Faculty at Winsford to help ensure successful outcomes at GCSE. This programme will continue and be extended in 2015/16.
- Co-operative Learning: 14 members of staff from Winsford have engaged in a small scale action research project to investigate the potential benefits of Co-operative Learning for their students. They attended 6 sessions over the spring and summer terms. The outcome of this is a whole school roll out of Co-operative Learning with the current cohort of year 7 from September 2015.
- External CPD: 6 members of staff from Winsford have attended the 3 day Exploring Outstanding programme facilitated by Fallibroome.

Charities & Fundraising

During the period, the fundraising activities across the Trust made in excess of £18,500. Of particular note is the £8,295 raised for Dennegeur Primary School and Gradbouw High School in South Africa and over £7,840 for local cancer charities.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy 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.

The Directors' Report (continued)

Financial Review

The Trust's overarching financial objectives are:

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the Trust's core competencies, and the need for a financial contribution to the Trust's overall finances
- to generate sufficient levels of income to support the asset base of the Trust
- to further improve the Trust's shorter term liquidity
- to fund continued capital investment.

These objectives were achieved in the year ended 31 August 2015.

In agreeing to take Sponsorship of the Winsford Academy from 1 September 2014, the Trust was required to take action to ensure the continued economic viability of the school. Notwithstanding the financial objectives detailed above, the Trust undertook a robust restructuring exercise at Winsford to address overstaffing and excessive expenditure. This was an extraordinary objective for the Trust during the year which resulted in a reduction in staffing of 39 across teaching and support staff.

There have been three principal sources of funding during this year - the Education Funding Agency (EFA), The National College of Teaching and Leadership (NCTL) and Cheshire East Council (LA). The core funding has been in the form of General Annual Grant (GAG) from the EFA. In accordance with the Teaching School Alliance agreement with the NCTL, the fifth year of funding has been used to continue to establish operations including funding the salaries of associated members of staff. Specific grants for specific projects have been expended at Fallibroome or pass-ported as appropriate to the partnership schools within the Silk Alliance and in line with initial funding bids and subsequent grant conditions. In addition, the Trust received cash balances totalling £194,658 from the Local Authority in respect of the two Primary Schools on their conversion to academy status and joining the Trust. The Winsford Academy joined the Trust with a zero balance.

All of the grants received from the EFA and the LA during the year to 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). The cash balances transferred from the LA on conversion (£194,658) are shown as unrestricted income on the SOFA.

The Academy Trust has also received the balance of specific grants from the EFA in relation to the DfE's Academies Capital Maintenance Fund (ACMF) and in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), this grant is shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £17,878,629 (2014: £9,121,064) was covered by recurrent grant funding from the EFA, NCTL and LA together with other incoming resources and was further supported by the carry forward grant from the previous financial year.

The Directors' Report (continued)

Financial Review (continued)

At 31 August 2015 the net book value of fixed assets was £25,826,023 (2014: £20,295,459) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust. During the year £231,289 (2014: £214,109) was transferred from the restricted fund to the restricted fixed asset fund for the acquisition of fixed assets necessary for the completion of the new block at Fallibroome.

On their conversion on 1 September 2014, all of the fixed assets of Broken Cross Primary & Nursery School and Nether Alderley Primary School were transferred to the Trust on a leasehold basis and are shown in the fixed asset funds. In the case of Winsford Academy, only ICT and some furniture assets were transferred. The Winsford Academy currently occupies a new building under licence which is in accordance with the terms of a Development Agreement between Cheshire West & Chester Local Authority and EACT which was novated to the Fallibroome Trust on 1 September 2014. Once the build is signed off and build defects rectified by the contractor the Trust will take over the Winsford buildings and land on a leasehold basis. It is expected that this will be in the forthcoming academic year.

The Trust had previously taken on the deficit in relation to its support staff employed at Fallibroome Academy who were in the Local Government Pension Scheme (LGPS) at 1 September 2010. This deficit totalled £1,531,000 at 31 August 2014. With the addition of support staff from three schools transferring to the Trust from 1 September 2014, the pension deficit at August 2015 deficit is £3,625,000. Agreed contribution rates for future years are in the range 22.1% and 25.3% for employers and in the range of 5.5% and 8.5% for employees.

The Trust held fund balances at 31 August 2015 of £23,690,269 (2014: £19,622,959) comprising £22,735,984 (2014: £19,072,430) of restricted funds, (including pension reserve deficit), and £954,285 (2014: £550,529) of unrestricted funds.

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Directors is that each of its school will maintain a level of free reserves that will be adequate to provide a stable base for continuing operations of the Trust whilst ensuring that excessive funds are not accumulated. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trusts current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £954,285 (2014: £550,529).

The Directors' Report (continued)

Financial Review (continued)

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. At Fallibroome, this is usually through the mechanism of a 'swing account' whereby monies from the current operating bank account are moved to an interest earning account on a daily basis. Where cash flow allows, sums in excess of £100,000 may be invested on treasury deposit for extended periods. The other schools within the Trust operate their own bank accounts and they will seek to obtain optimum return on investments which are commensurate with operating balances, security and liquidity.

Principal Risks and Uncertainties

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to teaching and learning, recruitment and retention of staff, provision of facilities, safeguarding, reputation of the Trust and financial management. The Directors have established appropriate policies and procedures to mitigate the risks that each school faces. They have robust policies in place at all schools such as performance management, educational achievement assessment and monitoring, safer recruitment practices and internal finance controls. At their meetings, Directors consider and monitor all potential risks arising from the Academy Trust's operations. They assess the materiality and likelihood of risks occurring and determine the actions that are needed to reduce and mitigate these risks. The formal risk register will be reviewed at least annually by the Finance and Buildings Committee in their Autumn Term Meeting and more frequently where necessary. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.

Directors are satisfied that these systems are consistent with guidelines issued by the Charities Commission. All financial systems, procedures and internal controls are subject to on-going review at senior management level as part of the day to day management of the school, the Academy Trust's Responsible Officer and by Directors' relevant committees.

In respect of financial risk, a full system of internal control has been established and Directors continually review financial procedures and controls as necessary and on the advice of the Responsible Officer.

The Board of Directors are clear that the principal financial risk to the Trust is any potential future change to Government Funding and falling pupil numbers as a result of local demographic fluctuations. The Trust has considerable reliance on continued government funding through the EFA and this level of requirement is expected to continue. However, increases to employer pension contributions, the impending abolition of the National insurance rebate for contracted-out pension schemes, alongside reduced SEN and Sixth Form funding continues to have a negative impact on all schools. There is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Directors' Report (continued)

Principal Risks and Uncertainties (continued)

This risk may be mitigated in a number of ways:

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

Plans for Future Periods

The Directors will continue to pursue their core objective to provide the highest educational opportunities for all children and enable them to reach their full potential. They will actively promote and encourage membership of the Fallibroome Trust and pursue a growth strategy which will build on the foundations laid down during the first year of operation as a multi academy trust and ultimately secure financial stability for future operations.

Funds held as Custodian Trustee on behalf of others

The Trust is not holding any assets as custodian on behalf of others.

Auditor

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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, was approved by the board of Directors, as the company Directors, on 17 December 2015 and signed on its behalf by:



Mr RD Hipperson

Director

Governance Statement

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the responsibilities assigned to it through the Funding Agreement between The Fallibroome Trust and the Secretary of State for Education. The Executive Principal is 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 5 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

	Meetings attended	Out of a possible
Mr RD Hipperson (Chairman)	5	5
Mr J Brooks	4	5
Mr P Cresswell	5	5
Mr M G Gorton	4	5
Mrs A Moore (resigned 5 March 2015)	2	2
Mrs V Meredith	3	5
Mr A Naylor	5	5
Mr PW Rubery (Principal & Accounting Officer)	5	5
Mr P Thornber	4	5
Miss J Watkins (appointed 6 October 2015)	0	0

During their first year as Directors of a multi-academy trust, the Board have also held a joint conference during the spring term which was attended by all Directors and Governors from each school's LGB.

The Board is committed to the highest standards of probity and excellence and recognises the need for proficiency in a range of areas from business and financial management, accountancy, personnel, educational leadership and school governance. Having completed an audit of their individual skills, Directors are confident that as a body, they possess a high level and broad scope of expertise and business acumen relevant to their duties.

Governance Statement (continued)

Governance (continued)

The Directors note that the work of the Finance, Audit and Remuneration Committee included the duties of an audit committee and are satisfied that no separate audit committee was therefore required during the financial year.

At their April meeting, the Directors considered the establishment of sub-committees to the Board and have established a Finance, Audit and Remuneration committee from within their membership. Two of these three individuals are qualified accountants and their key role will be to receive and review the Trust's consolidated and audited financial statements. They will advise on the financial strategic direction of the Trust on the management of the Trust's finances and resources including planning, monitoring and probity. They will also review the year-end out-turns for individual schools and advise the Board on issues that arise. The board have also appointed Mr S Kite, another qualified accountant as Responsible Officer for the Trust and he will report directly to the Finance, Audit and Remuneration Committee.

Review of Value for Money

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

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

- Achieving budget stability in all schools – the Trust has robust internal systems and a thorough oversight of the Trust finances. Regular, meticulous and comprehensive monitoring has ensured sound financial performance in all schools.
- The Trust have undertaken an in-depth review of staffing levels at the Winsford Academy to bring them to an optimum level which will guarantee value for money and an efficient deployment across the curriculum. Following an in-depth restructuring exercise, staffing levels have reduced by 32 FTE.
- Raising student achieving across all schools – the Trust has worked hard to ensure early intervention programmes and improved teaching and learning have had a positive impact on the academic achievement of all students.

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The Trust continued with the systems of internal control which are well established.

The system of internal control has been in place in The Fallibroome Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. The Directors continue to monitor these systems and the visits by the Responsible Officer have provided additional scrutiny and constructive recommendations which have strengthened the internal controls further.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Directors has considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the Directors have appointed S Kite, a suitably qualified governor from the Fallibroome Academy to act as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Governance Statement (continued)

The Risk and Control Framework (continued)

During the period the RO has performed a range of checks as follows:

- GAG income
- Other grant income
- Other income
- Purchasing
- Payroll
- Assets

The RO has confirmed that the financial responsibilities of the Board are being properly discharged and that the resources of the schools are managed and maintained in an efficient and effective manner. He reports that sound systems of control are being maintained and that financial considerations are fully taken into account in reaching decisions

The RO made a total of 6 visits to schools across the Trust during the year and has reported his findings in his annual report to Directors. The RO's findings have been positive and the RO acknowledges the challenging year experienced in integrating 3 additional schools into the Trust. During the next year the focus will turn to the harmonising of systems, policies and procedures across the Trust schools

His final report of the year will be considered fully in the Autumn Term meeting when the Financial Statements are reviewed.

Review of Effectiveness

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework:

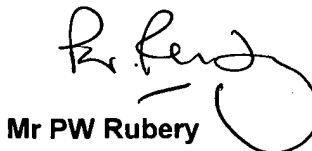
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Remuneration Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 17 December 2015 and signed on its behalf by:



Mr RD Hipperson

Director



Mr PW Rubery

Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Fallibroome Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between The Fallibroome Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

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



Mr PW Rubery
Accounting Officer

Date: 17 December 2015

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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; and
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Directors on 17 December 2015 and signed on its behalf by:



Mr RD Hipperson
Director

Independent Auditor's Report on the Financial Statements to the Members of The Fallibroome Trust

We have audited the financial statements of The Fallibroome Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses), the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and Auditors

As explained more fully in the Directors' responsibilities statement on page 24, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 -2015 issued by the Education Funding Agency.

Independent Auditor's Report on the Financial Statements to the Members of The Fallibroome Trust (continued)


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Jonathan Dudley
Senior Statutory Auditor
for and on behalf of
Dains LLP
Statutory Auditor
Chartered Accountants

Date: 17 December 2015

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

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

In accordance with the terms of our engagement letter dated 8 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Fallibroome Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Fallibroome Trust's existing funding agreement with the Secretary of State for Education dated 25 August 2010, the Deed of Variation of Funding Agreement signed 28 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

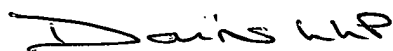
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Independent Reporting Auditors Report on Regularity to The Fallibroome Trust and the Education Funding Agency (continued)

Approach (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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP
Statutory Auditor
Chartered Accountants

Date: 17 December 2015

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

THE FALLIBROOME TRUST

Statement of Financial Activities for the year ended 31 August 2015
(including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	82,226	26,320	-	108,546	13,280
Voluntary income from Local Authority on conversion & E-ACT						
On transfer	2	194,658	(2,023,000)	5,997,004	4,168,662	-
Activities for generating funds	3	218,034	1,107,525	-	1,325,559	871,359
Investment income	4	3,853	-	-	3,853	8,002
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	9,488	16,050,204	172,627	16,232,319	11,523,032
Total incoming resources		508,259	15,161,049	6,169,631	21,838,939	12,415,673
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income						
Fundraising trading	6	18,062	488,626	-	506,688	433,050
<i>Charitable activities:</i>						
Academy trust educational operations	7	58,501	16,266,898	1,014,346	17,339,745	8,643,148
Governance costs	8	-	32,196	-	32,196	44,866
Total resources expended	6	76,563	16,787,720	1,014,346	17,878,629	9,121,064
Net incoming/(outgoing) resources before transfers		431,696	(1,626,671)	5,155,285	3,960,310	3,294,609
Gross transfers between funds	16	(27,940)	(231,289)	259,229	-	-
Net income/(expenditure) for the year		403,756	(1,857,960)	5,414,514	3,960,310	3,294,609
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	16,30	-	107,000	-	107,000	(921,000)
Net movement in funds		403,756	(1,750,960)	5,414,514	4,067,310	2,373,609
Reconciliation of funds						
Funds brought forward at 1 September 2014	16	550,529	(1,344,045)	20,416,475	19,622,959	17,249,350
Funds carried forward at 31 August 2015	16	954,285	(3,095,005)	25,830,989	23,690,269	19,622,959

All of the Academy's activities derive from continuing operations and transfers to the Academy Trust during the above two financial periods.

THE FALLIBROOME TRUST

Balance Sheet as at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	12		25,826,023		20,295,459
Current assets					
Stock	13	22,757		12,606	
Debtors	14	1,209,763		839,587	
Cash at bank and in hand		1,741,772		1,073,108	
		<u>2,974,292</u>		<u>1,925,301</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,485,046)</u>		<u>(1,066,801)</u>	
Net current assets			<u>1,489,246</u>		<u>858,500</u>
Total assets less current liabilities			27,315,269		21,153,959
Pension scheme liability	28		<u>(3,625,000)</u>		<u>(1,531,000)</u>
Net assets including pension liability			<u>23,690,269</u>		<u>19,622,959</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	16		25,830,989		20,416,475
General funds	16		529,995		186,955
Pension reserve	16		<u>(3,625,000)</u>		<u>(1,531,000)</u>
Total restricted funds			<u>22,735,984</u>		<u>19,072,430</u>
Unrestricted funds	16		954,285		550,529
Total funds			<u>23,690,269</u>		<u>19,622,959</u>

The financial statements on pages 29 to 56 were approved by the Directors, and authorised for issue on 17 December 2015 and are signed on their behalf by:



Mr RD Hipperson
Director

Company Limited by Guarantee
Registration Number 07346144

THE FALLIBROOME TRUST

Cash Flow Statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	20	845,568	(633,385)
Returns on investments and servicing of finance	21	3,853	8,002
Cash transferred on conversion to the Academy Trust	23	194,658	-
Capital expenditure	22	(375,415)	117,510
Increase/(Decrease) in cash in the year	23	<u>668,664</u>	<u>(507,873)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,073,108	1,580,981
Net funds at 31 August 2015		<u>1,741,772</u>	<u>1,073,108</u>

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

▪ Grants receivable

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

General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance within the Restricted General Fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the Restricted Fixed Asset Fund.

▪ Donations

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

▪ Other income

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

▪ Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's accounting policies.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Resources Expended

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

- **Costs of generating funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations.
- **Governance Costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease from Cheshire East Local Authority. The leasehold land and buildings were valued for the Trust by the District Valuer Services (DVS), the specialist property arm of the Valuation Office Agency (VOA). They are being depreciated as noted below and no annual charge is made for the use of the land and buildings under the terms of the lease.

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

Freehold & Leasehold buildings:	6-48 years
Leasehold Land:	125 years
Furniture and equipment:	4 years
Computer and technological equipment:	3 years
Motor Vehicles:	4 years
Specialist equipment:	10 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Tangible Fixed Assets (continued)

of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 30, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Statement of Accounting Policies (continued)

Fund Accounting (continued)

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/ Department for Education, Cheshire East Local Authority and the National College for Teaching and Leadership.

Conversion to an Academy Trust

The conversion from a state maintained school to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school 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 from Broken Cross Primary Academy & Nursery and Nether Alderley Primary School to the 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 Voluntary income – transfer from local authority on conversion and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

The net assets transferred include the following:

Leasehold land and buildings

On the transfer date of 1 September 2014, the trust was gifted the land and buildings for both schools by Cheshire East Local Authority. The land and buildings valuation were completed by the District Valuer Services (DVS), under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standards 15 (FRS 15). The land and buildings have been credited as a donation in the Restricted Fixed Assets Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Other fixed assets

Other fixed assets comprising computer equipment were transferred to the trust on 1 September 2014. These assets have been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Local Government Pension Scheme (LGPS) deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained school was transferred to The Fallibroome Academy Trust on 1 September 2014. The deficit on the Local Government Pension Scheme has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

Cash

Cash balances at 1 September 2014 in respect of the maintained school and school fund were transferred to the trust. These cash balances have been credited as a donation in the Statement of Financial Activities under the Unrestricted Funds column and included within the cash and bank balances on the balance sheet.

THE FALLIBROOME TRUST

1 Statement of Accounting Policies (continued)

Transfer to an Academy Trust

The transfer from a multi-academy trust to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer has been accounted for on that basis as set out below.

The assets and liabilities transferred on the transfer of Winsford Academy to the Fallibroome 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 Voluntary income – transfer from E-ACT on conversion and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

The net liabilities transferred include the following:

Other fixed assets

Other fixed assets comprising furniture, office equipment and computer equipment were transferred to the trust on 1 September 2014. These assets have been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Local Government Pension Scheme (LGPS) deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the transfer from the E-ACT Academy who had previously inherited the LGPS obligation on conversion of the maintained school, this obligation was subsequently transferred to The Fallibroome Academy Trust on 1 September 2014. The deficit on the Local Government Pension Scheme has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Voluntary Income

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Transfer from Local Authority	194,658	(376,000)	5,552,768	5,371,426	-
Transfer from E-ACT on conversion	-	(1,647,000)	444,236	(1,202,764)	-
Donations	82,226	-	-	82,226	965
iPad project donations	-	26,320	-	26,320	12,315
	<u>276,884</u>	<u>(1,996,680)</u>	<u>5,997,004</u>	<u>4,277,208</u>	<u>13,280</u>

3 Activities for Generating Funds

	Unrestricted Funds	Restricted General Funds	Total 2015	Total 2014
	£	£	£	£
Catering Income	28	490,134	490,162	253,002
Trips, visits and other activities	-	495,969	495,969	421,115
Hire of facilities	63,725	5,041	68,766	44,645
Income from staff deployment	101,393	5,464	106,857	43,243
Student Income	7,067	19,687	26,754	24,647
Initial Teacher Training	7,745	-	7,745	8,889
Other Teaching School activities	34,343	68,556	102,899	70,176
CPD income	650	-	650	-
Uniform	-	8,475	8,475	-
Music tuition income	-	1,388	1,388	-
Insurance income	1,500	1,040	2,540	1,565
Other income	1,583	10,799	12,382	4,077
After school income	-	972	972	-
	<u>218,034</u>	<u>1,107,525</u>	<u>1,325,559</u>	<u>871,359</u>

4 Investment Income

	Unrestricted Funds	Restricted General Funds	Total 2015	Total 2014
	£	£	£	£
Short term deposits	<u>3,853</u>	<u>-</u>	<u>3,853</u>	<u>8,002</u>
	<u>3,853</u>	<u>-</u>	<u>3,853</u>	<u>8,002</u>

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grant					
Devolved Formula Capital	-	-	63,258	63,258	29,886
ACMF Grant	-	-	103,769	103,769	3,727,046
Capital Grant from Local Authority	-	-	5,600	5,600	-
	<u>-</u>	<u>-</u>	<u>172,627</u>	<u>172,627</u>	<u>3,756,932</u>
DfE revenue grants					
General Annual Grant (GAG)	-	13,568,053	-	13,568,053	7,255,202
Start-up grants	-	756,738	-	756,738	-
Other DfE /EFA grants	-	1,230,422	-	1,230,422	173,595
	<u>-</u>	<u>15,555,213</u>	<u>-</u>	<u>15,555,213</u>	<u>7,428,797</u>
Other Government grants					
SEN Funding from Local Authority (LA)	-	297,380	-	297,380	215,887
WRAP Funding from LA	-	20,000	-	20,000	-
Count me 2 Funding from LA	-	5,670	-	5,670	-
Teachers Pay Grant from LA	-	-	-	-	20,186
Nursery Grant from LA	-	54,940	-	54,940	-
Other LA Grants	-	-	-	-	1,000
Teaching School Grants (NCSL)	1,300	98,063	-	99,363	86,779
	<u>1,300</u>	<u>476,053</u>	<u>-</u>	<u>477,353</u>	<u>323,852</u>
Other Income					
Income from British Council	-	2,400	-	2,400	-
SEN Funding owed by EACT	8,188	-	-	8,188	-
Examination fee income from pupils	-	16,538	-	16,538	13,451
	<u>8,188</u>	<u>18,938</u>	<u>-</u>	<u>27,126</u>	<u>13,451</u>
	<u>9,488</u>	<u>16,050,204</u>	<u>172,627</u>	<u>16,232,319</u>	<u>11,523,032</u>

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Resources Expended

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds					
Community lettings costs	11,891	-	-	11,891	11,157
Uniform costs	-	-	6,171	6,171	-
Trips, visits and other activities costs	-	-	488,626	488,626	421,893
	<u>11,891</u>	<u>-</u>	<u>494,797</u>	<u>506,688</u>	<u>433,050</u>
Academy's educational operations					
Direct costs	11,835,786	-	1,354,274	13,190,060	6,567,203
Allocated support costs	1,573,160	1,679,764	896,761	4,149,685	2,075,945
	<u>13,408,946</u>	<u>1,679,764</u>	<u>2,251,035</u>	<u>17,339,745</u>	<u>8,643,148</u>
Governance costs including allocated support costs	10,511	-	21,685	32,196	44,866
	<u>10,511</u>	<u>-</u>	<u>21,685</u>	<u>32,196</u>	<u>44,866</u>
Total Resources Expended	<u>13,431,348</u>	<u>1,679,764</u>	<u>2,767,517</u>	<u>17,878,629</u>	<u>9,121,064</u>

	2015 £	2014 £
Incoming/outgoing resources for the year include:		
Depreciation of tangible fixed assets	1,014,346	511,786
Fees payable to auditor		
Audit	17,760	9,100
Other services	2,155	503
Loss on disposal of fixed asset	135	9,833
Operating leases:		
Computer equipment	15,816	7,908
Photocopiers	24,669	-
Transport leases	5,929	-
Other equipment	1,480	-

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

7 Charitable Activities

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Direct costs					
Teaching and educational support staff costs	22,207	11,813,579	-	11,835,786	5,835,056
Depreciation	-	-	316,822	316,822	59,250
Technology	4,570	165,502	-	170,072	141,149
Vocational Courses	-	85,192	-	85,192	70,891
Educational supplies	592	292,242	-	292,834	153,127
Examination fees	-	232,585	-	232,585	150,128
Staff development	11,037	97,769	-	108,806	86,042
Specialist Education Providers	965	128,575	-	129,540	58,449
Other direct costs	-	18,423	-	18,423	13,111
	<u>39,371</u>	<u>12,833,867</u>	<u>316,822</u>	<u>13,190,060</u>	<u>6,567,203</u>
Allocated support costs					
Support staff costs	-	1,311,147	-	1,311,147	611,538
Depreciation	-	-	697,524	697,524	452,536
Technology	2,052	99,263	-	101,315	49,838
Recruitment and support	-	55,852	-	55,852	73,227
Maintenance of premises & Equipment	99	170,089	-	170,188	72,081
Other occupancy costs	2,916	381,693	-	384,609	198,793
Administration and bursarial	7,938	232,816	-	240,754	103,439
Cleaning	-	158,703	-	158,703	130,897
Rent & rates	-	130,237	-	130,237	44,360
Insurance	-	138,503	-	138,503	54,205
Transport	5,790	67,272	-	73,062	39,196
Catering staff costs	-	262,014	-	262,014	101,579
Catering other costs	16	319,952	-	319,968	124,674
Loss on disposal	-	-	-	-	9,833
Other support costs	319	105,490	-	105,809	9,749
	<u>19,130</u>	<u>3,433,031</u>	<u>697,524</u>	<u>4,149,685</u>	<u>2,075,945</u>
Total direct and support costs	<u>58,501</u>	<u>16,266,898</u>	<u>1,014,346</u>	<u>17,339,745</u>	<u>8,643,148</u>

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Governance Costs

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	£	£	£	£	£
Legal and professional fees	-	1,770	-	1,770	27,243
Audit of financial statements	-	15,945	-	15,945	8,500
Audit of Teachers' Pension	-	1,815	-	1,815	600
Non audit services	-	2,155	-	2,155	503
Support costs	-	10,511	-	10,511	8,020
	-	32,196	-	32,196	44,866

9 Staff

a. Staff Costs

Staff costs during the period were:

	2015 £	2014 £
Wages and salaries	10,342,857	5,300,472
Social security costs	739,605	374,912
Pension costs	1,668,604	850,064
Other staff costs	57,650	10,890
	12,808,716	6,536,338
Supply teacher costs	101,532	22,513
Other agency costs	-	-
Staff Restructuring costs	521,101	8,500
	13,431,349	6,567,351

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £521,101 (2014: £8,500). Individually the payments were: £40,915, £40,269, £40,269, £37,890, £33,797, £30,219, £27,690, £25,828, £25,559, £22,800, £17,361, £17,100, £16,625, £16,049, £12,943, £12,835, £10,589, £9,259, £8,780, £8,352, £7,767, £7,272, £6,679, £5,659, £5,659, £5,503, £4,004, £3,961, £2,734, £1,207, £10,775, £4,752.

c. Staff numbers

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

	2015 Number	2014 Number
Charitable Activities		
Teachers	167	92
Administration and support	123	83
Management	26	10
	316	185

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

9 Staff (continued)

d. Higher paid staff

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

	2015 Number	2014 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1

The above employees participated in the Teachers' Pension Scheme.

10 Central Services

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

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

The Trust charges for these services at a flat rate of 4% of General Annual Grant

The actual amounts charged during the year were as follows:

	£
Broken Cross Primary Academy and Nursery	19,092
Nether Alderley Primary School	16,297
Fallibroome Academy	277,126
Winsford Academy	221,231
	<u>533,746</u>

11a Related Party Transaction - Directors' Remuneration and Expenses

One Director has been paid remuneration or has received other benefits from employment with the Trust. The Executive Principal only receives remuneration in respect of services he provides undertaking the role of Executive Principal under his contract of employment, and not in respect of his role as a Director. The value of Directors' remuneration and other benefits was as follows:

P W Rubery (Executive Principal, Accounting Officer and Director):

Remuneration: £120,000 - £125,000 (2014: £110,000 - £115,000)

Employers' pension contributions £15,000 - £20,000 (2014: £15,000 - £20,000)

During the period ended 31 August 2015, travel and subsistence expenses totalling £469 (2014: £ 1,022) were reimbursed or paid directly to 1 Director (2014: 3 Directors)

Other related party transactions involving the Directors are set out in note 31.

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

11b Directors' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim. Since September 2011 this cover was incorporated into the Academy Trust's general insurances within their Advantage policy which is underwritten by the Ecclesiastical Insurance Group.

12 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment & Technology Equipment	Specialist Equipment	Motor Vehicles	Assets Under Construction	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 September 2014	17,979,015	-	166,956	239,985	71,852	25,000	3,629,831	22,112,639
Additions	22,617	18,405	56,282	94,387	23,900	-	332,451	548,042
Transfers	3,962,282	-	-	-	-	-	(3,962,282)	-
Transfer on Conversion	-	5,549,650	25,692	421,661	-	-	-	5,997,003
Disposals	-	-	-	-	(135)	-	-	(135)
At 31 August 2015	21,963,914	5,568,055	248,930	756,033	95,617	25,000	-	28,657,549
Depreciation								
At 1 September 2014	1,640,946	-	22,482	133,369	8,404	11,979	-	1,817,180
Charged in year	529,574	105,271	62,679	303,202	7,380	6,250	-	1,014,356
Disposals	-	-	-	-	(10)	-	-	(10)
At 31 August 2015	2,170,520	105,271	85,161	436,571	15,774	18,229	-	2,831,526
Net book values								
At 31 August 2015	19,793,394	5,462,784	163,769	319,462	79,843	6,771	-	25,826,023
At 31 August 2014	16,338,069	-	144,474	106,615	63,449	13,021	3,629,831	20,295,459

The Trust's transactions relating to land and buildings included:

- The taking up of a leasehold on Broken Cross Primary Academy and Nursery for 125 years at no cost
- The taking up of a leasehold on Nether Alderley Primary School for 125 years at no cost
- The Winsford Academy is currently occupied under licence but will be transferred to the Trust at some point during the next academic year under a leasehold arrangement

Freehold land and buildings includes freehold land of £3,930,000 (2014 - £3,930,000) which is not depreciated.

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

13 Stock

	2015	2014
	£	£
Fuel	6,221	9,725
Catering	4,393	1,089
Resources	6,333	1,792
Uniform	5,810	-
	<u>22,757</u>	<u>12,606</u>

14 Debtors

	2015	2014
	£	£
Trade debtors	102,318	33,521
Other debtors	609,181	48,265
VAT recoverable	212,828	582,428
Prepayments	285,436	175,373
	<u>1,209,763</u>	<u>839,587</u>

15 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	329,907	306,960
Taxation and social security	209,100	111,235
Other creditors	233,271	110,187
Accruals and deferred income	712,768	538,419
	<u>1,485,046</u>	<u>1,066,801</u>

Deferred income

	2015	2014
	£	£
Deferred Income at 1 September 2014	253,114	230,412
Resources deferred in the year	157,028	253,114
Amounts released from previous years	(253,114)	(230,412)
Deferred Income at 31 August 2015	<u>157,028</u>	<u>253,114</u>

Deferred income at 31 August 2015 is made up of the following elements:

	2015	2014
		£
Trips, visits and other activities to take place in next academic year:	126,956	156,704
Teaching School activity deferred income	-	17,972
Academy conversion grants	-	33,438
School capacity grant	-	45,000
Nursery payment from CEC Broken Cross	13,490	-
UIFSM provisional payment	5,487	-
UIFSM provisional payment Nether Alderley	11,095	-
	<u>157,028</u>	<u>253,114</u>

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

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	167,376	13,568,053	(13,419,247)	(239,854)	76,328
Start up Grant (SUG)	-	756,738	(329,993)	-	426,745
SEN/IPF Funding from Local Authority	-	297,380	(297,380)	-	-
WRAP funding from LA	-	20,000	(20,000)	-	-
Other DfE/EFA grants	-	1,230,421	(1,230,421)	-	-
Other restricted income	-	656,815	(656,815)	-	-
Trips, visits and other activities	19,579	495,969	(488,626)	-	26,922
Other general grants	-	158,673	(158,673)	-	-
Capital Grant from the LA	-	-	(5,600)	5,600	-
ACMF grant	-	-	(2,965)	2,965	-
Total restricted general fund before pension reserve	186,955	17,184,049	(16,609,720)	(231,289)	529,995
Pension reserve	(1,531,000)	(2,023,000)	(178,000)	107,000	(3,625,000)
Total restricted general fund after pension reserve	(1,344,045)	15,161,049	(16,787,720)	(124,289)	(3,095,005)
	£	£	£	£	£
Restricted fixed asset funds					
Formula Capital	154,727	63,258	(15,006)	-	202,979
Capital Grant from LA	-	5,600	-	(5,600)	-
ACMF grant	5,158,946	103,769	(173,533)	(2,965)	5,086,217
Capital expenditure from GAG	562,793	-	(82,359)	239,854	720,288
Capital expenditure from other unrestricted reserves	-	-	-	22,940	22,940
Capital expenditure from other Government grants	8,435	-	(368)	-	8,067
Legacy School donated assets	14,531,574	5,997,004	(743,080)	5,000	19,790,498
Total restricted fixed asset funds	20,416,475	6,169,631	(1,014,346)	259,229	25,830,989
Total restricted funds	19,072,430	21,330,680	(17,802,066)	134,940	22,735,984
Unrestricted funds	550,529	508,259	(76,563)	(27,940)	954,285
Total unrestricted funds	550,529	508,259	(76,563)	(27,940)	954,285
Total funds	19,622,959	21,838,939	(17,878,629)	107,000	23,690,269

Restricted General Funds: GAG and DfE relate to grants for the Academy's educational operations. SEN Funding from the Local Authority (LA) requires expenditure directly related to students with SEN statements/Individual Pupil Funding. Start Up Grant (SUG) was received by the Trust in respect of Winsford Academy and is intended to assist with restructuring costs and cash flow during restructuring. ACMF grant has been spent in accordance with the grant conditions and relates to increased site provision. A proportion of GAG has been spent on capital; therefore a transfer has been made from the restricted general fund to the restricted fixed asset fund to match the income against the expenditure. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

16 Funds (continued)

Analysis of Academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total Funds £
Broken Cross Primary Academy and Nursery	230,331
Fallibroome Academy	690,404
Nether Alderley Primary School	42,562
Winsford Academy	524,347
Central Services	(3,364)
Total before fixed assets and pension reserve	1,484,280
Restricted fixed asset fund	25,830,989
Pension reserve	(3,625,000)
	<u>23,690,269</u>

Analysis of Academies by cost

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Broken Cross Primary Academy and Nursery	420,200	66,638	9,662	113,995	610,495
Fallibroome Academy	5,779,626	649,715	172,641	1,939,943	8,541,925
Nether Alderley Primary School	294,337	39,878	16,592	143,513	494,320
Winsford Academy	5,043,508	637,748	93,939	905,237	6,680,432
Central Services	298,116	201,582	-	37,413	537,111
Academy Trust	11,835,787	1,595,561	292,834	3,140,101	16,864,283

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	25,826,023	25,826,023
Current assets	954,285	2,015,041	4,966	2,974,292
Current liabilities	-	(1,485,046)	-	(1,485,046)
Pension scheme liability	-	(3,625,000)	-	(3,625,000)
Total net assets	954,285	(3,095,005)	25,830,989	23,690,269

18 Capital commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	221,481	372,792

The contracted figures above include the final account on the Sixth Form accommodation, Catering Facilities and Administration infrastructure at the Fallibroome Academy. In addition it includes commitment to a full upgrade of the ICT infrastructure at the Fallibroome Academy.

19 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and Buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>-</u>	<u>-</u>
Other		
Expiring within one year	24,326	-
Expiring within two and five years inclusive	17,985	15,816
Expiring in over five years	-	-
	<u>42,311</u>	<u>15,816</u>

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

20 Reconciliation of net income to net cash inflow from operating activities

	2015 £	2014 £
Net income (from SOFA)	3,960,308	3,294,609
Depreciation (note 12)	1,014,346	511,786
Loss on disposal of tangible fixed asset	135	9,833
Capital grants from DfE	(172,627)	(3,756,932)
Donated Fixed Assets	(5,997,004)	-
Surplus on conversion	(194,658)	-
Non Cash LGPS deficit on conversion	2,023,000	-
Interest receivable (note 4)	(3,853)	(8,002)
FRS 17 pension cost less contributions payable (note 28)	83,000	53,000
FRS 17 pension finance income (note 28)	95,000	(3,000)
(Increase)/decrease in stocks	(10,151)	3,076
(Increase)/decrease in debtors	(370,177)	(550,564)
Increase/(decrease) in creditors	418,249	(187,191)
Net cash inflow/(outflow) from operating activities	845,568	(633,385)

21 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	3,853	8,002
Net cash inflow from returns on investment and servicing of finance	3,853	8,002

22 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(548,042)	(3,618,062)
Capital grants from DfE/EFA	172,627	3,735,572
Net cash outflow from capital expenditure and financial investment	(375,415)	117,510

23 Cash transfer on conversion to Academy Trust

	2015 £	2014 £
Funds received from the LA	194,658	-
	194,658	-

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Analysis of change in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	1,073,108	668,664	1,741,772
	<u>1,073,108</u>	<u>668,664</u>	<u>1,741,772</u>

25 Major non-cash transactions

During the year there have been non-cash transactions totalling £3,974,004, £5,997,004 relates to assets transferred and £2,023,000 to LGPS deficit transferred.

26 Conversions to an Academy Trust

On 1 September 2014, Broken Cross Primary Academy and Nursery and Nether Alderley Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Fallibroome Academy Trust Limited from the Cheshire East Local Authority for £nil consideration.

These transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as Net income in the Statement of Financial Activities as Voluntary income.

Broken Cross Primary Academy & Nursery

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Leasehold land and buildings	-	-	3,874,000	3,874,000
Other tangible fixed assets	-	-	3,188	3,118
Budget surplus on LA funds	150,845	-	-	150,845
Budget surplus on other school funds	-	-	-	-
LGPS pension deficit	-	(276,000)	-	(276,000)
Total net assets	<u>150,845</u>	<u>(276,000)</u>	<u>3,877,118</u>	<u>3,751,963</u>

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

Conversions to an Academy Trust (continued)

Nether Alderley Primary School

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Leasehold land and buildings	-	-	1,675,650	1,675,650
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	43,812	-	-	43,812
Budget surplus on other school funds	-	-	-	-
LGPS pension deficit	-	(100,000)	-	(100,000)
Total net assets	43,812	(100,000)	1,675,650	1,619,462

27 Transfers to an Academy Trust

On 1 September 2014, Winsford Academy transferred from E-ACT to The Fallibroome Trust. The occupation of the academy land and buildings is under licence arrangements within the terms of a Development Agreement between the Cheshire West & Chester Borough Council and E-ACT. This agreement was transferred through the provisions of a Deed of Novation between Chester West & Chester Borough Council, E-ACT and The Fallibroome Trust. All other operations, other tangible fixed assets and the pension liabilities were transferred from E-ACT to Fallibroome. The Academy joined the Trust with a £nil balance.

Winsford Academy

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Leasehold land and buildings	-	-	-	-
Other tangible fixed assets	-	-	444,236	444,236
Budget surplus on LA funds	-	-	-	-
Budget surplus on other school funds	-	-	-	-
LGPS pension deficit	-	(1,647,000)	-	(1,647,000)
Total net assets	-	(1,647,000)	444,236	(1,202,764)

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

28 Contingent Liabilities

Following the restructuring of the teaching and support staff at the Winsford Academy, the resulting pay protection arrangements mean a contingent liability to a maximum of £512,535. Support Staff pay protection will cease in April 2016 for most staff - liability £51,803 and Teaching Staff in August 2018 – liability £460,732. This is a worst case as some individuals on pay protection may leave the establishment and be replaced by individuals paid at rates mirroring the School Teachers' Pay and Conditions Document as is the case elsewhere in other schools within the Trust.

29 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 an amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

30 Pension and Similar Obligations

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

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

Contributions amounting to £182,587 (2014: £103,219) were payable to the schemes at 31 August 2015 and are included within creditors.

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £980,771 (2014: £508,685).

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

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

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £821,000 (2014: £356,000), of which employer's contributions totalled £654,000 (2014: £278,000) and employees' contributions totalled £167,000 (2014: £78,000). The agreed contribution rates for the future are currently 22.1% - 25.3% for employers and in the range of 5.5 – 8.5% for employees depending on their contribution banding.

As described in notes 26 and 27 the LGPS obligation relates to the employees of the Academy Trust, who were employees transferred at the point of conversion from the maintained schools and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.50 - 3.60%	3.50%
Rate of increase for pensions in payment / inflation	2.60 - 2.70%	2.70%
Discount rate for scheme liabilities	3.70 - 3.8%	3.70%
Inflation assumption (CPI)	2.59%	2.70%
Commutation of pensions to lump sums	75%	75%

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

	Change in assumptions at the period ended August 2015		Change in assumptions at the period ended August 2014	
	Approximate % increase to Employer Liability	Approximate monetary amount (£000)	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumptions at the period ended 31 August 2015				
0.5% decrease in real discount rate	11-14 %	20 - 563	14%	481
1 year increase in member life expectancy	3 %	6 - 131	3%	102
0.5% increase in salary increase rate	4 - 8 %	8 - 306	8%	259
0.5% increase in pension increase rate	6 - 7 %	12 - 314	6%	207

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.7	26.7

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	3.70 - 3.80%	3,176,000	6.30%	1,375,000
Bonds	3.70 - 3.80%	1,573,000	2.90%	264,000
Property	3.70 - 3.80%	487,000	4.50%	132,000
Cash	3.70 - 3.80%	188,000	3.30%	113,000
		5,424,000		1,884,000
Total market value of assets				
Present value of scheme liabilities				
- Funded		(9,049,000)		(3,415,000)
Deficit in the scheme		(3,625,000)		(1,531,000)

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

The actual return on scheme assets was £330,000 (2014: £300,000).

THE FALLIBROOME TRUST

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	<u>(737,000)</u>	<u>(331,000)</u>
Total operating charge	<u>(737,000)</u>	<u>(331,000)</u>

Analysis of pension finance income / (costs)

	£	£
Expected return on pension scheme assets	254,000	137,000
Interest on pension liabilities	<u>(308,000)</u>	<u>(134,000)</u>
Pension finance income / (costs)	<u>(54,000)</u>	<u>3,000</u>

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £1,787,000 loss (2014: Fallibroome Academy £955,000 loss, 2014: Winsford Academy £939,000 loss).

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

	2015 £	2014 £
At 1 September	3,415,000	2,723,000
Transfer in of liabilities	4,530,000	-
Current service cost	737,000	331,000
Interest cost	308,000	134,000
Employee contributions	167,000	78,000
Actuarial (gain)/loss	(30,000)	169,000
Benefits paid	(119,000)	(20,000)
Curtailments and settlements	41,000	-
At 31 August	<u>9,049,000</u>	<u>3,415,000</u>

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

	2015 £	2014 £
At 1 September	1,884,000	2,163,000
Transfer in of assets	2,507,000	-
Expected return on assets	254,000	137,000
Actuarial gain/(loss)	77,000	(752,000)
Employer contributions	654,000	278,000
Employee contributions	167,000	78,000
Benefits paid	<u>(119,000)</u>	<u>(20,000)</u>
At 31 August	<u>5,424,000</u>	<u>1,884,000</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £627,000 (2015: £329,000)

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The five year history of experience adjustments is as follows:

	2015 (£000)	2014 (£000)	2013 (£000)	2012 (£000)	2011 (£000)
Present value of defined benefit obligations	(9,049)	(3,415)	(2,723)	(2,217)	(1,515)
Fair value of share of scheme assets	5,424	1,884	2,163	1,609	1,193
Deficit in the scheme	<u>(3,625)</u>	<u>(1,531)</u>	<u>(560)</u>	<u>(608)</u>	<u>(322)</u>
Experience adjustments on share of scheme assets (£000)	77	(752)	165	45	-
Experience adjustments on share of scheme liabilities (£000)	15	(137)			

31 Related Party Transactions

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

No related party transactions took place in the period of account.