Registered number: 07346144

The Fallibroome Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020

DAINS
ACCOUNTANTS

The Fallibroome Trust
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members

GM Gorton
RD Hipperson
D Sidley
K Burns

Trustees

GM Gorton, Chair (from 1 October 2020)[1]
RD Hipperson, Chair (until 30 September 2020)[1]
AG Naylor[1]
J Brooks
V Meredith
P Cresswell
PW Rubery, Executive Principal/CEO & Accounting Officer
P Thornber
J Watkins
J Longman[1]
K Smith (appointed 1 September 2019)

[1] Audit & Remuneration Committee

Company registered number

07346144

Company name

The Fallibroome Trust

Principal and registered office

Priory Lane, Macclesfield, Cheshire, SK10 4AF

Company secretary

A Nuttall

Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Senior management team

A Edwards, Headteacher - Whirley Primary School
S Swinson, Headteacher - Adlington Primary School
CR Craven, Headteacher - Nether Alderley Primary School
A Harrison, Principal - The Winsford Academy (Until 31 May 2020)
G Evans, Principal - The Winsford Academy (From 1 June 2020)
FW Power, Headteacher - The Fallibroome Academy
PW Rubery, Executive Principal/CEO
M Shaw, Headteacher - Gawsworth Primary School
E Ransom, Headteacher - Upton Priory School
D Lewis, Headteacher - Broken Cross Primary Academy & Nursery
E Oneill, Headteacher - Eaton Bank Academy
S Pollard, Headteacher - Marlborough Primary School
E Whitehurst, COO

Independent auditors

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

Bankers

Barclays Bank PLC, 51 Mosley Street, Manchester, M60 2AU

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

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates 7 Primary and 3 Secondary Academies in Cheshire. Its academies have a combined pupil capacity of 5,802 and had a roll of 4,862 in summer 2020.

Structure, governance and management

a. Constitution

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

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

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

The charitable company is known as The Fallibroome Trust.

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

At 31 August 2020 The Fallibroome Trust was comprised as follows:

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

b. Members' liability

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

Structure, governance and management (continued)

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Directors depends on their existing experience. Where necessary training on charity, educational, legal and financial matters is offered. All new Directors meet with the CEO to share understanding of the Trust's vision and values and are offered a tour of the academies within the Academy Trust. 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.

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

- Understood the Trust's School Improvement and Business Plan priorities and how they support each school's improvement plan;
- Secured the relationships and exchange of best practice that will strengthen governance across the Trust;
- Contributed to the development of Trust strategy in light of the emerging national picture.

f. Organisational structure

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

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

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

Structure, governance and management (continued)

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

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

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

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

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

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

Paid trade union activities

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

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

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

The CEO of the Trust is a designated National Leader of Education. This is a role which has facilitated the Academy Trust to offer support and guidance to other educational establishments as requested. The Academy Trust leads the Silk Teaching School Alliance. It has secondary, primary, and higher education (HE) partners. The Alliance is directly accountable to the Department for Education (DfE) and is required to deliver agreed actions in areas such as Initial Teacher Training; School to School Support and Continuing Professional Development. The CEO meets with the Teaching School Director regularly and reports on activity against the Teaching School Development Plan to the Directors.

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

The Fallibroome Academy and its feeder primary schools form the Fallibroome Learning Community (FLC). Headteachers meet regularly to consider matters of transition and continuity.

Eaton Bank Academy is a member of the Congleton Education Community Partnership; a local education improvement partnership, and the Chimney House Alliance; a teaching school partnership.

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

The Trust takes its obligations to inform and consult with employees seriously and makes increasing use of technology to ensure that communication is effective and easy to access by all. The Trust shares all measures which may affect staff through the Headteacher network who cascade to their individual school teams and follow up with staff individually.

During the ongoing COVID-19 pandemic, the Trust surveyed staff to ask for feedback on the risk mitigation plans and measures which were to be implemented to comply with government guidance on COVID-secure workplaces. Staff were asked to give feedback – named and anonymous – about the plans and the impact on themselves as well as giving feedback on their personal wellbeing through electronic surveys.

The Trust actively builds awareness of the performance of its family of schools. The CEO updates all staff at the end of each term to inform colleagues of progress and achievements and follows this up on the Trust website and CEO blog.

To allow staff to monitor the Trust's financial and operational performance, the financial statements are posted on the Trust website annually.

The Trust adheres to its Single Equality Policy to ensure that it does not let decisions about recruitment, retention, training or promotions be affected by bias, conscious or unconscious.

k. Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust supports local businesses by allowing each school to maintain its own approved supplier list, fostering local relationships and rewarding good customer service, whilst also maintaining oversight and checks on value for money. Most schools have consistently paid the majority of suppliers in accordance with payment terms, including shorter terms for small and sole traders. During the Covid-19 summer lockdown period, staff in the Trust and its constituent schools worked pro-actively with suppliers to minimise the impact of partial closures on their short and medium term viability and continued to honour financial commitments where services had ceased or reduced, offset by furlough where applicable.

Each of the Trust's schools plays an active role in its community and many are involved in community initiatives. As an example: Eaton Bank Academy, supported the "Congleton Hydro" project, a small-scale hydro-electric scheme being developed on the River Dane by a local sustainability group, allowing it to run the cable across the school land to take green energy to a local factory and supporting its public relations activity. All three secondary schools also have established lettings arrangements, providing facilities to the community during evenings, weekends and school holidays. The schools have provided refunds to customers affected by partial closure.

Objectives and activities

a. Objects and aims

The Academy Trust's aims are:

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The Academy Trust's objectives are:

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

c. Public benefit

In setting our activities each year, we have had due regard to the Charity Commission's guidance on public benefit. The public benefit delivered by the Academy Trust is the provision of a high quality education to each of its students. The Academy Trust endeavours to ensure that this education is accessible to every child.

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

Strategic report

Achievements and performance

The Academy Trust key priorities are:-

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

The business strategies to achieve our aims are:-

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

(continued)

a. Key performance indicators

Pupil Numbers

Total students at the period end 31 August 2020 was 4,862 across the ten schools:

Establishment name	Number of Students	Capacity
Adlington Primary School	123	105
Broken Cross Primary Academy and Nursery	120	210
Eaton Bank Academy	865	1087
Fallibroome Academy	1,537	1,535
Gawsworth Primary School	208	210
Marlborough Primary School	375	420
Nether Alderley Primary School	108	105
Upton Priory School	354	420
Whirley Primary School	207	210
Winsford Academy	965	1,500

Primary Schools:

A full analysis of our schools' outcomes for 2018/19 are available on the DfE school performance website and remain the last formal measure of attainment. Due to Covid 19 children were not in school during Summer 2020 and no assessments took place. Prior to school closure our Primary Development Plan 2019 – 20 had focused on improving practice and outcomes in Year 1. Our Year 1 teachers had received training and coaching from an English specialist and there was evidence of good impact. We are optimistic of the impact of this on phonics during 2020-21 and Key Stage 1 results post Covid catch up.

Primary colleagues have also supported one another in curriculum reviews and development considering the change in OFTSED focus. A programme of work led by our local Research School focused on developing children's metacognition and self-regulation strategies to support them in knowing more and remembering more over time. The programme also supported our teams in understanding how to become more evidence based in their practice. Development of these skills stand our teachers in good stead for supporting pupil catch up following school closures towards the end of 2019 – 20. Due to Covid, the programme will be completed during 2020-21 and approaches learnt will continue to be embedded in practice.

Two of our primaries, Broken Cross and Upton Priory have worked in collaboration with the Fallibroome Academy to support attendance for a small pocket of hard to reach families. These were cases where there were siblings involved across the schools. They worked with Cheshire East Early Help teams to further explore avenues for support. They also considered further enhancing transition of very challenging families, working closely with the pastoral team at The Fallibroome Academy. Due to Covid the full impact of this work is yet to be seen and is to be further explored during the year ahead.

Secondary Schools

KS4 and 5 outcomes are normally reported to Trustess annually and compared to national benchmarks.

Following the impact of COVID 19 and part closure of schools from March to August 2020, exams were suspended by the DfE and schools advised to calculate Centre Assessed Grades in line with advice from Ofqual. Trustees approved secure quality assurance protocols that ensured calculated outcomes were largely in line with previous performance at KS4&5. Students received their results in August 2020 and progressed to the next stage of their education/employment as planned. Following national guidance and local agreements results will not be published this year.

(continued)

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Promoting the success of the company

The Directors recognise their obligations to promote the long term success of the Trust, protecting its local, regional and national reputation, and ensuring the highest standards of integrity and fairness in the relationships between schools, staff and business partners alike. It achieves engagement with stakeholders through:

- Maintaining a 'high autonomy' scheme of delegation, allowing schools to maintain local relationships and to be at the heart of their communities.
- Using the Trust website and staff intranet for external and internal communications.
- Maintaining broad and dispersed leadership, with local governing bodies for all schools and including all the schools' Headteachers in the Trust's senior management team.
- Ensuring headteachers are fully empowered in budget setting for their schools and engaged in the Trust's policy drafting process.
- Regular surveys to capture direct feedback from Trust staff.
- Assessing the impact of SLE and NLE work delivered by The Trust.

All Headteachers and managers have unlimited access to an experienced HR Lead, supported by a legal retainer. Policies, including the whistle blowing policy, are communicated through efficient electronic means to all staff.

The Fallibroome Trust values of Trust, Respect and Optimism are promoted through staff induction and CEO blogs and vlogs, as well as being consistently reinforced by the wider Trust leadership.

There is an annual conference for governors and all school leaders and governors have access to advice and guidance through online subscriptions. One of the Directors is also a National Leader of Governance.

d. Financial review

The Academy Trust's overarching financial objectives are:

- Ensure economy efficiency and effectiveness over the use of Trust Funds (value for money).
- Assurance received that annual financial accounts have been properly prepared and are free of material misstatements.
- Accounts filed with Companies House for public access by 31 December each year and on the Trust website by 31 January of the following year.
- All statutory returns submitted on time.
- Staffing costs capped at 80% of total Trust income.
- Alternative sources of funding are pursued, consistent with the Trust's core competencies.
- Sufficient levels of income are generated to support the asset base of the Trust.
- Sources of funding pursued for capital development projects.

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

(continued)

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

During the period ended 31 August 2020 total expenditure (excluding depreciation and FRS 102 pension adjustments) of £27,482,800 was covered by grant funding from the ESFA together with other incoming resources. At 31 August 2020, the net book value of fixed assets was £52,041,732. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

8 out of 10 schools achieved a positive variance against budget during 2019-20, with the same number achieving positive in year movement and therefore adding to their general reserves. No school or cost centre was carrying an overall revenue deficit at the end of the year, an improvement on 2018-19.

a. Reserves policy

Each school is required to maintain at a minimum in general reserves of least 3% of the school's General Annual Grant (GAG). Beyond this minimum threshold, there is an aspiration that each school should work towards a general reserves balance of 5%. These levels are reviewed annually by the Board. If in-year deficits result in a school falling below the 3% threshold, they are required to set resources aside in the following next year's to restore it. Exceptionally, where the size of the short fall is large, the local governing body may propose to the Trust Board that it is restored over more than one year. Each year's budget for each school includes a review of what changes would be required to achieve the 5% level and assessment of the relative financial and operational risks of increasing the reserves or maintaining the minimum level. If the level of reserves exceeds 8% the school's annual budget includes a justification for maintaining a higher level of reserves. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and pension reserve) is £2,774,819 (2019: £1,727,516).

b. Investment policy

All investments are recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. Where investments take place these are subject to Local Governing Body approval and oversight, along with the necessary segregation of duties.

c. Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed and have a comprehensive, and recently updated risk register. The Directors have established appropriate policies and procedures to mitigate the risks that each school faces. Robust policies are in place at all schools such as performance management, educational achievement assessment and monitoring, safer recruitment practices and internal finance controls.

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

(continued)

All financial systems, procedures and internal controls are subject to on going review at senior management level as part of the day to day management of each school, the Academy Trust's internal audit service and through a central programme of internal scrutiny. In respect of financial risk, a system of internal control has been established and Directors continually review financial procedures and controls as necessary.

The principal risks identified during the 2019-20 year include the Covid-19 pandemic, with associated risk to health, wellbeing and educational attainment, risk of insufficient reserves, particularly in the smallest primary schools, changes to the National Teaching School structure and loss of associated funding for The Fallibroome Academy, an IT infrastructure risk at The Fallibroome Academy and a succession planning risk in Executive leadership.

These risks are being mitigated in a number of ways:

- Intensive support for all schools during the Covid-19 pandemic, including weekly briefing notes, weekly headteacher video meetings and detailed mitigation planning and a Trust-led risk assessment. Trust-led wellbeing monitoring and strategy. Trust-led digital/blended learning strategy. Development of school-specific catchup plans.
- Close monitoring and oversight of schools' financial performance. 5 year forecasts. Internal scrutiny of income and expenditure. Director-led support in connection with the smallest school: Nether Alderley, which returned to a surplus position in 2019-20 from a deficit in 2018-19.
- Collaboration with local partners in pursuing future Teaching School role and planning to enable continued system leadership' locally.
- Investment in ICT infrastructure at The Fallibroome Academy, detailed planning and budget allowances made for server replacements.
- Director-led support for succession planning. Development of Headteacher involvement in Trust-wide activities.

Fundraising

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

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

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

The Covid-19 pandemic has impacted on the ability of the schools for letting facilities and the After school clubs and Nurseries. This was managed through access to the Coronavirus Job retention Scheme (CJRS), which provided funding towards the cost of staff paid from these private income streams.

Fundraising is carried out separately at Schools across the Academy Trust. The funds raised are collected and banked separately from Academy accounts but is donated to purchase specific items for individual schools. Fundraising activities include events such as summer and Christmas Fairs, quizzes and film nights.
During 2019-20 there have been no fundraising complaints.

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

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	6,081,956.85
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	744.01
Gas oil consumption	172.26
Owned transport – mini-buses and car	9.22
Total scope 1	925.48
Scope 2 emissions in metric tonnes	
CO2e Purchased electricity	431.56
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	2.99
Total gross emissions in metric tonnes CO2e	1360.04
Intensity ratio	
Tonnes CO2e per pupil	0.28

Quantification and Reporting Methodology:-
We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- The Trust has adopted Microsoft Teams and is holding more meetings online so reducing the amount of business miles being carried out in the running of the Trust.
- The main heating boiler at Adlington Primary has been renewed and the fuel source changed at the same time from Gas Oil to Natural Gas. This should improve efficiency as well as being a cleaner energy source.
- We have rewired one teaching block at Eaton Bank Academy, as part of this all the lighting has been changed from old fluorescent fittings to efficient LED ones.
- The roof has been replaced at Gawsworth Primary School, as part of this work the roof insulation has been increased. This should reduce the heating energy requirements for the coming years.

Streamlined energy and carbon reporting (continued)

Plans for future periods

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

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



GM Gorton
Chair of Trustees

Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
GM Gorton, Chair (from 1 October 2020)	7	8
RD Hipperson, Chair (until 30 September 2020)	6	8
AG Naylor	7	8
J Brooks	8	8
V Meredith	8	8
P Cresswell	8	8
PW Rubery, Executive Principal/CEO & Accounting Officer	8	8
P Thornber	8	8
J Watkins	0	8
J Longman	6	8
K Smith	6	8

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

Governance (continued)

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
GM Gorton	2	2
RD Hipperson	1	2
AG Naylor	2	2
J Longman	2	2

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year and reports to the board of 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:

- Renegotiation of central contracts, to achieve discounts on services and subscriptions. During 2019-20 new central contracts were agreed for SEN provision mapping software, recruitment services, safeguarding training, governance support and health and safety management software.
- The Academy Trust has tendered and project managed SCA works, ensuring value for money was achieved and all projects were delivered within the funding available.
- Printing and copying contracts have been re-tendered for the Winsford Academy, including central government framework options.
- New lettings software has been procured jointly by two schools to achieve a bulk buying discount.
- Incorporation of one secondary school and one primary school into the Trust has allowed one senior support post to be removed from one of the schools and a later reduction in senior support staff hours at the other, minimising the financial burden of the topslice.
- Collaboration between schools, particularly during the Covid-19 pandemic has enabled maximum value to be achieved from individual efforts, by sharing resources, training and precedent letters and policies.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Fallibroome Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The Board of Directors has appointed Dains LLP to carry out Internal system checks in the 2019-20 financial year, which took place in the Summer term. The areas of testing covered the Manual of Financial Procedures and Financial Reporting. Payroll was also due to be covered but this was interrupted by the Covid-19 Pandemic. No material control issues were raised as a result of the internal scrutiny work.

In line with the revised FRC Ethical Standards, the Board has reviewed its internal audit arrangements and determined that, with effect from 1st September 2020, separate organisations shall be deployed for internal and external audit.

During the Covid-19 Pandemic new procedures were implemented to enable ongoing central scrutiny, including a move to electronic record keeping with oversight from the Central Finance team, particularly for bank reconciliations and payroll. Schools were also given urgent priority advice on steps to identify and prevent fraud.

Governance Statement (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:

GM Gorton
Chair of Trustees

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 Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

Mr P Rubery
Accounting Officer
Date: 15 December 2020

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

GM Gorton
Chair of Trustees
Date: 15 December 2020

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

Opinion

We have audited the financial statements of The Fallibroome Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

Statutory Auditor
Chartered Accountants

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

15 December 2020

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

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Fallibroome Trust during the year 1 September 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Fallibroome Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Fallibroome Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Fallibroome Trust's funding agreement with the Secretary of State for Education dated 25 August 2010 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

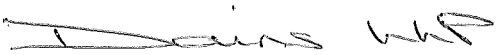
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

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

Date: 15 December 2020

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:						
Donations and capital grants:	3					
Transfer from Single Academy Trust on joining Multi Academy Trust		295,536	(3,335,000)	16,538,636	13,499,172	-
Other donations and capital grants		46,688	-	1,783,457	1,830,145	*852,971*
Charitable activities	4	21,605	26,798,962	-	26,820,567	*19,300,846*
Teaching schools		-	56,300	-	56,300	*89,738*
Other trading activities	5	305,820	1,035,996	-	1,341,816	*1,028,026*
Investments	6	5,841	-	-	5,841	*4,332*
Total income		675,490	24,556,258	18,322,093	43,553,841	*21,275,913*
Expenditure on:						
Raising funds	7	62,577	811,563	-	874,140	*582,862*
Charitable activities	8	83,525	27,696,856	1,600,586	29,380,967	*21,283,458*
Teaching schools	32	-	56,279	-	56,279	*63,725*
Total expenditure		146,102	28,564,698	1,600,586	30,311,386	*21,930,045*
Net income/ (expenditure)		529,388	(4,008,440)	16,721,507	13,242,455	*(654,132)*
Transfers between funds	19	(187,240)	125,595	61,645	-	-
Net movement in funds before other recognised gains/(losses)		342,148	(3,882,845)	16,783,152	13,242,455	*(654,132)*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	275,000	-	275,000	*(2,537,000)*
Net movement in funds		342,148	(3,607,845)	16,783,152	13,517,455	*(3,191,132)*

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Reconciliation of funds:					
Total funds brought forward	**1,357,751**	**(8,006,235)**	**35,992,385**	**29,343,901**	*32,535,033*
Net movement in funds	**342,148**	**(3,607,845)**	**16,783,152**	**13,517,455**	*(3,191,132)*
Total funds carried forward	**1,699,899**	**(11,614,080)**	**52,775,537**	**42,861,356**	*29,343,901*

The notes on pages 31 to 67 form part of these financial statements.

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

Balance Sheet
As at 31 August 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	14		**52,041,732**		*35,490,753*
			52,041,732		*35,490,753*
Current assets					
Stocks	15	**13,145**		*15,624*	
Debtors	16	**1,215,874**		*816,465*	
Cash at bank and in hand		**4,611,339**		*3,122,532*	
		5,840,358		*3,954,621*	
Creditors: amounts falling due within one year	17	**(2,192,079)**		*(1,617,952)*	
Net current assets			**3,648,279**		*2,336,669*
Total assets less current liabilities			**55,690,011**		*37,827,422*
Creditors: amounts falling due after more than one year	18		**(139,655)**		*(107,521)*
Net assets excluding pension liability			**55,550,356**		*37,719,901*
Defined benefit pension scheme liability	27		**(12,689,000)**		*(8,376,000)*
Total net assets			**42,861,356**		*29,343,901*
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	19	**52,775,537**		*35,992,385*	
Restricted income funds	19	**1,074,920**		*369,765*	
Restricted funds excluding pension asset	19	**53,850,457**		*36,362,150*	
Pension reserve	19	**(12,689,000)**		*(8,376,000)*	
Total restricted funds	19		**41,161,457**		*27,986,150*
Unrestricted income funds	19		**1,699,899**		*1,357,751*
Total funds			**42,861,356**		*29,343,901*

Balance Sheet (continued)
As at 31 August 2020

The financial statements on pages 26 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



GM Gorton
Chair of Trustees
Date: 15 December 2020

The notes on pages 31 to 67 form part of these financial statements.

The Fallibroome Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £	*2019 £*
Cash flows from operating activities			
Net cash provided by operating activities	21	**691,940**	*478,465*
Cash flows from investing activities	23	**819,428**	*(146,208)*
Cash flows from financing activities	22	**(22,561)**	*(13,929)*
Change in cash and cash equivalents in the year		**1,488,807**	*318,328*
Cash and cash equivalents at the beginning of the year		**3,122,532**	*2,804,204*
Cash and cash equivalents at the end of the year	24, 25	**4,611,339**	*3,122,532*

The notes on pages 31 to 67 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction *2019* to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

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

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

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

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

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

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

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

1. Accounting policies (continued)

1.4 Expenditure

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

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

1.8 Stocks and work in progress

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Operating leases

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Long term leasehold land and buildings - Marlborough Primary School
The long term leasehold land and buildings within the accounts relate to the academy premises which were donated to the academy trust on transfer from the Mulberry Academy Trust on a long term lease. The long term land and buildings were valued using the ESFA valuation. These are being depreciated in accordance with the accounting policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market value.

Long term leasehold land and buildings - Eaton Bank Academy
The long term leasehold land and buildings within the accounts relate to the academy premises which were donated to the academy trust on transfer from the Eaton Bank Academy on a long term lease. The long term leasehold buildings were valued using the ESFA valuation. The long term leasehold land has been valued by the trustees. In arriving at the fair value for the long term leasehold land the trustees have taken into consideration valuations of land at the other schools in the trust that have been provided by the District Valuer Services (DVS), as noted below. These are being depreciated in accordance with the accounting policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market value.

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Transfer from Single Academy Trust on joining Multi Academy Trust (see note 31)	295,536	(3,335,000)	16,538,636	**13,499,172**	-
	295,536	(3,335,000)	16,538,636	**13,499,172**	-
Donations	46,688	-	-	**46,688**	*90,786*
Devolved formula capital allocations	-	-	114,166	**114,166**	*266,902*
Schools condition allocation	-	-	978,673	**978,673**	*495,283*
Other capital grants	-	-	690,618	**690,618**	-
	46,688	-	1,783,457	**1,830,145**	*852,971*
	342,224	(3,335,000)	18,322,093	**15,329,317**	*852,971*
Total 2019	*90,786*	-	*762,185*	*852,971*	

4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
DfE/ESFA grants				
General annual grant (GAG)	-	22,284,843	**22,284,843**	*16,534,457*
Other DfE/ESFA grants	-	1,644,690	**1,644,690**	*511,306*
Pupil premium	-	948,302	**948,302**	*760,288*
	-	24,877,835	**24,877,835**	*17,806,051*
Other government grants				
SEN funding	-	730,068	**730,068**	*454,405*
Nursery grant funding	-	207,533	**207,533**	*202,456*
Other local authority grants	-	176,312	**176,312**	*112,312*
	-	1,113,913	**1,113,913**	*769,173*
Other funding				
Catering income	21,605	472,865	**494,470**	*699,769*
Exam income	-	15,834	**15,834**	*15,934*
Medical needs income	-	8,864	**8,864**	*9,919*
Eramus project	-	12,056	**12,056**	-
Stem Contract	-	172,310	**172,310**	-
	21,605	681,929	**703,534**	*725,622*
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	125,285	**125,285**	-
	21,605	26,798,962	**26,820,567**	*19,300,846*
Total 2019	*11,984*	*19,288,862*	*19,300,846*	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its after school club, lettings and catering staff under the government's CJRS. The funding received of £125,285 relates to staff costs in respect of staff which are included within note 10 below as appropriate.

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Trips, visits and other activities	-	747,893	**747,893**	*536,108*
Hire of facilities	129,194	-	**129,194**	*148,050*
Income from staff deployment	18,105	13,364	**31,469**	*30,224*
Initial teacher training	17,815	-	**17,815**	*25,295*
Uniform	2,033	-	**2,033**	*3,799*
Insurance income	-	22,085	**22,085**	*5,083*
Other income	138,673	57,805	**196,478**	*119,439*
After school income	-	194,849	**194,849**	*160,028*
	305,820	1,035,996	**1,341,816**	*1,028,026*
Total 2019	*319,781*	*708,245*	*1,028,026*	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Short term deposits	5,841	**5,841**	*4,332*
Total 2019	*4,332*	*4,332*	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	*Total 2019 £*
Expenditure on fundraising trading activities:					
Direct costs	101,347	-	772,793	**874,140**	*582,862*
Educational operations:					
Direct costs	19,388,829	-	1,795,013	**21,183,842**	*15,262,475*
Support costs	4,112,210	1,982,481	2,102,434	**8,197,125**	*6,020,983*
Teaching school	41,857	-	14,422	**56,279**	*63,725*
	23,644,243	1,982,481	4,684,662	**30,311,386**	*21,930,045*
Total 2019	*16,650,024*	*2,007,573*	*3,272,448*	*21,930,045*	

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Educational operations	21,183,842	8,197,125	**29,380,967**	*21,283,458*
Total 2019	*15,262,475*	*6,020,983*	*21,283,458*	

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	*Total funds 2019 £*
Staff costs	**19,388,829**	*13,805,729*
Depreciation	**303,394**	*122,287*
Vocational courses	**39,277**	*63,217*
Technology	**384,327**	*351,756*
Educational supplies	**437,134**	*402,240*
Examination fees	**214,742**	*232,151*
Staff development	**79,938**	*75,051*
Specialist educational providers	**283,013**	*143,946*
Other direct costs	**53,188**	*66,098*
	21,183,842	*15,262,475*

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	*Total funds 2019 £*
LGPS adjustment	**224,000**	*154,000*
Staff costs	**4,112,210**	*2,742,559*
Depreciation	**1,296,868**	*888,940*
Technology	**122,293**	*74,979*
Recuitment and support	**36,177**	*31,268*
Maintenance of premises and equipment	**260,892**	*255,065*
Other occupancy costs	**704,293**	*524,913*
Administration and bursarial	**259,486**	*240,975*
Cleaning	**171,701**	*159,514*
Rent and rates	**161,018**	*137,322*
Insurance	**136,545**	*115,436*
Transport	**94,829**	*50,002*
Catering costs	**549,210**	*590,220*
Other support costs	**14,185**	*16,875*
Governance costs	**53,419**	*38,915*
	8,197,125	*6,020,983*

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	*2019 £*
Operating lease rentals	**31,197**	*18,131*
Depreciation of tangible fixed assets	**1,600,586**	*1,010,860*
Fees paid to auditors for:		
- audit	**23,500**	*23,500*
- other services	**6,550**	*6,550*

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	16,905,022	12,522,681
Social security costs	1,631,897	1,196,188
Pension costs	4,737,393	2,685,246
	23,274,312	16,404,115
Agency staff costs	369,931	245,909
	23,644,243	16,650,024

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	283	217
Administration and support	388	284
Management	45	31
	716	532

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	*2019* *No.*
In the band £60,001 - £70,000	9	*6*
In the band £70,001 - £80,000	3	*1*
In the band £80,001 - £90,000	1	*1*
In the band £90,001 - £100,000	-	*1*
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	*1*

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,182,978 *(2019 £824,676)*.

11. Central services

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

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

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

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

The actual amounts charged during the year were as follows:

	2020 £	*2019* *£*
Adlington Primary School	**25,178**	*24,915*
Broken Cross Primary Academy & Nursery	**27,856**	*24,417*
Nether Alderley Primary School	**23,387**	*21,508*
Falibroome Academy	**351,208**	*338,469*
Gawsworth Primary School	**41,027**	*40,413*
Whirley Primary School	**39,185**	*38,495*
Winsford Academy	**259,386**	*254,766*
Upton Priory School	**66,223**	*66,622*
Eaton Bank Academy	**206,447**	-
Marlborough Primary School	**66,209**	-
Total	**1,106,106**	*809,605*

12. Trustees' remuneration and expenses

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

		2020	*2019*
		£	*£*
P W Rubery	Remuneration	**110,000 - 115,000**	*125,000 - 130,000*
	Pension contributions paid	**Nil**	*Nil*

During the year ended 31 August 2020, expenses totalling £1,315 were reimbursed or paid directly to 1 Trustee *(2019 - £962 to 1 Trustee).*

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment and technology equipment £	Motor vehicles £	Specialist equipment £	Total £
Cost or valuation							
At 1 September 2019	22,214,185	18,161,431	312,004	1,294,630	54,249	184,611	42,221,110
Additions	155,296	1,493,528	30,135	149,060	15,494	10,859	1,854,372
On transfer from existing academy	-	16,007,433	119,984	170,100	-	-	16,297,517
Disposals	-	-	-	(8,423)	(25,000)	-	(33,423)
At 31 August 2020	22,369,481	35,662,392	462,123	1,605,367	44,743	195,470	60,339,576
Depreciation							
At 1 September 2019	4,314,374	1,033,220	264,294	1,003,627	42,511	72,331	6,730,357
Charge for the year	558,378	661,089	57,742	271,591	9,197	42,589	1,600,586
On disposals	-	-	-	(8,099)	(25,000)	-	(33,099)
At 31 August 2020	4,872,752	1,694,309	322,036	1,267,119	26,708	114,920	8,297,844

14. Tangible fixed assets (continued)

	Freehold land and buildings £	Leasehold land and buildings £	Furniture and equipment £	Computer equipment and technology equipment £	Motor vehicles £	Specialist equipment £	Total £
Net book value							
At 31 August 2020	**17,496,729**	**33,968,083**	**140,087**	**338,248**	**18,035**	**80,550**	**52,041,732**
At 31 August 2019	*17,899,811*	*17,128,211*	*47,710*	*291,003*	*11,738*	*112,280*	*35,490,753*

14. Tangible fixed assets (continued)

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

Freehold land and buildings includes freehold land of £3,930,000 (2019 - £3,930,000) which is not depreciated.

15. Stocks

	2020 £	*2019* *£*
Fuel	**9,169**	*8,335*
Catering	**1,081**	*3,981*
Resources	**2,895**	*2,976*
Uniform	**-**	*332*
	13,145	*15,624*

16. Debtors

	2020 £	*2019* *£*
Due within one year		
Trade debtors	**247,145**	*100,144*
Other debtors	**472,886**	*224,048*
Prepayments and accrued income	**286,839**	*302,276*
VAT recoverable	**209,004**	*189,997*
	1,215,874	*816,465*

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	**26,144**	*17,839*
Trade creditors	**424,676**	*397,550*
Other taxation and social security	**360,872**	*281,275*
Other creditors	**586,293**	*332,147*
Accruals and deferred income	**794,094**	*589,141*
	2,192,079	*1,617,952*

	2020 £	2019 £
Deferred income at 1 September	**381,320**	*289,452*
Resources deferred during the year	**153,622**	*381,320*
Amounts released from previous periods	**(381,320)**	*(289,452)*
	153,622	*381,320*

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

Included within other loans are Salix loans totalling £26,144 (2019 - £17,839), no interest is charged on the loan balances which are repayable over 8 years.

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

	2020 £	2019 £
Other loans	**139,655**	*107,521*

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

	2020 £	2019 £
Repayable by instalments	**20,056**	*36,214*
	20,056	*36,214*

Included within other loans are Salix loans totalling £139,655 (2019 - £107,521), no interest is charged on the loan balances which are repayable over 7 years.

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,357,751	675,490	(146,102)	(187,240)	-	1,699,899
Restricted general funds						
General Annual Grant (GAG)	262,077	22,284,843	(21,830,318)	125,616	-	842,218
SEN/IPF Funding from Local Authority	-	730,068	(730,068)	-	-	-
Other DfE/ESFA grants	17,326	1,644,690	(1,644,690)	-	-	17,326
Other restricted income	51,352	1,504,162	(1,383,713)	-	-	171,801
Pupil premium	-	948,302	(948,302)	-	-	-
Trips, visits and other activities	39,010	747,893	(743,328)	-	-	43,575
Teaching school	-	56,300	(56,279)	(21)	-	-
Pension reserve	(8,376,000)	(3,360,000)	(1,228,000)	-	275,000	(12,689,000)
	(8,006,235)	24,556,258	(28,564,698)	125,595	275,000	(11,614,080)

19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
DfE Group capital grants	6,319,875	1,783,457	(372,891)	-	-	7,730,441
Capital expenditure from restricted and unrestricted funds	814,987	-	(82,990)	61,645	-	793,642
Legacy school donated assets	28,857,523	16,538,636	(1,144,705)	-	-	44,251,454
	35,992,385	18,322,093	(1,600,586)	61,645	-	52,775,537
Total Restricted funds	27,986,150	42,878,351	(30,165,284)	187,240	275,000	41,161,457
Total funds	29,343,901	43,553,841	(30,311,386)	-	275,000	42,861,356

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

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

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

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

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	*2019 £*
Adlington Primary School	**99,099**	*97,194*
Broken Cross Primary Academy & Nursery	**210,223**	*133,408*
Fallibroome Academy	**459,176**	*259,341*
Gawsworth Primary School	**47,067**	*42,219*
Nether Alderley Primary School	**8,297**	*(13,938)*
Upton Priory School	**296,440**	*332,525*
Whirley Primary School	**104,785**	*109,672*
Winsford Academy	**856,587**	*772,287*
Eaton Bank Academy	**379,679**	-
Marlborough Primary School	**286,376**	-
Central Services	**27,090**	*(5,192)*
Teaching school	**-**	-
Total before fixed asset funds and pension reserve	**2,774,819**	*1,727,516*
Restricted fixed asset fund	**52,775,537**	*35,992,385*
Pension reserve	**(12,689,000)**	*(8,376,000)*
Total	**42,861,356**	*29,343,901*

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	*Total 2019 £*
Adlington Primary School	444,360	72,135	8,410	96,398	**621,303**	*624,098*
Broken Cross Primary Academy & Nursery	734,239	97,789	3,454	142,537	**978,019**	*803,938*
Fallibroome Academy	6,175,491	863,225	136,528	1,478,806	**8,654,050**	*8,078,796*
Gawsworth Primary School	653,556	107,462	17,743	200,526	**979,287**	*992,196*
Nether Alderley Primary School	385,798	47,417	6,141	115,022	**554,378**	*581,110*
Upton Priory School	1,458,864	276,295	12,943	211,065	**1,959,167**	*1,822,670*
Whirley Primary School	661,793	139,021	18,213	145,777	**964,804**	*936,065*
Winsford Academy	4,238,371	1,177,173	133,084	747,594	**6,296,222**	*5,987,062*
Eaton Bank Academy	3,293,918	589,774	84,912	861,933	**4,830,537**	-
Marlborough Primary School	1,200,104	276,030	15,706	228,542	**1,720,382**	-
Central Services	201,825	507,746	-	386,801	**1,096,372**	*1,028,158*
Teaching School	41,857	-	-	14,422	**56,279**	*64,725*
Academy trust	19,490,176	4,154,067	437,134	4,629,423	**28,710,800**	*20,918,818*

19. Statement of funds (continued)

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

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

19. Statement of funds (continued)

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	**Restricted funds 2020** £	**Restricted fixed asset funds 2020** £	**Total funds 2020** £
Tangible fixed assets	-	-	52,041,732	**52,041,732**
Current assets	1,699,899	3,406,654	733,805	**5,840,358**
Creditors due within one year	-	(2,192,079)	-	**(2,192,079)**
Creditors due in more than one year	-	(139,655)	-	**(139,655)**
Provisions for liabilities and charges	-	(12,689,000)	-	**(12,689,000)**
Total	1,699,899	(11,614,080)	52,775,537	**42,861,356**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

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

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

	2020 £	*2019* £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	**13,242,455**	*(654,132)*
Adjustments for:		
Depreciation	**1,600,586**	*1,011,227*
Loss on disposal of fixed assets	**324**	-
Capital grants from DfE and other capital income	**(1,830,145)**	*(762,185)*
Defined benefit pension scheme cost less contributions payable	**1,004,000**	*403,000*
Defined benefit pension scheme finance cost	**224,000**	*154,000*
Decrease in stocks	**2,479**	*7,003*
(Increase)/decrease in debtors	**(76,223)**	*29,223*
Increase in creditors	**29,476**	*294,661*
Dividends, interest and rents from investments	**(5,841)**	*(4,332)*
Assets transferred on joining the MAT	**(16,859,171)**	-
Non cash LGPS deficit on joining MAT	**3,360,000**	-
Net cash provided by operating activities	**691,940**	*478,465*

22. Cash flows from financing activities

	2020 £	*2019 £*
Repayments of borrowing	(22,561)	*(13,929)*
Net cash used in financing activities	**(22,561)**	*(13,929)*

23. Cash flows from investing activities

	2020 £	*2019 £*
Dividends, interest and rents from investments	5,841	*4,332*
Purchase of tangible fixed assets	(1,854,372)	*(912,725)*
Capital grants from DfE Group	1,674,959	*762,185*
Cash transferred on joining MAT	993,000	-
Net cash provided by/(used in) investing activities	**819,428**	*(146,208)*

24. Analysis of cash and cash equivalents

	2020 £	*2019 £*
Cash in hand	4,611,339	*3,122,532*
Total cash and cash equivalents	**4,611,339**	*3,122,532*

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non-cash changes £	At 31 August 2020 £
Cash at bank and in hand	3,122,532	495,807	993,000	-	4,611,339
Debt due within 1 year	(17,839)	17,839	-	(26,144)	(26,144)
Debt due after 1 year	(107,521)	4,722	(63,000)	26,144	(139,655)
	2,997,172	518,368	930,000	-	4,445,540

26. Capital commitments

	2020 £	*2019* *£*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**163,051**	*306,066*

27. Pension commitments

The academy 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 & Cheshire Local Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £413,630 were payable to the schemes at 31 August 2020 *(2019 - £273,928)* and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,657,000 *(2019 - £1,373,000)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,490,000 *(2019 - £1,111,000)*, of which employer's contributions totalled £1,206,000 *(2019 - £910,000)* and employees' contributions totalled £ 284,000 *(2019 - £201,000)*. The agreed contribution rates for future years are 24.9-34 per cent for employers and 5.5-8.5 per cent for employees.

As described in note 31 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school 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.

27. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Discount rate for scheme liabilties (Adlington Primary School)	1.6	1.8
Discount rate for scheme liabilities (All other academies)	1.7	1.8
Rate of increase in salaries (Adlington Primary School)	2.4	2.7
Rate of increase in salaries (The Fallibroome Academy, Upton, Priory, Marlborough Primary School, Whirley Primary School)	2.2	2.6
Rate of increase in salaries (All other academies)	2.3	2.6
Rate of increase in pension for payment / inflation (Adlington Primary School)	3.1	2.4
Rate of increase in pension for payment / inflation (The Fallibroome Academy, Whirley Primary School, Upton Priory and Marlborough Primary School)	2.9	2.3
Rate of increase in pension for payment / inflation (All other academies)	3.0	2.3
Commutation of pension to lump sums (pre April 2005)	50	50
Commutation of pension to lump sums (post April 2005)	75	75

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

	2020 Years	2019 Years
Retiring today		
Males	21.2	21.2
Females	23.6	23.5
Retiring in 20 years		
Males	21.9	22.1
Females	25.0	25.0

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(729)	(556)
Discount rate -0.1%	729	556
Salary increase rate +0.1%	63	89
Salary increase rate -0.1%	(63)	(89)
CPI rate +0.1%	654	456
CPI rate -0.1%	(654)	(456)

27. Pension commitments (continued)

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

	2020 £	2019 £
Equities	8,158,000	6,956,000
Corporate bonds	7,433,000	5,341,000
Property	1,813,000	1,183,000
Cash and other liquid assets	724,000	183,000
Total market value of assets	18,128,000	13,663,000

The actual return on scheme assets was £800,000 *(2019 - £574,000)*.

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

	2020 £	2019 £
Current service cost	2,212,000	(1,244,000)
Past service cost	-	(67,000)
Net Interest cost	(224,000)	(154,000)
Total amount recognised in the Statement of Financial Activities	1,988,000	(1,465,000)

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

	2020 £	2019 £
At 1 September	22,039,000	16,986,000
Transferred in on existing academies joining the trust	6,334,000	-
Current service cost	2,210,000	1,244,000
Interest cost	541,000	494,000
Employee contributions	284,000	201,000
Actuarial (gains)/losses	(223,000)	3,216,000
Benefits paid	(368,000)	(169,000)
Past service costs	-	67,000
At 31 August	30,817,000	22,039,000

27. Pension commitments (continued)

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

	2020 £	*2019* *£*
At 1 September	**13,663,000**	*11,704,000*
Transferred in on existing academies joining the trust	**2,974,000**	-
Interest income	**317,000**	*340,000*
Actuarial gains	**52,000**	*679,000*
Employer contributions	**1,206,000**	*908,000*
Employee contributions	**284,000**	*201,000*
Benefits paid	**(368,000)**	*(169,000)*
At 31 August	**18,128,000**	*13,663,000*

28. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019* *£*
Not later than 1 year	**8,228**	*17,498*
Later than 1 year and not later than 5 years	**14,742**	*10,571*
	22,970	*28,069*

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

30. Related party transactions

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

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses already disclosed in note 12.

31. Transfer of existing academies into the academy trust

On the 1 September 2019, all of the operations, assets and liabilities of Eaton Bank Academy, the sole school of Eaton Bank Academy, transferred to The Fallibroome Trust for £nil consideration.

Eaton Bank Academy

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	10,227,000	2,688,000	**12,915,000**
Furniture and equipment	107,000	-	**107,000**
Computer equipment	161,000	-	**161,000**
Current assets			
Debtors due within one year	139,000	-	**139,000**
Cash at bank and in hand	659,000	-	**659,000**
Liabilities			
Creditors due within one year	(433,000)	-	**(433,000)**
Creditors due after one year	(55,000)	-	**(55,000)**
Pensions			
Pensions - pension scheme assets	2,347,000	-	**2,347,000**
Pensions - pension scheme liabilities	(4,921,000)	-	**(4,921,000)**
Net assets	8,231,000	2,688,000	**10,919,000**

31. Transfer of existing academies into the academy trust (continued)

On the 1 September 2019, all of the operations, assets and liabilities of Marlborough Primary School, the sole school of Mulberry Academy Trust, transferred to The Fallibroome Trust for £nil consideration.

Mulberry Academy Trust

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	3,617,000	(525,000)	**3,092,000**
Furniture and equipment	13,000	-	**13,000**
Computer equipment	9,000	-	**9,000**
Current assets			
Debtors due within one year	29,000	-	**29,000**
Cash at bank and in hand	334,000	-	**334,000**
Liabilities			
Creditors due within one year	(110,000)	-	**(110,000)**
Pensions			
Pensions - pension scheme assets	627,000	-	**627,000**
Pensions - pension scheme liabilities	(1,413,000)	-	**(1,413,000)**
Net assets	3,106,000	(525,000)	**2,581,000**

Fair value adjustments

Eaton Bank Academy's fair value adjustment reflects the fair value of the long term leasehold land which had been donated to the academy on conversion on a 125 year lease, and which had previously not been recognised. The fair value has been estimated by the trustees and further information regarding this estimate can be found in note 3 of the financial statements.

Marlborough Primary School's fair value adjustment reflects the adjustment to the long term leasehold land and building which had been donated to the academy on conversion on a 125 year lease, and which had been previously estimated by the trustees of Mulberry Academy Trust. The fair value adjustment is based upon the valuation provided by the ESFA under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard 102 (section 17).

32. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Grant Income	42,390		49,250	
Other income				
Fundraising and other activities	13,910		40,488	
Total income		56,300		89,738
Expenditure				
Direct expenditure				
Direct staff costs	41,857		46,000	
Material and supplies	-		8,000	
Staff development	-		1,600	
Staff training	13,268		7,000	
Total direct expenditure	55,125		62,600	
Other expenditure				
Professional fees	110		330	
Other costs	-		795	
Technology costs	875		-	
Catering costs	169		-	
Total other expenditure	1,154		1,125	
Total expenditure		56,279		63,725
Transfers between funds excluding depreciation		(21)		(96,579)
Surplus/(deficit) from all sources		-		(70,566)
Teaching school balances at 1 September 2019		-		70,566
Teaching school balances at 31 August 2020		-		-