Registration number: 8156927

Eaton Bank Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Eaton Bank Academy

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Eaton Bank Academy

Reference and Administrative Details

Members	Prof D Parsons
	Mr I Boyes
	Mr M Lea
	Mr K Smith
	Mrs W Wright
Trustees (Directors)	Mr S Carvell, Staff trustee
	Mrs C Caswell, Community trustee
	Mr M Lea, Vice Chair - Community trustee
	Mrs S Lively, Community trustee
	Mr T McCloud, Parent trustee
	Prof D Parsons, Community trustee
	Mrs R Simpson, Community trustee
	Mr K Smith, Chair - Community trustee
	Mrs S Smith, Parent trustee
	Cllr G Williams, Community trustee
	Mrs W Wright, Community trustee
	Mrs S Knott, Staff trustee
	Mr T Kennedy-Fowler, Staff trustee (resigned 8 July 2019)
Principal	Mr E O'Neill
Senior Management Team	Mr E O'Neill, Headteacher
	Mr M James, Deputy Headteacher
	Mrs S Bennett, Assistant Headteacher
	Mrs E Whitehurst, Strategic Business Manager
	Mrs V Mahmoud, Associate Assistant Headteacher
	Mr S Carvell, Assistant Headteacher
Principal and Registered Office	Jackson Road Congleton Cheshire CW12 1NT
Company Registration Number	8156927

Eaton Bank Academy

Reference and Administrative Details (continued)

Auditors	Beever and Struthers Chartered Accountants and Statutory Auditors St George's House 215-219 Chester Road Manchester M15 4JE 28 April 2017
Bankers	Lloyds Bank 13 Victoria Street Crewe Cheshire CW1 2JQ
Solicitors	SAS Daniels LLP Riverside Montbatten Way Congleton Cheshire CW12 1DY

Eaton Bank Academy

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Congleton, South Macclesfield and North Staffordshire. It is rated "Good" by Ofsted with "Outstanding Leadership and Management", "Outstanding Behaviour and Safety."

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Eaton Bank Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Eaton Bank Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page1.

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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

Through the Risk Protection Arrangement, the Governors, Officers and Trustees of Eaton Bank Academy are protected against defence costs and legal liability to pay damages with a limit per claim (or per annum) of £10,000,000.

Method of recruitment and appointment or election of Trustees

The process for appointing or election of Trustees (Governors) at Eaton Bank Academy depends upon the category of Governors.

• Parent Governors - elected from among the parent body by the parent body, by secret ballot if contested, or, if necessary, by appointment

• Staff Governors – appointed through such process as the Governing Body may determine, that being elected from among the staff of the academy, by secret ballot if contested.

• Co-opted Governors (referred to as Community Governors) – appointed by the existing governing body through such process as the Governing Body may determine.

Policies and procedures adopted for the induction and training of Trustees

Following their appointment all new Governors receive an introduction to their role from the Chair of Governors. This includes a tour of the site and an opportunity to meet members of the Senior Management Team. Governors review and decide on appropriate training annually.

Organisational structure

The Governing Body is divided into two committees; 'School Improvement and Development' and 'Resources Management' (referred to in these accounts as the Finance Committee). These committees meet half termly and there is also a half termly Full Governing Body meeting. The Governors determine the strategic direction of the Academy Trust, including approving the Annual School Development Plan and Self Evaluation. The Headteacher is the Accounting Officer and is supported in this role by the Strategic Business Manager, who acts as the Chief Financial Officer.

The Headteacher leads a Senior Management Team, including the Strategic Business Manager, Deputy Headteacher and Assistant Headteachers. The Senior Leadership Team are responsible for delivering the operational objectives attached to the School Development Plan. The Headteacher and Strategic Business Manager report to the Finance Committee and the Headteacher and Deputy Headteacher report to the School Improvement and Development Committee. The Headteacher reports to the Full Governing Body.

Arrangements for setting pay and remuneration of key management personnel

The Teachers' Pay Policy (which includes the pay of the Senior Management Team) is reviewed and approved annually by the Full Governing Body, with reference to the latest "Teachers Pay and Conditions" and guidance released by the Local Authority. Support Staff pay, including that of the Strategic Business Manager, was reviewed by the Full Governing Body in 2014-15 with reference to benchmarking data from other local secondary schools and from the Local Authority.

Connected organisations, including related party relationships

The Principal and Head Teacher was/is a director of both the Chimney House Teaching Alliance (resigned 7th March 2019) and the Congleton Education Community Partnership. These are connected organisations with which the Academy co-operates in pursuit of its charitable activities however, the Principal and Head Teacher doesn't have control over the management decisions of the organisation.

Objectives and activities

Objects and aims

Eaton Bank Academy was created on 1 September 2012 from an established community based secondary school which was local authority maintained by Cheshire East Council. This, the eigth and final year of operation as a single Academy, was another successful one. The key activity of the Academy Trust continues to be the delivery of a broad educational curriculum to children aged between 11 and 19 along with providing facilities and services to the wider community through sharing and utilisation of the Academy site. Eaton Bank Academy joined The Fallibroome (multi-academy) Trust on 1st September 2019.

Our enduring aims are:

- To have high expectations and enable everyone to achieve success
- To celebrate high quality learning experiences in all areas of school life
- To be at the heart of the community, and prepare everyone fully for their future lives.

Objectives, strategies and activities

The Academy Trust's strategic priorities for 2018-19 were as follows:

- Continue to increase levels of progress and attainment across the school, ensuring a positive Progress 8 score.
- Continue to improve the quality of teaching and learning. This was to be addressed through:

- Further embedding and development of thinking for learning strategies
- A focus on academic language; vocabulary and oracy and academic writing,
- use of formative assessment to close gaps in learning and progress;
- Refining the literacy and numeracy strategies to ensure Reading, Writing, Communication and Mathematics are levers for success at Eaton Bank Academy.
- Improving pupil reading by Y11 to 120 words per minute.
- Ensuring the Teaching and Learning Quality Assurance programme is embedded as part of the over-arching Quality Assurance strategy.

- Continue to give the highest priority to rapid improvement in outcomes for disadvantaged students.
- Continue to improve 'planning for progress,' implementing revised planning processes across all faculties, incorporating retrieval practice and improving assessment consistency with a whole school approach to tracking students' learning and retention in lessons.
- Maintain outstanding behaviour, safeguarding and attendance and continue to implement the Emotionally Healthy Schools plan.
- Develop a distinctive identity as a school which promotes leadership roles for students and one which equips them to be thoughtful, caring, active citizens.
- Ensure the installation of a 3G pitch at Eaton Bank Academy by January 2020.
- Maintain Eaton Bank Academy's position as the school of choice for Congleton and the surrounding areas, fulfilling the planned admission number.
- Join a high performing multi academy trust with a focus on raising standards and improving educational opportunities.

Public benefit

The Trustees are satisfied that the organisation's entire purpose is charitable and that due regard is given to the guidance published by the Charity Commission as they exercise their powers and duties. All non-selective academies are public by definition, and the key benefit delivered by Eaton Bank Academy is the maintenance and development of high quality education provided by the school.

Strategic Report

Achievements and performance
Eaton Bank Academy's last full inspection by Ofsted was in May 2015 when the school was graded as 'Good' with 'Outstanding' features.

Leadership and management Outstanding
Behaviour and safety of pupils Outstanding
Quality of teaching Good
Achievement of pupils Good
Sixth Form provision Good
Overall Effectiveness Good

Outstanding - Leadership and Management:
Ofsted recognised the rapid progress made by the school in recent years, with 'outstanding leadership and management' helping to create 'an exceptional ethos and climate for learning within the school'.

Outstanding - Behaviour and Safety of pupils:
Ofsted rated our students' behaviour as 'outstanding', stating 'Students show great pride in the school. Their excellent behaviour and attitudes to learning reflect this'.

Good - Quality of teaching:
The Ofsted report praised the rapid improvement in quality of teaching, noting
'There is an increasing amount of outstanding practice, which is a result of the school's drive to improve teaching constantly'. The lessons observed by Ofsted were 'enjoyable, involve students in their learning and challenge them to make good or better progress'.

Good - Achievement of pupils:
Ofsted noted that the outstanding leadership of the school has contributed to a rapid improvement in achievement: 'in all key stages, students now make good progress across a wide range of subjects, including in English and mathematics'.

Governance Praised:
The 2015 Ofsted report specifically praised the Governance and Financial management of the school. The report states that the Governors are 'very effective,' 'ask astute questions, support leaders well, but also hold them to account rigorously'. 'They...oversee performance robustly...and manage the school's finances exceptionally well.'

This outcome were reaffirmed in a short inspection by Ofsted in April 2019:

"This school continues to be good. The leadership team has maintained the good quality of education in the school since the last inspection. Since the last inspection you have strengthened leadership at all levels. Your leadership team and the governors understand your vision for the school and work with you to make Eaton Bank Academy the best that it can be. As a result, pupils' progress in the published examination information has improved steadily over the last three years"

"Together with your teaching and learning lead, you have transformed the development of teaching within the school. Your middle leaders are helping to drive improvements in teaching through professional dialogue and collaboration. The professional, cross-curricular learning groups that you have introduced allow teachers to talk about pedagogy and share ideas to help pupils learn. This is growing into a self-generating process of improvement."

Strategic Report

Key non-financial performance indicators

GCSE
- Progress 8 Score = 0.25 (above average)
- Attainment score = 52.30 (above local and national average)
- Percentage of pupils who achieved a strong pass (grade 5 or above) in English and maths at the end of key stage 4 = 50.8% (above local and national average)

Sixth Form Provision
The Academy continues to operate a successful Sixth Form and attracts mainly their own Year 11 students who choose to continue their education at Eaton Bank studying a range of A Level subjects in preparation for many routes into University, Specialised Colleges and industry based apprenticeships. In 2019:
100% of students were accepted by their 1st choice university
41% of students % of students achieved at least 1 grade A* to A
72% of students % of students achieved at least 1 grade A* to B
91% of students % of students achieved at least 1 grade A* to C
100% of BTEC students achieved a Distinction or higher (grade A equivalent)
88% of BTEC students achieved a Distinction* (grade A* equivalent)

Pupil Numbers
The total number on roll at the end of the academic year was 777. The Year 7 intake has now been approximately equal to the Planned Admission Number (PAN) for three consecutive years. Net in-year movement between schools continues to contribute to the overall growth in pupil numbers and the number of pupils being admitted from primary schools that have not traditionally fed into Eaton Bank Academy has more than doubled over the last three-year period. New high quality housing development nearby, combined with the school's growing popularity, are making future expansion likely, and the Governing Body is keeping this under review.

Pupil Premium
A comprehensive strategy is in place for improving the outcomes of disadvantaged students compared with their more advantaged peers, details of which may be found on the school's website. The attainment of disadvantaged students remains a key priority for the school. The strategy is under rigorous and continual review to ensure the best possible outcomes for current disadvantaged students.

Community Involvement
Eaton Bank Academy has very strong links with local community groups, charities and businesses, including the Town Council, Borough Council, sports clubs, particularly Vale Juniors FC who have their home on the Eaton Bank Academy site, Siemens, Cheshire Young Farmers, Vauxhall, Barclays, the Plus Dane Housing Association, the 'Schools for Gambia' charity, the East Cheshire Clinical Commissioning Group, Age UK East Cheshire, the Congleton Education Community Partnership, the Chimney House group of Secondary Schools, and many more. The school currently has strong links with 100 local employers, and a significant proportion of those have agreed to extended work placements to support our students' aspirations and readiness for work. Students and staff are well represented locally in sporting and cultural/performing arts activities. Community use of Academy facilities continues to grow.

Strategic Report

Development of Facilities
Since conversion (to Academy status), the leadership team has successfully secured over £5million to develop the school's facilities, including 11 separate ring-fenced grants. The vast majority of the school has been fully refurbished during this period, including an architect-designed refurbishment of the main teaching block, both exterior and interior, replacement of windows and facades around all sides of the DT block, gymnasium and hall, re-roofing over virtually the whole site, interior and exterior doors, life safety systems, new pupil toilets, a new mini-3G pitch with floodlighting for community use and a major boiler and building management system installation. Together with community partners; Vale Juniors FC, the leadership team have secured all of the £720k needed to build a full size FA quality 3G football pitch and this will be completed during the 2019-20 year as planning permission is also in place.

Student Enrichments
We continue to offer an extensive programme of extra-curricular activity both at lunchtime and after school, not only in sport and performing arts but also in STEM topics, wellbeing and spiritual activity, homework clubs and many more including, Lego Robotics and Siemens Roller coaster Challenge competitions. There is a very active and constructive student leadership team, including Head Girl and Boy, and an army of school and subject ambassadors who benefit from leadership and presentational opportunities. The Duke of Edinburgh scheme has proved extremely popular with students from all backgrounds. Educational visits in 2018-19 included a languages/history trip to Normandy, skiing in Italy, an arts visit to New York, a 'Bushcraft' camping experience and a residential visit to Lancaster University, together with a wide range of theatre visits and field trips.

Going concern

In common with all state funded schools, particularly those in Cheshire East, the Academy has faced considerable pressures on funding for over 5 years. It entered a period of rapid pupil growth from 2017, following a prolonged demographic dip, which then accelerated further because of its rising popularity. The Academy's management team predicted and prepared for this growth, first contacting the Education and Skills Funding Agency (the ESFA) about the matter in 2013. The ESFA provided financial support during the 2017-18 and 2018-19 years as part of a structured solution to ensure that sufficient operating funds were available, which led to securing a change to the pupil funding basis, from lagged to estimate, for the 2018-19 and 2019-20 financial years. In 2019, after a thorough due diligence process, the governors of Eaton Bank Academy made a positive strategic decision to join the Fallibroome Trust, a high performing local multi academy trust. On joining the Trust, the ESFA agreed to write off the outstanding advances and committed to a further 3 years of estimate based funding. This has secured the financial future of Eaton Bank Academy and its pupils without adding financial risk to the Fallibroome Trust. This is therefore the last set of financial statements for Eaton Bank Academy as a single academy Trust.

Financial review
In addition to its educational objectives, the Academy's key financial objectives were:

- To create an operating surplus
- To ensure the Academy's liquidity is sufficient to operate during the rapid growth period
- To generate sufficient levels of income to support the Academy
- To contain expenditure within budget
- To continue to invest in the site facilities to enrich the student education experience

These objectives were achieved during the 2018-19 year, with a return to a positive outturn as the school was funded for the number of pupils being taught.

Strategic Report

Reserves policy

The Governing Body aims to retain a minimum 2.5% of its General Annual Grant (GAG) as a free reserves balance at the end of the financial year. Free reserves at the end of the 2018-19 financial year totalled £96k, which represents 3% of GAG. Restricted revenue funds were nil. This is because unrestricted income subsidises educational operating costs. Restricted fixed asset funds totalled £10,709K which can only be realised upon the disposal of tangible fixed assets.

The balance on restricted general fund (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £96K.

Investment policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Principal risks and uncertainties

The Academy has developed and embedded the existing system of internal control, including financial, operation and risk management which is designed to protect the Academy's assets and reputation.

A Risk Register has been developed and adopted by the Academy. This is reviewed on a termly basis. The register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. The Key Risks identified in 2018-19 were:

- Failure of the Academy to recruit sufficient learners to make it viable.
- Failure of outsourced service providers.
- Failure to ensure that the Academy holds appropriate reserves.

Steps taken to manage and mitigate those risks include:

- Continued employment of a full time Marketing Manager to ensure our pupil annual intake numbers to Year 7 maintains our PAN (Pupils Admission Numbers).
- Comprehensive marketing strategy and primary liaison programme to ensure that the academy is the school of their first and natural choice.
- Transferring to a high performing, local multi academy trust with appropriate support from ESFA.
- Continuing the high level of investment in facilities enhancing the student experience and the Fixed Asset values.
- Close monitoring of outsourced service providers and renegotiation of contract for one.

Fundraising

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

Trustees' Report for the Year Ended 31 August 2019 (continued)

Funds held as Custodian Trustee on behalf of others
No funds were held as Custodian Trustee on behalf of others during the period.

Auditor
Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on 9.12.19 and signed on its behalf by:

.....
Mr K Smith
Member

Eaton Bank Academy

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to Mr E O'Neill, Staff trustee, 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 Eaton Bank Academy and the Secretary of State for Education. He is 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Carvell	5	7
Mrs C Caswell	5	7
Mr T Kennedy-Fowler	6	7
Mrs S Knott	6	7
Mr M Lea	7	7
Mrs S Lively	2	7
Mr T McCloud	6	7
Mr E O'Neill	7	7
Prof D Parsons	7	7
Mrs R Simpson	7	7
Mr K Smith	7	7
Mrs S Smith	5	7
Cllr G Williams	6	7
Mrs W Wright	7	7

Governance reviews

The Finance Committee (known as Resources Management) is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. It also acts as the Audit Committee, reviewing the outcome of the internal and external audits and making recommendations to the Governing Body in this respect. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Kennedy-Fowler	5	6
Mr T McCloud	4	6
Mr E O'Neill	6	6
Prof D Parsons	6	6
Mrs R Simpson	4	6
Mr K Smith	6	6
Cllr G Williams	6	6
Mrs W Wright	6	6

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by deploying the Strategic Business Manager to:

• Create a focussed and targeted approach to income generation. Self-generated income in 2018-19 exceeded £200k

• Carry out a review of energy pricing, including framework options to ensure the lowest possible price on renewal for both gas and electricity

• Approve replacement of fluorescent light fittings with LED on a rolling programme. Alongside the impact of CIF projects energy consumption has decreased by almost 10%.

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 Eaton Bank Academy for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided during the 2018-19 year to appoint Beever and Struthers as internal auditors, who carried out three internal reviews during the year.

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:
• HR Procedures
• Procurement and Purchasing

On a termly basis, the reports are submitted to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities.

Review of Effectiveness

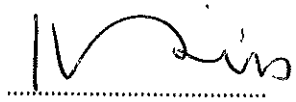
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

There were no material control or other issues reported by the Internal Auditor to date.

Approved by order of the members of the board of trustees on 9.12.19 and signed on its behalf by:



Mr K Smith
Member



Mr E O'Neill
Accounting officer
Principal

Eaton Bank Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Eaton Bank Academy 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 2018.

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

I can therefore 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 E O'Neill, Staff trustee
Accounting officer

Date: 9/12/19

Eaton Bank Academy

Statement of Trustees' Responsibilities

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

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

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

The 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 on 9.12.19 and signed on its behalf by:

.....

Mr K Smith
Member

Eaton Bank Academy

Independent Auditor's Report on the Financial Statements to the Members of Eaton Bank Academy

Opinion

We have audited the financial statements of Eaton Bank Academy "the academy trust" for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 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's affairs as at 31 August 2019 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019 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 Auditor's 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 UK, including the FRC'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.

Other information

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report on the Financial Statements to the Members of Eaton Bank Academy (continued)

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 (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees 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.

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.

Independent Auditor's Report on the Financial Statements to the Members of Eaton Bank Academy (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's 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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

.....
Sue Hutchinson (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 17/12/19

Eaton Bank Academy

Independent Reporting Accountant's Report on Regularity to Eaton Bank Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 28 April 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eaton Bank Academy during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Independent Reporting Accountant's Report on Regularity to Eaton Bank Academy and the Education & Skills Funding Agency (continued)

Conclusion

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

Beever and Struthers

.....

Sue Hutchinson
For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 17/12/19

Eaton Bank Academy

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Income and endowments from:						
Donations and capital grants	2	7	1	78	86	1,393
Charitable activities:						
Funding for the Academy trust's educational operations	3	-	4,547	-	4,547	3,570
Other trading activities	4	150	-	-	150	120
Investments	5	2	-	-	2	1
Total		159	4,548	78	4,785	5,084
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	-	4,287	238	4,525	4,185
Net income/(expenditure)		159	261	(160)	260	899
Transfers between funds		(63)	4	59	-	-
Other recognised gains and losses						
Actuarial gains/(loss) on defined benefit pension schemes	23	-	(757)	-	(757)	288
Net movement in funds/(deficit)		96	(492)	(101)	(497)	1,187
Reconciliation of funds						
Total (deficit)/funds brought forward at 1 September 2018		-	(2,082)	10,810	8,728	7,541
Total funds/(deficit) carried forward at 31 August 2019		96	(2,574)	10,709	8,231	8,728

Eaton Bank Academy

(Registration number: 8156927)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	10,495	9,766
Current assets			
Debtors	12	139	909
Cash at bank and in hand		659	908
		798	1,817
Liabilities			
Creditors: Amounts falling due within one year	13	(433)	(823)
Net current assets		365	994
Total assets less current liabilities		10,860	10,760
Creditors: Amounts falling due after more than one year	14	(55)	(326)
Net assets excluding pension liability		10,805	10,434
Defined benefit pension scheme liability	23	(2,574)	(1,706)
Total net assets including pension liability		8,231	8,728
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	(376)
Restricted fixed asset fund		10,709	10,810
Restricted pension fund		(2,574)	(1,706)
		8,135	8,728
Unrestricted funds			
Unrestricted general fund		96	-
Total funds		8,231	8,728

The financial statements on pages 21 to 43 were approved by the Trustees, and authorised for issue on 9.12.19 and signed on their behalf by:

.....
Mr E O'Neill
Principal

.....
Mr K Smith
Trustee

Eaton Bank Academy

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	19	637	750
Cash flows from investing activities	20	(886)	(634)
Change in cash and cash equivalents in the year		(249)	116
Cash and cash equivalents at 1 September		908	792
Cash and cash equivalents at 31 August	21	659	908

1 Accounting policies

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

Basis of preparation

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

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 company 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.On 1st September 2019, the Academy Trust joined The Fallibroome Trust which at this time also prepared their accounts under the going concern method. Thorough due diligence was performed on The Fallibroome Trust and it's ability to continue as a going concern prior to the merger, and therefore it was deemed appropriate for the Academy Trust to prepare it's accounts under the going concern method.

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 period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

1 Accounting policies (continued)

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 trading income

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

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.

All resources expended are inclusive of irrecoverable VAT.

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.

1 Accounting policies (continued)

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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold improvements	2% straight line
Computer equipment	20% straight line
Fixtures, fittings and equipment	10% straight line

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

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

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 basis are as follows:

1 Accounting policies (continued)

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 13 and 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension benefits

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

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. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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 Education & Skills Funding Agency/Department for Education/sponsor/other 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 Education & Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement
Estimates and judgements 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 18. 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.

Agency accounting
The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Capital grants	-	1	78	79	1,391
Other donations	7	-	-	7	2
	7	1	78	86	1,393

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
DfE/ESFA revenue grants			
General annual grant (GAG)	3,750	3,750	3,169
Other DfE/ESFA grants	561	561	146
	4,311	4,311	3,315
Other government grants			
Local authority grants	61	61	149
Special educational projects	70	70	10
	131	131	159
Non-government grants and other income			
Other income	105	105	96
Total grants	4,547	4,547	3,570

4 Other trading activities

	Unrestricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Hire of facilities	34	34	35
Music tuition	12	12	3
Other income	104	104	82
	150	150	120

5 Investment income

	Unrestricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Short term deposits	2	2	1

6 Expenditure

	Non Pay Expenditure				
	Staff costs £ 000	Premises £ 000	Other costs £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Academy's educational operations					
Direct costs	2,850	-	230	3,080	2,822
Allocated support costs	614	427	404	1,445	1,363
	3,464	427	634	4,525	4,185

Net income/(expenditure) for the year includes:

	2018/19 £ 000	2017/18 £ 000
Operating lease rentals	20	15
Depreciation	238	230
Fees payable to auditor - audit	5	5
- other audit services	2	2

7 Charitable activities

	2018/19 £ 000	2017/18 £ 000
Direct costs - educational operations	3,080	2,822
Support costs - educational operations	1,445	1,363
	4,525	4,185

	Educational operations £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Analysis of support costs			
Support staff costs	614	614	585
Depreciation	239	239	230
Technology costs	32	32	39
Premises costs	188	188	159
Other support costs	278	278	266
Governance costs	94	94	84
Total support costs	1,445	1,445	1,363

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	2,561	2,396
Social security costs	238	218
Operating costs of defined benefit pension schemes	541	528
	3,340	3,142
Supply staff costs	92	58
Staff restructuring costs	-	9
	3,432	3,209

Non statutory/non-contractual staff severance payments
Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2018: £9,000).

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	49	49
Administration and support	44	42
Management	6	5
	99	96

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

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) received by key management personnel for their services to the Academy Trust was £497,600 (2018: £498,300).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr E O'Neill (Principal and Headteacher):

Remuneration: £70,000 - £75,000 (2018 - £75,000 - £80,000)
Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

Mr P Costen (Staff trustee - Appointed 16 October 2017 and resigned 29 January 2018)):

Remuneration: £Nil (2018 - £25,000 - £30,000)
Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

Mr T Kennedy-Fowler (Staff trustee):

Remuneration: £40,000 - £45,000 (2018 - £45,000 - £50,000)
Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

Mrs S Knott (Staff trustee):

Remuneration: £20,000 - £25,000 (2018 - £20,000 - £25,000)
Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £60) were reimbursed or paid directly to 0 trustee (2018 - 2).

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

The academy trust has opted into the Department for 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.

11 Tangible fixed assets

	Leasehold land and buildings £ 000	Leasehold improvements £ 000	Assets under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost						
At 1 September 2018	8,173	209	2,050	153	227	10,812
Additions	-	27	845	48	47	967
Transfers	2,855	-	(2,855)	-	-	-
At 31 August 2019	11,028	236	40	201	274	11,779
Depreciation						
At 1 September 2018	906	4	-	70	66	1,046
Charge for the year	163	4	-	24	47	238
At 31 August 2019	1,069	8	-	94	113	1,284
Net book value						
At 31 August 2019	9,959	228	40	107	161	10,495
At 31 August 2018	7,267	205	2,050	83	161	9,766

12 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	25	40
VAT recoverable	43	134
Other debtors	-	679
Prepayments and accrued income	71	56
	139	909

13 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	160	566
Other taxation and social security	115	108
Salix loans	8	3
Other creditors	39	38
Accruals	86	21
Deferred income	25	54
Repayable cash advance	-	33
	433	823

Other creditors include a loan from Chartwells to procure necessary replacement catering equipment of £Nil (2018: £576)

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	54	18
Resources deferred in the period	25	54
Amounts released from previous periods	(54)	(18)
Deferred income at 31 August 2019	25	54

Deferred income at the balance sheet date related to SLP income (£11k), insurance claim proceeds (£2k) and rates reimbursements (£12k)

14 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Repayable cash advance	-	264
Salix loans	55	62
	55	326

Repayable cash advances of £63,000 (2018: £297,000) were received in the year from the ESFA to manage the trust's cash flow position to meet essential costs, including staff salaries. Repayments of the £360,000 total cash advances were due to commence in July 2019 with the balance to be recovered by 31 August 2022. These amounts were agreed to be written off by ESFA upon the academy joining The Fallibroome Trust by 1st September 2019.

There are four loans from Salix totalling £54,928 (2018: £61,849). During 2017 the Academy Trust was granted a Salix loan of £11,192 repayable over 8 years in respect of cladding works. A loan amounting to £8,175 was granted in 2014 in respect of boiler works also repayable over 8 years. During 2018 the Academy Trust was granted two further loans of £33,377 and £8,864 for boiler replacement works and roof works respectively.

15 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant	(430)	3,750	(3,378)	4	(54)
Other DfE/ESFA grants	13	561	(561)	-	13
Other government grants	41	131	(131)	-	41
Other non-government grants	-	106	(106)	-	-
	(376)	4,548	(4,176)	4	-
Restricted fixed asset funds					
Inherited funds	6,570	-	-	-	6,570
DfE/ESFA grants	4,240	78	(238)	59	4,139
	10,810	78	(238)	59	10,709
Restricted pension funds					
Pension reserve	(1,706)	-	(111)	(757)	(2,574)
Total restricted funds	8,728	4,626	(4,525)	(694)	8,135
Unrestricted funds					
Unrestricted general funds	-	159	-	(63)	96
Total funds	8,728	4,785	(4,525)	(757)	8,231

15 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant	(321)	3,169	(3,395)	117	(430)
Other DfE/ESFA grants	30	146	(163)	-	13
Other government grants	60	159	(178)	-	41
Other non-government grants	-	96	(96)	-	-
	(231)	3,570	(3,832)	117	(376)
Restricted fixed asset funds					
Inherited funds	6,570	-	-	-	6,570
DfE/ESFA grants	2,817	1,391	(230)	262	4,240
	9,387	1,391	(230)	262	10,810
Restricted pension funds					
Pension reserve	(1,871)	-	(123)	288	(1,706)
Total restricted funds	7,285	4,961	(4,185)	667	8,728
Unrestricted funds					
Unrestricted general funds	256	123	-	(379)	-
Total funds	7,541	5,084	(4,185)	288	8,728

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

Restricted general fund:
This fund represents grants received for the Academy's operational activities and development. The academy trust is not subject to GAG carry forward limits.

Fixed assets fund:
These grants relate to funding from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the school improvement plans.

Unresticted funds:
This fund primarily relates to income from lettings and teaching school income.

An amount of £30,000 (2018: £379,000) was transferred from the unrestricted fund to the restricted general fund during the year, being expenditure on charitable activities.

An amount of £26,000 (2018: £261,500) was transferred from the restricted fund to the restricted fixed asset fund during the year, being expenditure on items of a capital nature.

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	10,495	10,495
Current assets	96	488	214	798
Current liabilities	-	(433)	-	(433)
Creditors over 1 year	-	(55)	-	(55)
Pension scheme liability	-	(2,574)	-	(2,574)
Total net assets	96	(2,574)	10,709	8,231

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

	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	9,766	9,766
Current assets	773	1,044	1,817
Current liabilities	(823)	-	(823)
Creditors over 1 year	(326)	-	(326)
Pension scheme liability	(1,706)	-	(1,706)
Total net assets	(2,082)	10,810	8,728

17 Capital commitments

	2019 £ 000	2018 £ 000
Contracted for, but not provided in the financial statements	214	167

18 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	20	20
Amounts due between one and five years	31	49
	51	69

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net income	260	899
Depreciation	238	230
Capital grants from DfE and other capital income	(79)	(1,391)
Interest receivable	(2)	(1)
Defined benefit pension scheme cost less contributions payable	63	75
Defined benefit pension scheme finance cost	48	48
Decrease in debtors	770	40
Increase/(decrease) in creditors	(661)	850
Net cash provided by Operating Activities	637	750

20 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	2	1
Purchase of tangible fixed assets	(967)	(2,026)
Capital grants from DfE/ESFA	79	1,391
Net cash used in investing activities	(886)	(634)

21 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	659	908
Total cash and cash equivalents	659	908

22 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

23 Pension and similar obligations

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 and Chester Council. 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 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go 'basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

23 Pension and similar obligations (continued)

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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

The employer's pension costs paid to TPS in the period amounted to £315,000 (2018: £294,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £216,000 (2018 - £195,000), of which employer's contributions totalled £180,000 (2018 - £161,000) and employees' contributions totalled £36,000 (2018 - £34,000). The agreed contribution rates for future years are 31.3 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

26 Events after the end of the reporting period

On 1st September 2019, the Academy Trust merged into The Fallibroome Trust which ran nine schools at the time. The Academy will be ran by the senior management team at The Fallibroome Trust. Elizabeth Whitehurst, the former Strategic Business Manager of the Academy Trust, has joined the Fallibroome Trust as Chief Operating Officer. Upon joining the Trust on 1st September 2019, the repayable cash advances balance to ESFA of £360,000 has been written off as previously agreed.

27 Statement of Financial Activities for the Year Ended 31 August 2018

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
Income and endowments from:				
Donations and capital grants	2	-	1,391	1,393
Charitable activities:				
Funding for the Academy trust's educational operations	-	3,570	-	3,570
Other trading activities	120	-	-	120
Investments	1	-	-	1
Total	123	3,570	1,391	5,084
Expenditure on:				
Academy trust educational operations	-	3,955	230	4,185
Net income/(expenditure)	123	(385)	1,161	899
Transfers between funds	(379)	117	262	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	288	-	288
Net movement in funds/(deficit)	(256)	20	1,423	1,187
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2017	256	(2,102)	9,387	7,541
Total funds/(deficit) carried forward at 31 August 2018	-	(2,082)	10,810	8,728