

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Trustees' responsibilities statement	16
Independent auditors' report	17 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 43

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

T Joslyn, Chair of Trustees^{1,2,4}
R Bailey, Vice Chair^{1,4}
M Evans, Head Teacher^{1,2,3,4}
N Ashley^{3,4}
B Bridges (resigned 14 November 2014)^{1,2}
S Campkin^{2,3}
S Conlan^{2,4}
D Evans^{1,2}
M Francis^{2,4}
C Gray^{2,3}
C Kinder^{1,2,3}
E Knox^{1,2}
L Matley^{1,2,3}
C Minett (appointed 2 February 2015)^{2,3}
S Mumford (resigned 17 July 2015)^{2,3}
S Paton^{2,3,4}
L Porter^{2,3}
N Turner^{1,3}
J Watkins^{2,3}
D Wright^{1,4}
S Yells^{1,3}

¹ Finance, Resources, Business Development and Audit Committee

² Quality of Teaching Committee

³ Curriculum and Student Welfare Committee

⁴ Staffing and Staff Welfare Committee

**Company registered
number**

07707979

**Principal and Registered
office**

The Park
Leafield Road
Fairford
Gloucestershire
GL7 4JQ

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Company Secretary Susan Dorey

Accounting Officer Matthew Evans

Senior Leadership Team Matthew Evans, Headteacher
Ros Dolton, Deputy Head
Emma White, Assistant Head
James Woollin, Assistant Head
Susan Dorey, Business Manager

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds Bank Plc
14 Castle Street
Cirencester
Gloucestershire
GL7 1QJ

Solicitors HCR Law
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in Gloucestershire. It has a pupil capacity of 1,050 and had a roll of 942 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trust constituted by the charitable company (the "Academy Trust") was incorporated on 18 July 2011 as a company limited by guarantee and an exempt charity. The Memorandum and Articles of the charitable company are the primary governing documents of the Academy Trust.

The Trustees of the Academy Trust are also the directors of the charitable company under company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

Each Trustee is also a member of the charitable company and undertakes to contribute to the assets of the company, if it is, 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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of Trustees in their capacities as Trustees or Governors of the Academy which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 August 2011 the Trustees appointed all those Governors who served the predecessor school to be Trustees of the newly formed Academy. These Trustees were each appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Trustees as set out in its Articles of Association and Funding Agreement with the Department for Education:

- up to 2 Trustees who are appointed by Members.
- up to 5 Trustees who are appointed by the Farmor's Endowed Foundation and do not have to be (but may be) trustees of the Foundation
- up to 1 person who is appointed by the Ernest Cook Trust and does not have to be (but may be) a trustee of the Ernest Cook Trust.
- A minimum of 2 Parent Trustees (but not more than 7 Parent Trustees) who are elected by Parents of registered pupils at the Academy.
- up to 4 (or one third of the total number of Trustees, whichever shall be the smaller) staff Trustees who are elected by the staff and ratified by Members.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy is currently reviewing its induction process for newly appointed Trustees to ensure that it still meets the needs of new Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a meeting with the Chair of Governors, a meeting with the Headteacher, a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

Following the appointment of a new Chair of Trustees in September 2014, the committee structure was reviewed to ensure it met the needs of the Trust. Following this review the committee structure was changed and there are now 6 committees as follows;

- **Finance, Resources and Business Development and Audit Committee** - this meets at least five times per year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, and reports from the Responsible Officer. It is also responsible for drafting the annual budget including setting staffing levels, considering budget implications and financial controls and assisting with final decision making. It also incorporates the role of an audit committee. In addition it also incorporates the role of an audit committee.
- **Curriculum and Student Welfare Committee** - this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Quality of Teaching Committee** - this meets at least once a term to monitor and evaluate Academy policy and practice relating to teaching and learning.
- **Staffing and Staff Welfare Committee** - this meets at least once a term to monitor, evaluate and review Academy policy and practice in relation to all personnel and staffing aspects of the school.
- **Policies Committee** - this meets no less than once each academic year and in addition at various times during the year as required to review and approve all Academy policies.
- **Head's Performance Management Committee**

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Headteacher is the Accounting Officer.

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Connected Organisations, including Related Party Relationships

On 1 January 2014 Cotswold District Council transferred the leisure facilities of Cotswold Leisure Fairford to the Academy's wholly owned subsidiary company, Farmor's Sports Centre Limited. The subsidiary company has continued to manage the sports centre during the current accounting period.

The Elizabeth Farmor Trust is a related party as Mr M Evans, Mr Watkins, Mr Mumford (prior 17/07/15) and Mr Wright, Trustees of the Academy, are also Trustees of The Elizabeth Farmor Trust. The transactions with The Elizabeth Farmor Trust are undertaken at arm's length and are disclosed in these financial statements.

The Friends of Farmor's School is a parent, staff and friends of the Academy association which raises funds to support the activities of the Academy. This is a separate registered charity and maintains its own accounts.

Prior to nationalisation in 1944, the Farmor's Endowed Foundation, then an educational charity ran Farmor's School. The Foundation owns the freehold of the land on which the school building sits, the rest of the land being owned by Gloucestershire County Council. The Academy now leases the land from the Foundation and the Council. The Foundation is run by five trustees and has the right under the constitution of the Academy Trust to appoint up to five Trustees of the Academy Trust. The Foundation's income is modest and its policy in recent years has been to donate half of that income to the respective school funds of Farmor's School and Fairford Primary School. Their remaining funds are used to make book grants to ex-pupils of Farmor's.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is specifically restricted to advancing for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad curriculum for pupils of different abilities.

Farmor's Academy aspires to be an excellent place to learn and work and for students to be well equipped for their future lives. To achieve this the Academy must develop outstanding teachers and associate staff, provide a diverse and engaging curriculum, care for each individual and expect the best from all members of the Academy community. The Academy must be purposeful, determined and resilient in its pursuit of excellence. The Academy's robust self-evaluation processes will evidence the quality of provision, benchmarked against the best schools, locally and nationally so that external auditors, including Ofsted, recognise the excellent standards achieved.

Farmor's Academy Sixth form believes it prepares students well for the next stage in their lives, giving students the opportunity to study in purpose built accommodation that is warm, nurturing and progressive.

Objectives, Strategies and Activities

In the summer term of 2013, Farmor's received a 'Good' rating from Ofsted, having been rated as 'Outstanding' in previous inspections. This judgement was in line with the school's self-evaluation. GCSE results in 2012 had been disappointing and, whilst attainment compared well with schools nationally, the progress made by students was unsatisfactory given their ability on entry to Year 7. A Level results were stronger. The quality of teaching was judged to be generally good, but inconsistencies in areas such as marking and feedback were apparent. The Academy has worked hard during the last year to address this issue.

Given the fall in GCSE outcomes, and the falling demographic locally, it was perhaps unsurprising that fewer students chose Farmor's in 2013. The financial implications of falling student numbers together with changes to national funding meant that the Academy needed to achieve more with fewer resources. Since then, outcomes have improved significantly. The opening of an excellent Sixth Form Learning Resource Centre, together with a concerted marketing effort, meant that the Sixth Form received record applications for 2014 and Year 7 was oversubscribed. This trend was replicated in September 2015.

Within this context the Trustees and Senior Leadership Team have agreed ambitious strategic priorities for the future which are described later in this report under the heading "Plans for Future Periods".

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Academy will know it has been successful when all students make excellent progress, achieve their educational and career ambitions and leave the Academy as confident, well-rounded young people. Excellent exam results will be part of the picture of success, but not become an end in themselves. When the Academy achieves excellence it hopes Ofsted will agree, but the pursuit of Ofsted success should never become the Academy's goal.

Public Benefit

The Trustees confirm that they have complied with the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Through its subsidiary company, the Academy provides leisure facilities for the local community with the aim of improving the life of the said community.

The Academy has maintained its links with the wider community and promotes the use of its premises to local groups; for example, it has strong links with Fairford Youth Rugby Club who use the Academy grounds for training and the local Petanque group continue to use the Academy grounds for their community group to train and play matches. Fairford Brownies, local Tae-Kwon-Do, Personal Fitness, Box Skills and Youth Football all use the Academy facilities on a weekly basis.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fifth year of operation. Following falling numbers on roll due to local demographics, the Academy received record applications for the Sixth Form and was over-subscribed for Year 7 again this year. The total number of students on roll in September 2015 was 942.

Our pupil admission number (PAN) remains at 150 and the Academy has set a target of achieving this intake in Year 7 each year and for Sixth Form numbers to be maintained at over 250.

The Academy was successful this year in being awarded one project from the Academies Capital Maintenance Fund. In March 2015, the Academy completed a project to refurbish all of the toilet blocks throughout the Academy buildings and to build a small outdoor PE store. The cost of this project totalled £474,000.

Continual Professional Development

Continuing professional development for staff has been very successful with two more teaching staff completing their Masters' Degrees in Educational Leadership. A further six members of staff are currently studying for their Masters'. In total approximately one third of the teaching staff now hold a Masters level qualification. The teaching staff INSET in November 2014 focused on assessment and feedback.

Forty-six members of the teaching staff (approx. 60%) have been on at least one course to meet individual and Academy targets. Thirty-three members of staff attended specific exam or curriculum related courses run by the exam boards. This is an increase on the number of staff attending exam related courses last academic year and reflects the on-going changes to the curriculum.

Eleven members of the associate staff (approx. 23%) attended courses on a range of topics including food safety, closing the gap, data management, exams and pensions.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Student Achievement:

End of KS3 – Outcomes 2015:

Of the 126 students on roll at the end of Year 9 in 2015, KS2 data was available for 121 of them in English and 122 in Maths. 36% of these students made two levels of progress from KS2 in English, 69% made two levels of progress from KS2 in Maths. These figures continue to suggest that progress in English at KS3 is far below what it should be. However, this follows a trend over the past 3 years and analysis of the students' GCSE attainment grades in early Year 10 consistently shows that the majority of the students are actually on track to achieve three levels of progress or better by the end of Year 11 (the final figure making expected progress is far more in line with Year 10 predictions than the KS3 Levels indicate). Therefore, the Academy is continuing to work with the Head of English to review the accuracy of assessment at KS3 in order to ascertain why this KS3 progress figure is so much lower than that for Maths when KS2 to 4 3 Levels of progress are similar in both subjects and both above national benchmarks.

96% of 14 year olds achieved L5+ in English. 90% achieved this Level in Maths. 90% achieving at least Level 5 in both English and Maths. These figures indicate that attainment is above the national average.

End of KS4 - Outcomes 2015:

71% of students achieved 5+A*-C including English and Maths. This was below the Academy target of 75%. However, 76% of students achieved A*-C grades in both Maths and an English GCSE, which was better than the previous year's results. There remained a large number of students achieving both English and Maths GCSEs but not a total of 5 GCSEs (A*-C); all these students underachieved significantly in their science GCSEs and some issues with BTEC Engineering means students have not yet claimed this qualification which has affected this number.

81% of students achieved 5+A*-C and 33% achieved their English Baccalaureate, which was significantly above national averages and FFT-D estimations.

73% of students made expected progress (3 levels KS2-KS4) in English and 79% in Maths. Both were above the 2014 national average (70% in English and 65% in Maths). 40% of students made 4 levels of progress KS2-4 in Maths, exceeding the 2014 national average of 29%.

To ensure standards are maintained and improved, the Academy operates a programme of lesson observations, analysis of progress data and a robust appraisal process.

End of KS5 – Outcomes 2015

Examination results for 2015 in both Y12 and Y13 were up on those of 2014. The Academy achieved a 99.7% pass rate in A2 exams, compared with 99.3% in 2014. In addition our A* performance was up at 9.6% from 8.5% the previous year, even though this A2 cohort were on paper of the same ability as that of 2014. Our AS pass rate was also maintained at 93% in 2015 from 94% in 2014, despite having a much less able cohort. Both these results taken together put the Sixth Form in the top 5% nationally for A level achievement based on the national value-added measure of ALIS¹.

The Daily Telegraph ranked the Academy fourth in the area on A level results (excluding grammar schools and private schools).

¹The Advanced Level Information System (ALIS) gives teachers the reliable data they need to predict exam outcomes student by student, subject by subject.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Targets for 2015/16

KS4 Targets

ATTAINMENT AND PROGRESS

5 or more A* to C grades including English and mathematics 81%

Value Added

Progress 8 score of greater than zero

Progress 8 score of greater than zero for pupil premium group

SEN/Low Prior Attainment VA in line with or exceeding FFT50 for all subjects these students are taking

RAISE VA score greater than 1000

Positive VA for all subjects when measured against FFT50

Positive VA for students when measured against FFT20 in English Lit, French and Spanish

ATTENDANCE

Overall attendance (Year 7-11) >97%

Persistent absence <6%

Sixth Form Exam Grade Performance Targets

AS Level		A Level	
Target Area	Target	Target Area	Target
Lesson Attendance %	95	Lesson Attendance %	92
A – B %	50	A* – B %	60
A – C %	70	A* – C %	85
A – E %	94	A* – E %	100
VA Raw Residual	+ 5	VA Raw Residual	+6

Developing Facilities

To continue to develop its facilities, during the year the Academy has:

- completed a remodelling and refurbishment of all student toilet facilities;
- continued its classroom refurbishment programme;
- installed a large canopied outside eating space to including landscaping and the installation of an outside food service point
- refurbished and remodelled a second bookable IT suite

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015 were 956, an increase of 41 over 2014. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2015 this was 91.3%, compared to 91.6% in 2014.

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure of £5,281,082 (2014: £5,428,487) was covered by recurrent grant funding from the DfE together with other incoming resources of £5,202,555 (2014: £5,270,453). The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £78,527 (2014: £158,034).

At 31 August 2015 the net book value of fixed assets was £15,761,058 (2014: £15,588,612) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The building that is used by Farmor's Sports Centre was transferred to the Academy on the 1st January 2014 from Cotswold District Council. The freehold value of the buildings was £1,750,000 at the point of transfer.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its associate staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including the financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Local Government defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees are reviewing Academy policies and discussing the possibility of authorising the opening of additional short term investment accounts to take advantage of higher interest rates should cash flow balances allow this. No other form of investment is authorised.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees regularly reviews the major 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 principal risks and uncertainties facing the Academy are set out below:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 84.1% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Financial – The Academy acknowledges the risks associated with fluctuating pupil numbers and has looked strategically at the impact of this on funding and the ability to maintain current provision. A drop in pupil numbers over the last two years has impacted on the income this year and significant staffing changes have been made to mitigate the effect of the changed numbers and the consequent drop in income. Pupil numbers have reduced from 956 in September 2014 to 942 in September 2015. In 2011 it was agreed that the school would reduce its pupil admission number from 180 to 150 per year due to a falling demographic nationally. In the summer of 2015 the last large year group left the school following the roll through of this reduced intake number. Pupil numbers have now stabilised with entries in to Year 7 being at capacity for the last two intake groups.

Failures in governance and/or management - the risks in this area arise from potential failure to manage the Academy's finances effectively, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that high quality teaching is maintained and that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning and recruitment procedures designed to attract high quality staff.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Academy was subject to a 16-19 funding audit by the EFA in June 2014. The audit did not identify any errors or recommendations for improvement to processes and procedures.

The Academy has agreed a Risk Management Strategy and has a Risk Register. The relevant risks are discussed by each Governors' Committee in light of any new information and strategic or operational changes.

The Trustees examine the financial health of the Academy formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Finance, Resources and Business Development and Audit Committee meetings. The Trustees also review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PLANS FOR FUTURE PERIODS

The Academy has set out ambitious plans for improvement through a five-year strategic development plan with priorities to be achieved between 2014 and 2019. These priorities are underpinned by the belief that we must strive to provide a full and rounded education for our students. To do this we must recognise the value of high quality teaching and excellent pastoral care. This can only be achieved if the Academy invests in its staff, provides first class facilities and works closely with its community and outside agencies.

Since the ambitions were set in 2014, the Academy has continued to improve. The 2015 A level results placed the Academy in the top 5% of schools nationally for the progress made by students. Year 7 was oversubscribed again in 2015 and Sixth Form recruitment was strong. Further development of facilities and careful management of finances demonstrated that the school could thrive in challenging times. However, the Academy believes that challenges persist, not least of all in raising achievement for its most vulnerable students so that success is shared widely and equally, no matter the student's background or need.

The Academy will know when it has been successful when all students make excellent progress, achieve their educational and career ambitions, and leave as confident, well-rounded young people.

Full details of our plans for the future are given in our Development Plan.

The Academy has remained a member of the Balcarras Teaching School Alliance. We continue to build links with other schools through the Gloucestershire Association of Secondary Heads (GASH) and the Jubilee Network.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The financial statements include the results of the Elizabeth Farmor Trust, a registered charity (no 01123825) which is under the control of the Trustees of the Academy Trust. The objects of the Trust is to raise money to enhance the education of pupils at Farmor's School.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 2 December 2015 and signed on the board's behalf by:



Tony Joslyn
Chair of Trustees

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Farmor's School 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 Trustees' responsibilities statement. The Board of Trustees has formally met 4 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
A Joslyn (Chair)	4	4
R Bailey (Vice Chair)	4	4
M Evans	4	4
N Ashley	3	4
B Bridges (resigned 14 November 2014)	0	1
S Campkin	1	4
S Conlan	4	4
D Evans	4	4
M Francis	4	4
C Gray	4	4
C Kinder	3	4
E Knox	3	4
L Matley	3	4
C Minett (appointed 6 February 2015)	1	1
S Mumford (resigned 17 July 2014)	4	4
S Paton	4	4
L Porter	3	4
N Turner	4	4
J Watkins	3	4
D Wright	4	4
S Yells	4	4

There have been no key changes in the composition of the Board of Trustees during the period 1 September 2014 to 31 August 2015.

During this period the key challenges that have faced the Board have been related to budgetary constraints that the Academy faced for the period to 31 August 2015.

During the period a new Chair of Governors, Tony Joslyn, was elected. Following an evaluation of the committee structure, it was restructured during the year.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

The **Finance, Resources and Business Development and Audit Committee** is a committee of the main Board of Trustees. Its purpose is to consider budgetary implications and financial controls within the Academy, and to assist the Academy with financial decision making as required by monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, and reports from the Responsible Officer. It is also responsible for drafting the annual budget including setting staffing levels. In addition it incorporates the role of an audit committee. This committee increased the number of times it meets each year and reduced the number of members to those with financial or premises understanding and background to enable it to better meet its responsibilities (* denotes committee members after the restructure).

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Joslyn *	5	6
R Bailey *	3	6
M Evans *	5	6
B Bridges (resigned 14 November 2014)	0	1
S Conlan	1	1
D Evans * (Chair)	6	6
C Gray	2	3
C Kinder	2	3
E Knox *	6	6
L Matley	1	3
S Paton	1	1
L Porter	1	1
N Turner *	2	3
J Watkins	1	3
D Wright * (Responsible Officer)	6	6
S Yells *	5	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Reduction in staffing costs- The Academy has continued to reduce its staffing costs by reviewing all appointments and restructuring departments, as appropriate, allowing cost savings to be made without affecting the outcomes for students
- Remodelling the delivery of work experience and careers- The Academy has reviewed its provision for work experience and careers education for students and has been able to remodel the provision, providing a better outcome for students at a reduced cost.

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 Farmor's School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

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 2014 to 31 August 2015 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, Resources and Business Development and Audit 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 not to appoint an internal auditor. However, the Trustees have appointed David Wright, a Trustee, as Responsible Officer (RO).

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the Responsible Officer reports to the Finance, Resources, Business Development and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Responsible Officer has reported on a wide range of processes and procedures and has not identified any material control issues.

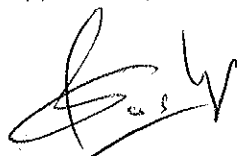
REVIEW OF EFFECTIVENESS

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:

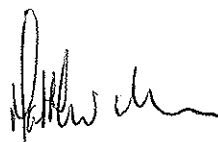
- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources, Business Development and Audit committee and a plan to address is in place.

Approved by order of the members of the Board of Trustees on 2 December 2015 and signed on its behalf, by:



Tony Joslyn
Chair of Trustees



Matthew Evans
Accounting Officer

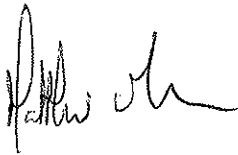
**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

A handwritten signature in black ink, appearing to read 'Matthew Evans', with a stylized flourish at the end.

Matthew Evans
Accounting Officer

Date: 2 December 2015

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of the academy known as Farmor's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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;
- 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 EFA/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:



Tony Joslyn
Chair of Trustees

Date: 2 December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMOR'S SCHOOL

We have audited the financial statements of Farmor's School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

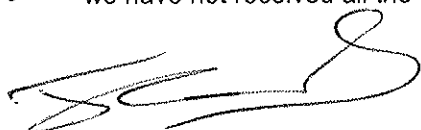
FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARMOR'S SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

9/12/15

**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FARMOR'S SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Farmor's School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF FARMOR'S SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Farmor's School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

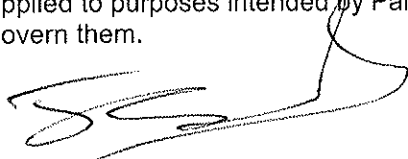
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FARMOR'S SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 9/12/15

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	68,898	72,092	4,403	145,393	1,755,025
Activities for generating funds	3	86,910	9,638	-	96,548	57,553
Investment income	4	699	-	-	699	812
Incoming resources from charitable activities	5	171,946	4,792,372	131,627	5,095,945	5,741,593
TOTAL INCOMING RESOURCES		328,453	4,874,102	136,030	5,338,585	7,554,983
RESOURCES EXPENDED						
Charitable activities	6,7	327,283	4,940,787	364,735	5,632,805	5,738,896
Governance costs	8	-	13,012	-	13,012	14,575
TOTAL RESOURCES EXPENDED	9	327,283	4,953,799	364,735	5,645,817	5,753,471
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		1,170	(79,697)	(228,705)	(307,232)	1,801,512
Transfers between Funds	18	-	(9,638)	9,638	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR						
		1,170	(89,335)	(219,067)	(307,232)	1,801,512
Actuarial gains and losses on defined benefit pension schemes		-	16,000	-	16,000	(311,000)
NET INCOMING RESOURCES BEFORE TRANSFERS		1,170	(73,335)	(219,067)	(291,232)	1,490,512
Total funds at 1 September		1,259	(971,665)	15,980,125	15,009,719	13,519,207
TOTAL FUNDS AT 31 AUGUST		2,429	(1,045,000)	15,761,058	14,718,487	15,009,719

All activities are classed as continuing.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 43 form part of these financial statements.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07707979

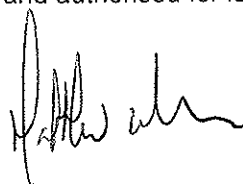
BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		15,761,058		15,588,612
Investments	15		1		1
			<u>15,761,059</u>		<u>15,588,613</u>
CURRENT ASSETS					
Debtors	16	248,893		508,700	
Cash at bank and in hand		267,720		518,653	
		<u>516,613</u>		<u>1,027,353</u>	
CREDITORS: amounts falling due within one year	17	(514,185)		(608,247)	
			<u>2,428</u>		<u>419,106</u>
NET CURRENT ASSETS					
			<u>15,763,487</u>		<u>16,007,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	25		(1,045,000)		(998,000)
			<u>14,718,487</u>		<u>15,009,719</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	-		26,335	
Fixed asset funds	18	15,761,058		15,980,125	
		<u>15,761,058</u>		<u>16,006,460</u>	
Restricted funds excluding pension liability				(998,000)	
Pension reserve		<u>(1,045,000)</u>			
Total restricted funds			14,716,058		15,008,460
Unrestricted funds	18		2,429		1,259
			<u>14,718,487</u>		<u>15,009,719</u>
TOTAL FUNDS					

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:



Tony Joslyn
Chair of Trustees



Matthew Evans
Accounting Officer

The notes on pages 24 to 43 form part of these financial statements.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	132,749	58,269
Returns on investments and servicing of finance	21	699	812
Capital expenditure and financial investment	21	(384,381)	186,647
(DECREASE)/INCREASE IN CASH IN THE YEAR		(250,933)	245,728

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(250,933)	245,728
MOVEMENT IN NET FUNDS IN THE YEAR	(250,933)	245,728
Net funds at 1 September 2014	518,653	272,925
NET FUNDS AT 31 AUGUST 2015	267,720	518,653

The notes on pages 24 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare the accounts on a going concern basis for the year ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £3,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long term leasehold land	-	over the term of the lease
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line

1.7 INVESTMENTS

Subsidiary investments are stated at cost at the balance sheet date.

1.8 OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.9 TAXATION

The Academy 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 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.

1.10 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.11 GROUP ACCOUNTING

In preparing the financial statements the Academy has taken the exemption under FRS 2 and has not consolidated the results of the trading subsidiary Farmor's Sports Centre Limited on the basis that these are immaterial to the group. Further information on the trading subsidiary can be found in note 15.

1.12 AGENCY ARRANGEMENT

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 100% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 23.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	68,898	76,495	145,393	5,025
Donation of sports centre	-	-	-	1,750,000
	<u>68,898</u>	<u>76,495</u>	<u>145,393</u>	<u>1,755,025</u>
Voluntary income	<u>68,898</u>	<u>76,495</u>	<u>145,393</u>	<u>1,755,025</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	6,405	-	6,405	12,128
Other funding	80,505	9,638	90,143	45,425
	<u>86,910</u>	<u>9,638</u>	<u>96,548</u>	<u>57,553</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	699	-	699	812
	<u>699</u>	<u>-</u>	<u>699</u>	<u>812</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	110,769	110,769	534,530
General Annual Grant	-	4,229,633	4,229,633	4,575,666
Other DfE/EFA grants	-	115,354	115,354	162,266
	-	4,455,756	4,455,756	5,272,462
Other government grants				
High Needs	-	33,327	33,327	36,509
	-	33,327	33,327	36,509
Other funding				
PGCE income	-	-	-	5,780
Educational visit and transport income	-	434,916	434,916	250,664
Music income	34,297	-	34,297	35,915
Catering income	137,649	-	137,649	138,753
Other income	-	-	-	1,510
	171,946	434,916	606,862	432,622
	171,946	4,923,999	5,095,945	5,741,593

6. DIRECT COSTS

	Total funds 2015 £	Total funds 2014 £
Pension finance costs	22,000	22,000
Educational supplies	45,326	52,629
Examination fees	89,373	107,255
Staff development	13,184	20,367
Other costs (including educational visits)	462,037	287,251
Supply teachers	32,893	33,089
Recruitment and support	6,681	11,291
Wages and salaries	2,826,671	3,125,549
National insurance	214,447	229,584
Pension cost	426,236	446,147
	4,138,848	4,335,162

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. SUPPORT COSTS

	Total funds 2015 £	Total funds 2014 £
Staff development	6,509	6,606
Other costs	26,708	21,066
Recruitment and support	900	1,800
Maintenance of premises and equipment	55,541	51,434
Cleaning	7,228	6,301
Rent and rates	25,581	19,395
Energy costs	71,059	64,491
Insurance	47,032	48,083
Security and transport	26,312	30,810
Catering	109,310	105,615
Technology costs	56,973	100,902
Office overheads	14,910	23,300
Legal and professional	83,540	78,901
Bank interest and charges	104	94
Wages and salaries	467,133	426,283
National insurance	18,209	17,037
Pension cost	112,173	76,632
Depreciation	364,735	324,984
	1,493,957	1,403,734

8. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	8,100	8,100
Auditors' non audit costs	3,250	2,630
Legal, professional and other costs	-	3,845
Wages and salaries	1,302	-
National insurance	92	-
Pension costs	268	-
	13,012	14,575

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
Direct costs	3,467,354	-	671,494	4,138,848	4,335,162
Support costs	597,515	495,255	401,187	1,493,957	1,403,734
CHARITABLE ACTIVITIES	4,064,869	495,255	1,072,681	5,632,805	5,738,896
GOVERNANCE	1,662	-	11,350	13,012	14,575
	4,066,531	495,255	1,084,031	5,645,817	5,753,471

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	364,735	324,984
Auditors' remuneration	8,100	8,100
Auditors' remuneration - non-audit	3,250	2,630
Operating lease payments	22,519	22,601

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	3,262,213	3,406,197
Social security costs	232,748	246,621
Other pension costs (Note 25)	538,677	522,779
	4,033,638	4,175,597
Supply teacher costs	32,893	33,089
Staff restructuring costs	-	112,546
	4,066,531	4,321,232

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF (continued)

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	61	66
Student Support Staff	13	13
Support Staff	27	28
Senior Leadership Team	5	6
	106	113

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	0	1

Both of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for those staff amounted to £20,444 (2014: £29,155).

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

12. TRUSTEES

During the year retirement benefits were accruing to 4 Trustees (2014: 5) in respect of defined benefit pension schemes.

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 other 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: M Evans Remuneration £70,000 - £75,000 (2014: £70,000 - £75,000), Employer's Pension Contributions £10,000 - £15,000 (2014: £10,000 - £15,000); L Matley Remuneration £40,000 - £45,000 (2014: £40,000 - £45,000), Employer's Pension Contributions £5,000 - £10,000 (2014: £0 - £5,000); N Turner Remuneration £30,000 - £35,000 (2014: £20,000 - £25,000), Employer's Pension Contributions £0 - £5,000 (2014: £0 - £5,000); C Gray Remuneration £10,000 - £15,000 (2014: £5,000 - £10,000), Employer's Pension Contributions £0 - £5,000 (2014: £0 - £5,000); L Bayliss Remuneration £Nil (2014: £0 - £5,000), Employer's Pension Contributions £Nil (2014: £0 - £5,000).

During the year, no Trustees received any reimbursement of expenses (2014: £Nil).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £855 (2014: £1,852). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2014	14,122,858	2,129,681	130,906	81,728	16,465,173
Additions	473,807	-	13,156	50,218	537,181
At 31 August 2015	14,596,665	2,129,681	144,062	131,946	17,002,354
DEPRECIATION					
At 1 September 2014	752,313	200	93,448	30,600	876,561
Charge for the year	291,933	17,601	28,812	26,389	364,735
At 31 August 2015	1,044,246	17,801	122,260	56,989	1,241,296
NET BOOK VALUE					
At 31 August 2015	13,552,419	2,111,880	21,802	74,957	15,761,058
At 31 August 2014	13,370,545	2,129,481	37,458	51,128	15,588,612

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 September 2014 and 31 August 2015	<u>1</u>

SUBSIDIARY UNDERTAKINGS

The following subsidiary undertaking was acquired by the Academy on 26 September 2013.

Name	Holding
Farmor's Sports Centre Limited	100%

The aggregate of the share capital and reserves as at 31 August 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Farmor's Sports Centre Limited	<u>1</u>	<u>-</u>

The Trustees are currently reviewing and restructuring the operation of the sports centre and are confident that the sports centre will continue to make a positive contributions to the Academy. See note 27 for further information.

16. DEBTORS

	2015 £	2014 £
Trade debtors	75,453	3,670
Amounts owed by group undertakings	50,784	15,867
VAT repayable	13,835	53,541
Prepayments and accrued income	108,821	435,622
	<u>248,893</u>	<u>508,700</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	293,497	153,043
Other creditors	166,910	72,280
Accruals and deferred income	53,778	382,924
	<u>514,185</u>	<u>608,247</u>

DEFERRED INCOME

Deferred income at 1 September 2014	43,445
Resources deferred during the year	70
Amounts released from previous years	(43,445)
	<u>70</u>
Deferred income at 31 August 2015	<u>70</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/(Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	1,259	328,453	(327,283)	-	-	2,429

Unrestricted reserves have been utilised to fund certain staff costs in the year.

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/(Losses) £	Carried Forward £
General Annual Grant (GAG)	-	4,229,633	(4,318,060)	60,216	-	(28,211)
Rates Relief	-	14,810	(14,810)	-	-	-
Pupil Premium	-	70,119	(70,119)	-	-	-
Insurance Grant	-	5,567	(5,567)	-	-	-
High needs income	-	33,327	(33,327)	-	-	-
Trip Income	-	434,916	(434,916)	-	-	-
Other restricted income	-	23,638	(14,000)	(9,638)	-	-
Elizabeth Farmor Trust	26,335	62,092	-	(60,216)	-	28,211
Pension fund	(998,000)	-	(63,000)	-	16,000	(1,045,000)
	<u>(971,665)</u>	<u>4,874,102</u>	<u>(4,953,799)</u>	<u>(9,638)</u>	<u>16,000</u>	<u>(1,045,000)</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	12,212,639	-	(279,626)	-	-	11,933,013
Fixed assets purchased from GAG and other restricted	165,763	-	(3,795)	9,638	-	171,606
Capital grants	1,886,723	136,030	(46,314)	-	-	1,976,439
Sport Centre donation	1,715,000	-	(35,000)	-	-	1,680,000
	<u>15,980,125</u>	<u>136,030</u>	<u>(364,735)</u>	<u>9,638</u>	<u>-</u>	<u>15,761,058</u>
Total restricted funds	15,008,460	5,010,132	(5,318,534)	-	16,000	14,716,058
Total of funds	<u>15,009,719</u>	<u>5,338,585</u>	<u>(5,645,817)</u>	<u>-</u>	<u>16,000</u>	<u>14,718,487</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the Academy.

Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High needs income represents funding received by the Local Authority to fund further support for students with additional needs.

Trip Income represents income received from parents for children to be able to attend school trips.

Other restricted income includes funding received for tuition fees, income received in relation to school lockers and other restricted donations.

Donations represent funds donated from the Elizabeth Farmor Trust for the educational purposes of the Academy. See note 27 for further details.

The pension fund represents the Local Government Pension Scheme deficit.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the academy from Gloucestershire County Council on conversion to an Academy.

Other capital grants represent grants received from the EFA for the replacement of windows, a roof replacement programme, refurbishment of the Sixth Form Centre, building a new Learning Resource Centre and refurbishment of the school toilets, along with the Devolved Formula Capital funds which have been spent on capital items. Also included in capital grants is £110,769 received as part of S106 funding from Linden Homes development.

The Academy was gifted a sport centre on 1 January 2014 from Cotswold District Council. The sport centre has been treated as an asset of the Academy and a new subsidiary company, Farmor's Sports Centre Limited, was incorporated to manage the sport centre's use by the public. Details of the subsidiary can be found at Note 15.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
General funds	1,259	328,453	(327,283)	-	-	2,429
Restricted funds	(971,665)	4,874,102	(4,953,799)	(9,638)	16,000	(1,045,000)
Fixed asset funds	15,980,125	136,030	(364,735)	9,638	-	15,761,058
	<u>15,009,719</u>	<u>5,338,585</u>	<u>(5,645,817)</u>	<u>-</u>	<u>16,000</u>	<u>14,718,487</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	15,761,058	15,761,058	15,588,612
Fixed asset investments	-	1	-	1	1
Current assets	2,429	514,184	-	516,613	1,027,353
Creditors due within one year	-	(514,185)	-	(514,185)	(608,247)
Pension scheme liability	-	(1,045,000)	-	(1,045,000)	(998,000)
	<u>2,429</u>	<u>(1,045,000)</u>	<u>15,761,058</u>	<u>14,718,487</u>	<u>15,009,719</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(307,232)	1,801,512
Returns on investments and servicing of finance	(699)	(812)
Donation of sport centre building	-	(1,750,000)
Depreciation of tangible fixed assets	364,735	324,984
Capital grants from DfE	(136,030)	(843,775)
(Decrease)/increase in debtors	259,807	425,927
(Decrease)/increase in creditors	(110,832)	65,433
Defined benefit pension scheme adjustments	63,000	35,000
NET CASH INFLOW FROM OPERATIONS	132,749	58,269

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	699	812
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(520,411)	(657,128)
Capital grants from DfE	136,030	843,775
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(384,381)	186,647

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	518,653	(250,933)	-	267,720
NET FUNDS	518,653	(250,933)	-	267,720

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. ACADEMY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2015 the Academy received £11,968 and disbursed £9,512 from the fund. An amount of £2,456 is included in other creditors relating to undistributed funds that are repayable to EFA.

24. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	391,513

The above capital commitments for the prior year were for the refurbishment of the toilets, all works were completed in the year and there are no capital commitments for the year ended 31 August 2015.

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2014.

Contributions amounting to £14,602 were payable to the scheme at 31 August 2015 (2014: £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme commenced on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £166,000, of which employer's contributions totalled £130,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 24% for employers and 5.5% to 8.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,048,000)	(1,810,000)
Fair value of scheme assets	1,003,000	812,000
Net liability	<u>(1,045,000)</u>	<u>(998,000)</u>

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

	2015 £	2014 £
Current service cost	(171,000)	(135,000)
Interest on obligation	(71,000)	(60,000)
Expected return on scheme assets	49,000	38,000
Total	<u>(193,000)</u>	<u>(157,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	1,810,000	1,227,000
Current service cost	171,000	135,000
Interest cost	71,000	60,000
Contributions by scheme participants	36,000	36,000
Actuarial (Gains)/losses	(33,000)	361,000
Benefits paid	(7,000)	(9,000)
Closing defined benefit obligation	<u>2,048,000</u>	<u>1,810,000</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	812,000	575,000
Expected return on assets	49,000	38,000
Actuarial gains and (losses)	(17,000)	50,000
Contributions by employer	130,000	122,000
Contributions by employees	36,000	36,000
Benefits paid	(7,000)	(9,000)
	1,003,000	812,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(354,000) (2014: £(370,000)).

The Academy expects to contribute £152,000 to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	69.00 %	72.00 %
Bonds	22.00 %	21.00 %
Property	8.00 %	6.00 %
Cash	1.00 %	1.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.50 %
Rate of increase in salaries	4.10 %	4.00 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.5 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.4 years	24.4 years
Females	27.0 years	27.0 years

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. PENSION COMMITMENTS (continued)

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(2,048,000)	(1,810,000)	(1,227,000)	(1,009,000)
Scheme assets	1,003,000	812,000	575,000	368,000
Deficit	<u>(1,045,000)</u>	<u>(998,000)</u>	<u>(652,000)</u>	<u>(641,000)</u>
Experience adjustments on scheme liabilities	33,000	(361,000)	(29,000)	(66,000)
Experience adjustments on scheme assets	<u>(17,000)</u>	<u>50,000</u>	<u>45,000</u>	<u>(9,000)</u>

26. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
EXPIRY DATE:		
Within 1 year	18,115	-
Between 2 and 5 years	<u>4,403</u>	<u>33,917</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the previous year the company acquired 100% of the share capital of Farmor's Sports Centre Limited. This company manages a sport centre that was gifted to the academy by Cotswold District Council. During the period management fees of £27,031 (2014: £15,867) were charged to the company, of which £27,031 (2014: £15,867) was outstanding at the year end. In addition, Farmor's Sports Centre Limited made a donation to the Academy of £23,753 (2014: £Nil) in the year, of which £23,753 (2014: £Nil) was due to the Academy at the year end. In preparing the financial statements the Academy has taken the exemption under FRS 2 and has not consolidated the results of this trading subsidiary on the basis that these are immaterial to the group.

In March 2013 the Academy engaged Wilmots & Co Solicitors LLP, of which Simon Mumford, a trustee, is a partner, to undertake a litigation claim. The engagement was successfully concluded in the prior year with legal costs of £11,950 awarded within the settlement, no such transactions have occurred in the current year.

The Elizabeth Farmor Trust Fund (the 'trust') was a trust established to generate and provide funding to the Academy. The Academy and the trust have common trustees. As the Academy is entitled under the trust's rules to all income generated, the trust's cash balance has been recognised as an asset of the Academy. The trust's balances are considered immaterial to the users of the accounts and so a full consolidation, under FRS 2 - Accounting for Subsidiary Undertakings has not been performed.

28. CONTROLLING PARTY

The company is under the joint control of the Trustees. There is no ultimate controlling party.