

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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FARMOR'S SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Trustees and Members	T Joslyn, Chair of Trustees ^{1,2,3,4}
	R Bailey, Vice Chair ^{1,4}
	M Evans, Head Teacher ^{1,2,3,4,5}
	N Ashley (resigned 16 January 2017) ^{3,4}
	S Bartholomew ^{2,4}
	S Conlan ^{2,4,5,6}
	D Evans ^{1,2}
	G Gosine ^{1,3}
	C Kinder (resigned 7 March 2017) ^{2,3}
	E Knox ^{1,2,5}
	L Matley (resigned 4 December 2016) ^{2,3}
	C Minett (resigned 4 May 2017) ^{2,3,5}
	R Mundy ^{2,3}
	S Paton ^{2,3,4}
	L Porter ^{2,3,6}
	N Turner (resigned 22 March 2017) ^{2,3}
	D Wright ^{1,4,5}
	S Yells (resigned 21 January 2017) ^{1,3}
	1 Finance, Resources and Business Development Committee
	2 Curriculum and Quality of Teaching
	3 Student Welfare Committee
	4 Staffing and Staff Welfare Committee
	5 Policies Committee
	6 Staff Pay Committee

Company registered number	07707979
Company name	Farmor's School
Principal and Registered office	The Park Leafield Road Fairford Gloucestershire GL7 4JQ

**FARMOR'S SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company Secretary Susan Dorey

Accounting Officer Matthew Evans

Senior Leadership Team

Matthew Evans, Headteacher
Steve Shaw, Deputy Headteacher
Emma White, Assistant Head
Noelle Sturla, Assistant Head
Roger Eckersley, Assistant Head
Sue 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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company, known as Farmor's School (the "Academy Trust"), for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report to the Charity Commission and a Directors' report under company law.

The Academy Trust operates an academy (the "Academy") for pupils aged 11 to 18 in Gloucestershire. It has a pupil capacity of 1,050 and had a roll of 927 in the school census on 1 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Farmor's School are also the directors of the Charitable Company for the purposes of 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 member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased 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, 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 Trust. These Trustees were appointed for a term of office that would end when their then current term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement with the Department of 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; and
- the Headteacher who is treated for all purposes as being an *ex officio* Trustee.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need in order to undertake their role as Trustees. As there are normally only two or three new Trustees a year, 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.

The committee structure was reviewed in 2014 to ensure it meets the needs of the Academy Trust. There are 6 committees as described below:

- **Finance, Resources and Business Development Committee**- this usually 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 reports from the Internal Assurance Officer. This Committee approves the annual budget for submission to the Education Skills Funding Agency (ESFA). It also performs the role of an audit committee and reviews business development activity. The Committee also has responsibility for business development and monitoring the use of school resources including premises;
- **Student Welfare Committee** - this meets 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;
- **Curriculum and 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; and
- **Staff Pay Committee** - this meets annually to receive and review proposed arrangements for staff pay progression.

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

There have been several Trustee resignations or terms of office that have come to an end during the year that have not yet been re-appointed. This is because the Academy Trust is moving towards a new governance structure for which the Articles of Association were approved by the Department for Education in July 2017. The new governance structure will come in to force early in 2018.

The Headteacher is the Accounting Officer.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Senior Leadership Team comprises the Key Management Personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the 2016-2017 financial year.

The pay of key management personnel is reviewed annually and is normally increased in accordance with average earnings in line with national pay awards. Any further pay awards are performance related in accordance with the Academy Trust's Pay Policy.

The Trustees benchmark against pay levels in other academies within Gloucestershire on an annual basis.

Connected Organisations, including Related Party Relationships

On 1 January 2014 Cotswold District Council transferred the leisure centre facilities of Cotswold Leisure Fairford to the Academy Trust's wholly owned subsidiary company, Farmor's Sports Centre Limited. The subsidiary company continued to manage the sports centre during the 2016-2017 financial period and still does so.

The Elizabeth Farmor Trust is a related party as Mr M Evans and Mr D Wright, Trustees of the Academy, are also Trustees of The Elizabeth Farmor Trust. Two previous Trustees of the Academy Trust, Mr J Watkins and Mr S Mumford, have remained as 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 Trust association which raises funds to support the activities of the Academy Trust. This is a separate registered charity and maintains its own accounts.

The Ernest Cook Trust, a charitable organisation, is a connected organisation as it is able to appoint a Trustee to the Board.

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 School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust 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 Trust 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 Trust 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 Trust community. The Academy Trust must be purposeful, determined and resilient in its pursuit of excellence. The Academy Trust'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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

Farmor's Academy was inspected by Ofsted in November 2017. The Inspectors acknowledged the Academy Trust's many strengths and improvements that have been made since the last inspection in 2013, including improvements to examination results, attendance and conduct of students, the Sixth Form provision and safeguarding. The feedback received from parents, students and staff through the surveys conducted as part of the inspection process, was excellent. The Inspectors identified some inconsistencies in the quality of teaching and learning in some areas, the Academy Trust will focus on addressing these over the coming months.

In September 2017, Year 7 was oversubscribed for the fourth year in a row. The number of students entering Year 12 was slightly lower in September 2017 than in the previous year, partly due to another small Year 11 cohort leaving the lower school this year. The lower intake numbers in Year 7 in years 2011 to 2013 will impact on internal applications to the Sixth Form for one more year.

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".

The Academy Trust will know it has been successful when all students make excellent progress, achieve their educational and career ambitions and leave the Academy Trust 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 Trust achieves excellence it hopes Ofsted will agree, but the pursuit of Ofsted success should never become the Academy Trust's primary focus.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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

The Academy Trust 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 sometimes use the Academy Trust grounds for training and local Petanque group who continue to use the Academy Trust grounds for their community group to train and play matches. Fairford Brownies, local Tae-Kwon-Do, Personal Fitness, Box Skills, a youth music and dance group, and Youth Football have all used the Academy Trust facilities regularly during the last year.

STRATEGIC REPORT

Achievements and Performance

Background

The Academy Trust is in its seventh year of operation. In September 2017 the Academy Trust was oversubscribed for Year 7 for the fourth year in a row. The Academy Trust had 927 students on roll according to the school census on 1 October 2017.

The pupil admission number (PAN) remains at 150 and, given that Year 7 has been oversubscribed for the last four years, the Academy Trust is increasing its PAN to 168 from September 2018. The Academy Trust aims for Sixth Form numbers to be maintained at around 250.

Continuing professional development

All teaching staff attended a successful training day at Balcaras School in November 2016, as part of Balcaras School's Teaching School Alliance.

During the year 220 applications for staff training were approved, a significant proportion of these related to preparation sessions for new English and Maths specifications at KS4 and within PE related to the training offer for a newly qualified teacher. The school made good use of free courses where available.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Associate staff also benefited from inset training covering a variety of subjects. Online training was used for mentoring and fire safety and face to face courses were held for Legionella and Asbestos awareness. Several staff visited other schools to learn from their provision in order to develop their own practice in school.

Student Achievement:

GCSE results and progress 2017

4 or above in both English and Maths (good pass)	80% (FFT50 benchmark 80%)
5 or above in both English and Maths (strong pass)	56% (FFT50 benchmark 62%)
5 or more A* to C grades (inc English and Maths at 4+)	74%
5 or more A* to C grades (inc English and Maths at 5+)	56%
5 or more A* to A grades (7+ in English and Maths)	21%

5 or more A* to C grades including English and Maths (the legacy measure)

The 5* to C (including English and Maths) measure was introduced in 2004 and discontinued in 2015, however school results are still widely being reported in these terms. In 2014, the qualifications counted in the measure changed, thereby making comparisons with earlier data difficult. Only the first entry (not retakes) were counted at this point, each qualification could only count as one GCSE 'equivalent' and some qualifications were no longer recognised. As a result, the national headline statistic fell by around 6%. This year with the introduction of reformed GCSE's, both the content and outcome measure have changed. 72% of students crossed this threshold in 2016, a good performance in historical terms. This year that rose to a school high of 74% with the 'good pass' threshold of 4+.

End of KS5 – Outcomes 2017:

Overall results

A*/A	20%
A*/B	44%
A*/C	72%
A*/E	98.50%

A* grades were slightly up on previous years, but these results are lower than last year although GCSE average point score was 6.0, the same as in the previous year.

80% of Year 13 students who had applied to go to University gained a place at their first choice university. 20% gained their first choice despite not achieving the grade they needed and 20% had unconditional offers. Three students achieved a place at Oxford or Cambridge and one student achieved a place in Dentistry.

Targets for 2017/18

KS4 FFT Targets

GCSE	FFT-50	FFT-20
5+ 7-9	18%	22%
English & Maths 9-5	47%	55%
Attainment 8	5.4	6.6
Pupil Premium 9-5 English & Maths	43%	50%
Pupil Premium Attainment 8	5.3	6.4

**Sixth Form Exam Grade Performance Targets
A Level Targets**

Headline attainment

Students achieving A*- B grades	35%
Students achieving A*- C grades	70%
Value Added	+4.0

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Developing Facilities

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

- completed a third phase of introducing lockers for Year 7, 8 and 9 students;
- created a new drama teaching space;
- continued to refurbish the oldest classrooms; and
- started a refurbishment project on its PE changing rooms, having been successful in gaining funding for this project from the ESFA under its Condition Improvement Fund grant scheme.

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. The Academy has 927 students on roll according to the school census on 1 October 2017, an increase over the number on roll at the time of the school census in 2016. It is anticipated that the number on roll will continue increase as the school continues to attract a full intake in year 7 each year alongside an increase in PAN to 168 per year from September 2018.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016-2017 this was 83.4%, compared to 81.1% in 2015-2016.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going Concern accounting policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education via the Education Skills Funding Agency 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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust 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 explained in the Academy Trust's accounting policies.

During the year ended 31 August 2017, the Academy Trust received total income of £5,121,778 (2016: £5,148,536) and incurred total expenditure of £5,277,353 (2016: £5,482,589) excluding the restricted fixed asset fund. The excess of expenditure over income for the year was £155,575 (2016: £32,659).

At 31 August 2017 the net book value of fixed assets was £15,205,969 (2016: £15,499,493) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity 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 financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, 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 and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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 Trust are set out below.

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 86.6% of the Academy Trust'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 Trust 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. Year 7 intake has been full for four academic years (as at September 2017) with one smaller year group remaining in Year 11. The Sixth form numbers have fallen slightly but remain strong.

Failures in governance and/or management - the risks in this area arise from potential failure to manage effectively the Academy Trust's finances, 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 Trust 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 Trust 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 - Mr D Wright, who is a Trustee and also an accountant by profession carries out checks on financial systems and records on a termly basis as an Internal Assurance Officer. He provides Internal Assurance (IA) reports directly to the Finance, Resources and Business Development Committee.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

The Trustees examine the financial health of the Academy Trust formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Finance, Resources and Business Development 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 Trust 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 the Trustees consider that, as the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy has set out ambitious plans for improvement through a five-year strategic development plan with priorities to achieve 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.

Priorities for academic year 2017-2018

Improving attainment for disadvantaged students, low prior attainers and those with special educational needs remains the Academy Trust's highest priority. To achieve this the Academy Trust will further develop assessment practices so that teaching is precise and all students achieve. The Academy Trust will ensure there is minimum disruption to learning and will support students' wellbeing and personal development. The Academy Trust will continue to invest in and trust its staff, ensuring all employees of the Academy Trust are consistent and focussed on shared goals.

The Academy Trust 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 Trust has remained a member of the Balcarras Teaching School Alliance. The Academy Trust continues 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 results of the Elizabeth Farmor Trust, a registered charity (no 01123825) which is under the control of the Trustees of the Academy Trust. The object of the Elizabeth Farmor Trust is to raise money to enhance the education of pupils at Farmor's School.

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 5 December 2017 and signed on the board's behalf by:

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

Tony Joslyn
Chair of Trustees

**FARMOR'S SCHOOL
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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 Statement of Trustees' responsibilities. 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
T Joslyn (Chair)	4	4
R Bailey (Vice Chair)	3	4
M Evans	4	4
N Ashley (resigned 16 January 2017)	2	2
S Bartholomew	3	4
S Conlan	4	4
D Evans	3	4
G Gosine	1	4
C Kinder (resigned 7 March 2017)	3	3
L Porter	3	4
S Paton	3	4
C Minett (resigned 4 May 2017)	2	3
N Turner (resigned 22 March 2017)	3	3
L Matley (resigned 4 December 2016)	1	1
E Knox	4	4
R Mundy	4	4
D Wright	4	4
S Yells (resigned 21 January 2017)	1	2

There have been no key changes in the structure of the Board of Trustees during the period 1 September 2016 to 31 August 2017. However, the Board is moving towards a new governance structure, for which the Articles of Association were approved by the Department for Education in July 2017. The new governance structure will come in to force in early 2018.

During the period Tony Joslyn, was re-appointed as Chair of Trustees. The Board has delegated certain functions to the following committees: Policies; Student Welfare; Finance, Resources and Business Development; Curriculum and Quality of Teaching; Staffing and Staff Welfare and Staff Pay.

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GOVERNANCE STATEMENT (continued)

The **Finance, Resources and Business Development Committee** is a sub-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 Internal Assurance Officer and approving the annual budget including setting staffing levels. It also performs the role of an audit committee. This committee aims to meet at least once per term and is comprised of members with financial or premises understanding and background to enable it to better meet its responsibilities. During the year ending 31 August 2017, the committee met four times.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Bailey	1	4
D Evans (Chair)	4	4
M Evans	4	4
G Gosine	0	1
E Knox	4	4
D Wright	4	4

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

- A reduction in staffing costs: the Academy Trust 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;
- Renegotiating telephone contracts resulting in a saving used to install a new telephone system without increasing the overall cost base; and
- Continuing to review all areas of expenditure to look for cost savings and improvements.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

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 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; and
- 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, David Wright, a Trustee and accountant by profession, has continued as Internal Assurance Officer.

The Internal Assurance 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 Internal Assurance Officer reports to the Finance, Resources and Business Development Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The Internal Assurance Officer concentrated on the processes and procedures around payroll processing as the largest area of expenditure for Trust and through this process did not identify any material control issues.

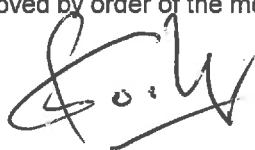
REVIEW OF EFFECTIVENESS

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:

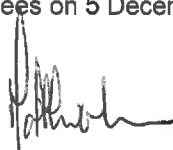
- the work of the Internal Assurance Officer;
- the work of the external auditors;
- the work of finance team who continually review their accounting processes; and
- comprehensive budgeting and monitoring systems with annual budget and periodic financial reports which are reviewed and agreed by the Trustees.

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 and Business Development Committee. Although there were no areas of weakness identified in the year to be addressed, the Academy is committed to continuous improvement of the systems it has in place.

Approved by order of the members of the Board of Trustees on 5 December 2017 and signed on their 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



M Evans
Accounting Officer

Date: 5 December 2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of the Academy Trust 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Tony Joslyn
Chair of Trustees

Date: 5 December 2017

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FARMOR'S SCHOOL**

OPINION

We have audited the financial statements of Farmor's School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FARMOR'S SCHOOL**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FARMOR'S SCHOOL**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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:

14/12/17

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

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Farmor's School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Farmor's School and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 14/12/17

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	53,561	46,294	208,882	308,737	158,907
Charitable activities	3	183,366	4,791,109	-	4,974,475	4,949,569
Other trading activities	4	47,215	-	-	47,215	39,580
Investments	5	233	-	-	233	480
TOTAL INCOME		284,375	4,837,403	208,882	5,330,660	5,148,536
EXPENDITURE ON:						
Charitable activities		286,804	4,990,549	355,149	5,632,502	5,482,589
TOTAL EXPENDITURE	6	286,804	4,990,549	355,149	5,632,502	5,482,589
NET EXPENDITURE BEFORE TRANSFERS		(2,429)	(153,146)	(146,267)	(301,842)	(334,053)
Transfers between Funds	18	-	(15,782)	15,782	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(2,429)	(168,928)	(130,485)	(301,842)	(334,053)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	267,000	-	267,000	(275,000)
NET MOVEMENT IN FUNDS		(2,429)	98,072	(130,485)	(34,842)	(609,053)
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,429	(1,361,301)	15,468,306	14,109,434	14,718,487
TOTAL FUNDS CARRIED FORWARD		-	(1,263,229)	15,337,821	14,074,592	14,109,434

The notes on pages 25 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		15,205,969		15,499,493
Investments	14		1		1
			<u>15,205,970</u>		<u>15,499,494</u>
CURRENT ASSETS					
Debtors	15	198,478		202,193	
Cash at bank and in hand		165,287		132,464	
		<u>363,765</u>		<u>334,657</u>	
CREDITORS: amounts falling due within one year	16	(273,143)		(339,717)	
NET CURRENT ASSETS/(LIABILITIES)			<u>90,622</u>		<u>(5,060)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,296,592</u>		<u>15,494,434</u>
Defined benefit pension scheme liability	25	(1,222,000)		(1,385,000)	
NET ASSETS			<u><u>14,074,592</u></u>		<u><u>14,109,434</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	(41,229)		23,699	
Fixed asset funds	18	15,337,821		15,468,306	
Restricted funds excluding pension liability		<u>15,296,592</u>		<u>15,492,005</u>	
Pension reserve		<u>(1,222,000)</u>		<u>(1,385,000)</u>	
Total restricted funds			<u>14,074,592</u>		<u>14,107,005</u>
Unrestricted funds	18		-		2,429
TOTAL FUNDS			<u><u>14,074,592</u></u>		<u><u>14,109,434</u></u>

The financial statements on pages 22 to 48 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:



Tony Joslyn
Chair of Trustees



Matthew Evans
Accounting Officer

The notes on pages 25 to 48 form part of these financial statements.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(94,856)</u>	<u>(95,907)</u>
Cash flows from investing activities:			
Interest received		233	480
Purchase of tangible fixed assets		(61,625)	(104,555)
Capital grants from DfE/ESFA		<u>189,071</u>	<u>64,726</u>
Net cash provided by/(used in) investing activities		<u>127,679</u>	<u>(39,349)</u>
Change in cash and cash equivalents in the year		32,823	(135,256)
Cash and cash equivalents brought forward		<u>132,464</u>	<u>267,720</u>
Cash and cash equivalents carried forward	23	<u>165,287</u>	<u>132,464</u>

The notes on pages 25 to 48 form part of these financial statements.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 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 Trust 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 with restrictions imposed by the funder and include grants from the Department for Education.

Transfers are made between restricted general funds and restricted fixed asset funds where restricted general funds are used to purchase fixed assets.

1.3 INCOME

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

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

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

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

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

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

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

All expenditure is 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. At the year end the balance on the carried forward General Annual Grant (GAG) fund was a deficit of £41,229. The reason for this year end deficit position is due that the Academy Trust incurred staff restructuring costs in the year, together with the impact of a deficit in funding as two small year groups move through the school.

The Trustees are confident that, due to further cost savings and increased pupil numbers, the Academy Trust will be in a surplus position in year ending 31 August 2018. In September 2017 the Academy Trust was over-subscribed for Year 7 for the fourth year in a row, the Academy Trust is increasing its PAN to 168 from September 2018 and it is aiming for Sixth Form numbers to be maintained at around 250, all of which will help secure future funding as the Academy Trust grows.

For this reason the Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of these 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

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

1.7 INVESTMENTS

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

1.8 TAXATION

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

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 OPERATING LEASES

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

1.15 GROUP ACCOUNTING

In preparing the financial statements the Academy Trust has taken the exemption under FRS 102 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 14.

1.16 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% 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 the end of the period and are disclosed in Note 28.

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	53,561	46,294	5,000	104,855	103,584
Capital Grants	-	-	203,882	203,882	55,323
	<u>53,561</u>	<u>46,294</u>	<u>208,882</u>	<u>308,737</u>	<u>158,907</u>
<i>Total 2016</i>	<u>38,042</u>	<u>56,139</u>	<u>64,726</u>	<u>158,907</u>	

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	4,232,059	4,232,059	4,346,088
Other DfE/ESFA grants	-	118,229	118,229	121,053
	-	4,350,288	4,350,288	4,467,141
Other Government grants				
High Needs	-	60,917	60,917	16,249
	-	60,917	60,917	16,249
Other funding				
Educational visit and transport income	-	379,904	379,904	282,694
Music income	32,812	-	32,812	35,428
Catering income	150,554	-	150,554	148,057
	183,366	379,904	563,270	466,179
	183,366	4,791,109	4,974,475	4,949,569
<i>Total 2016</i>	183,485	4,766,084	4,949,569	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	5,095	-	5,095	6,643
Other funding	42,120	-	42,120	32,937
	47,215	-	47,215	39,580
<i>Total 2016</i>	39,580	-	39,580	

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	233	-	233	480
<i>Total 2016</i>	480	-	480	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	3,643,151	-	531,372	4,174,523	4,048,432
Support costs	629,772	427,555	400,652	1,457,979	1,434,157
	4,272,923	427,555	932,024	5,632,502	5,482,589
<i>Total 2016</i>	4,128,206	446,701	907,682	5,482,589	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	30,000	40,000
Educational supplies	38,412	37,606
Examination fees	78,257	78,381
Staff development	7,674	9,029
Other costs (including educational visits)	394,260	320,386
Supply teachers	5,959	22,652
Recruitment and support	448	5,194
Wages and salaries	2,840,631	2,819,067
National insurance	281,149	240,321
Pension cost	497,733	475,796
	4,174,523	4,048,432
<i>Total 2016</i>	4,048,432	

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Staff development	5,593	4,093
Other costs	22,373	30,685
Maintenance of premises and equipment	16,502	28,043
Cleaning	4,249	7,296
Rent and rates	31,473	27,233
Energy costs	63,752	63,623
Insurance	44,127	38,213
Security and transport	26,510	27,452
Catering	107,210	106,312
Technology costs	60,615	48,832
Office overheads	19,328	15,300
Legal and professional	53,520	66,064
Bank interest and charges	94	94
Governance	14,492	11,775
Wages and salaries	454,758	460,503
National insurance	26,504	20,784
Pension cost	151,730	111,735
Depreciation	355,149	366,120
	<u>1,457,979</u>	<u>1,434,157</u>
<i>Total 2016</i>	<u>1,434,157</u>	

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	355,149	366,120
Auditors' remuneration - audit	8,100	8,100
Auditors' remuneration - non-audit	3,250	3,250
Operating lease rentals	<u>11,136</u>	<u>18,146</u>

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,288,875	3,256,918
Social security costs	307,653	261,105
Operating costs of defined benefit pension schemes	649,463	587,531
	<u>4,245,991</u>	<u>4,105,554</u>
Supply teacher costs	5,959	22,652
Staff restructuring costs	20,418	709
Apprenticeship levy	555	-
	<u>4,272,923</u>	<u>4,128,915</u>

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

	2017 No.	2016 No.
Teachers	72	70
Student Support Staff	18	23
Support Staff	27	25
Senior Leadership Team	6	6
	<u>123</u>	<u>124</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	60	60
Student Support Staff	14	14
Support Staff	21	23
Senior Leadership Team	6	6
	<u>101</u>	<u>103</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

Both of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2017, pension contributions for those staff amounted to £23,770 (2016: £24,453).

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £416,789 (2016: £395,995).

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS (continued)

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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 £80,000 - £85,000 (2016: £75,000 - £80,000), Employer's Pension Contributions £10,000 - £15,000 (2016: £10,000 - £15,000), L Matley: Remuneration £45,000 - £50,000 (2016: £40,000 - £45,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000), N Turner: Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000), Employer's Pension Contributions £0 - £5,000 (2016: £0 - £5,000), C Gray: Remuneration £0 - £5,000 (2016: £5,000 - £10,000), Employer's Pension Contributions £0 - £5,000 (2016: £0 - £5,000), R Mundy: Remuneration £5,000 - £10,000 (2016: £5,000 - £10,000), Employer's Pension Contributions £0 - £5,000 (2016: £0 - £5,000).

During the year, no Trustees received any reimbursement of expenses (2016: £Nil).

12. 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 2017 was £829 (2016: £829).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	14,652,702	2,129,681	152,841	171,685	17,106,909
Additions	46,189	-	9,796	5,640	61,625
At 31 August 2017	14,698,891	2,129,681	162,637	177,325	17,168,534
DEPRECIATION					
At 1 September 2016	1,337,300	35,402	143,388	91,326	1,607,416
Charge for the year	293,978	17,601	8,105	35,465	355,149
At 31 August 2017	1,631,278	53,003	151,493	126,791	1,962,565
NET BOOK VALUE					
At 31 August 2017	13,067,613	2,076,678	11,144	50,534	15,205,969
At 31 August 2016	13,315,402	2,094,279	9,453	80,359	15,499,493

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 September 2016 and 31 August 2017	1

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 2017 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

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

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. DEBTORS

	2017 £	2016 £
Trade debtors	16,661	14,923
VAT repayable	12,055	12,359
Prepayments and accrued income	169,762	174,911
	<u>198,478</u>	<u>202,193</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	29,699	114,427
Amounts owed to group undertakings	543	6,703
Other taxation and social security	74,649	73,903
Other creditors	91,469	96,488
Accruals and deferred income	76,783	48,196
	<u>273,143</u>	<u>339,717</u>

DEFERRED INCOME

	2017 £	2016 £
Deferred income at 1 September 2016	-	70
Resources deferred during the year	1,641	-
Amounts released from previous years	-	(70)
	<u>-</u>	<u>-</u>

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	165,287	132,464
Financial assets measured at amortised cost	117,671	152,042
	<u>282,958</u>	<u>284,506</u>
Financial liabilities measured at amortised cost	<u>(113,600)</u>	<u>(186,537)</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts due to group undertakings, certain balances within other creditors and accruals.

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	2,429	284,375	(286,804)	-	-	-
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	(17,535)	4,232,059	(4,284,888)	25,768	-	(44,596)
Rates Relief	-	18,298	(18,298)	-	-	-
Pupil Premium	-	74,704	(74,704)	-	-	-
High needs income	-	60,917	(60,917)	-	-	-
Trip Income	-	379,904	(379,904)	-	-	-
Other restricted income	-	25,227	(25,227)	-	-	-
Elizabeth Farmors Trust	41,234	46,294	(42,611)	(41,550)	-	3,367
Pension fund	(1,385,000)	-	(104,000)	-	267,000	(1,222,000)
	<u>(1,361,301)</u>	<u>4,837,403</u>	<u>(4,990,549)</u>	<u>(15,782)</u>	<u>267,000</u>	<u>(1,263,229)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	11,652,405	-	(282,500)	-	-	11,369,905
Fixed assets purchased from GAG and other restricted	176,213	-	(4,272)	15,782	-	187,723
Capital grants	1,994,688	208,882	(33,377)	-	-	2,170,193
Sports Centre donation	1,645,000	-	(35,000)	-	-	1,610,000
	<u>15,468,306</u>	<u>208,882</u>	<u>(355,149)</u>	<u>15,782</u>	<u>-</u>	<u>15,337,821</u>
Total restricted funds	<u>14,107,005</u>	<u>5,046,285</u>	<u>(5,345,698)</u>	<u>-</u>	<u>267,000</u>	<u>14,074,592</u>
Total of funds	<u>14,109,434</u>	<u>5,330,660</u>	<u>(5,632,502)</u>	<u>-</u>	<u>267,000</u>	<u>14,074,592</u>

FARMOR'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	2,429	261,587	(261,587)	-	-	2,429
	<u>2,429</u>	<u>261,587</u>	<u>(261,587)</u>	<u>-</u>	<u>-</u>	<u>2,429</u>

RESTRICTED FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	(28,211)	4,346,088	(4,373,528)	38,116	-	(17,535)
Rates Relief	-	16,898	(16,898)	-	-	-
Pupil Premium	-	81,453	(81,453)	-	-	-
High needs income	-	16,249	(16,249)	-	-	-
Trip Income	-	282,694	(282,694)	-	-	-
Other restricted income	-	27,702	(19,060)	(8,642)	-	-
Elizabeth Farmors Trust	28,211	51,139	-	(38,116)	-	41,234
Pension fund	(1,045,000)	-	(65,000)	-	(275,000)	(1,385,000)
	<u>(1,045,000)</u>	<u>4,822,223</u>	<u>(4,854,882)</u>	<u>(8,642)</u>	<u>(275,000)</u>	<u>(1,361,301)</u>

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	11,933,013	-	(280,608)	-	-	11,652,405
Fixed assets purchased from GAG and other restricted	171,606	-	(4,035)	8,642	-	176,213
Capital grants	1,976,439	64,726	(46,477)	-	-	1,994,688
Sports Centre donation	1,680,000	-	(35,000)	-	-	1,645,000
	<u>15,761,058</u>	<u>64,726</u>	<u>(366,120)</u>	<u>8,642</u>	<u>-</u>	<u>15,468,306</u>
Total restricted funds	<u>14,716,058</u>	<u>4,886,949</u>	<u>(5,221,002)</u>	<u>-</u>	<u>(275,000)</u>	<u>14,107,005</u>
Total of funds	<u>14,718,487</u>	<u>5,148,536</u>	<u>(5,482,589)</u>	<u>-</u>	<u>(275,000)</u>	<u>14,109,434</u>

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

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

RESTRICTED FUNDS

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

Pupil premium represents funding received from the ESFA 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. During the year £15,872 (2016: £8,642) was transferred to the restricted fixed asset fund to represent fixed assets purchased from restricted income.

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

Pension fund - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

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 ESFA for the replacement of windows, a roof replacement programme, refurbishment of the Sixth Form Centre, building a new Learning Resource Centre, refurbishment of the school toilets and, in the current year, a CIF grant of £198,110 to fund the refurbishment of the school changing rooms.

The Academy was gifted a sports centre on 1 January 2014 from Cotswold District Council. The sports 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 sports centre's use by the public. Details of the subsidiary can be found at Note 14.

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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	15,205,969	15,205,969
Fixed asset investments	-	1	-	1
Current assets	-	231,913	131,852	363,765
Creditors due within one year	-	(273,143)	-	(273,143)
Pension scheme liability	-	(1,222,000)	-	(1,222,000)
	-	(1,263,229)	15,337,821	14,074,592

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	15,499,493	15,499,493
Fixed asset investments	-	1	-	1
Current assets	(25,143)	333,363	26,437	334,657
Creditors due within one year	27,572	(309,665)	(57,624)	(339,717)
Pension scheme liability	-	(1,385,000)	-	(1,385,000)
	2,429	(1,361,301)	15,468,306	14,109,434

20. MEMBERS' LIABILITY

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

21. GENERAL INFORMATION

Farmor's School is a company limited by guarantee, incorporated in England and Wales. The registered office is The Park, Leafield Road, Fairford, Gloucestershire, GL7 4JQ.

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(301,842)	(334,053)
Adjustment for:		
Depreciation charges	355,149	366,120
Interest received	(233)	(480)
Increase in debtors	3,715	46,700
Decrease in creditors	(66,574)	(174,468)
Capital grants from DfE and other capital income	(189,071)	(64,726)
Defined benefit pension scheme cost less contributions payable	74,000	25,000
Defined benefit pension scheme finance cost	30,000	40,000
Net cash used in operating activities	(94,856)	(95,907)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	165,287	132,464
	165,287	132,464

24. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	168,164	-

The above capital commitments at 31 August 2017 relate to the refurbishment of school changing rooms, this work is due to be completed in the 2017/18 academic year.

NOTES TO THE FINANCIAL STATEMENTS
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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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £74,467 were payable to the schemes at 31 August 2017 (2016: £71,987) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £420,348 (2016: £425,185).

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

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25. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £186,000 (2016: £172,000), of which employer's contributions totalled £150,000 (2016: £137,000) and employees' contributions totalled £36,000 (2016: £35,000). The agreed contribution rates for future years are 26% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	2.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2017	2016
Retiring today		
Males	22.4 years	22.5 years
Females	24.6 years	24.6 years
Retiring in 20 years		
Males	24.0 years	24.4 years
Females	26.4 years	27.0 years

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25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,195,000	928,000
Bonds	315,000	286,000
Property	116,000	95,000
Cash and other liquid assets	34,000	55,000
Total market value of assets	<u>1,660,000</u>	<u>1,364,000</u>

The actual return on scheme assets was £93,000 (2016: £156,000).

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

	2017 £	2016 £
Current service cost	(224,000)	(162,000)
Interest income	30,000	41,000
Interest cost	(60,000)	(81,000)
Total	<u>(254,000)</u>	<u>(202,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,749,000	2,048,000
Current service cost	224,000	162,000
Interest cost	60,000	81,000
Employee contributions	36,000	35,000
Actuarial (gains)/losses	(174,000)	431,000
Benefits paid	(13,000)	(8,000)
Closing defined benefit obligation	<u>2,882,000</u>	<u>2,749,000</u>

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25. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,364,000	1,003,000
Interest income	30,000	41,000
Actuarial gains	93,000	156,000
Employer contributions	150,000	137,000
Employee contributions	36,000	35,000
Benefits paid	(13,000)	(8,000)
Closing fair value of scheme assets	1,660,000	1,364,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	10,076	8,823
Between 1 and 5 years	21,821	10,899
Total	31,897	19,722

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 organisations, 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 year management fees of £28,732 (2016: £32,572) were charged to Farmor's Sports Centre Limited, a 100% wholly owned subsidiary. An amount of £Nil (2016: £39,275) was received from Farmor's Sports Centre Limited relating to capital improvements carried out during the year. At the year end £543 (2016: £6,703) was owed by the Academy to Farmor's Sports Centre Limited. In preparing the financial statements the Academy has taken the exemption under FRS 102 and has not consolidated the results of this trading subsidiary on the basis that these are immaterial to the group.

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 FRS102 has not been performed.

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28. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2017 the Academy received £10,491 (2016: £11,463) and disbursed £8,066 (2016: £11,092) from the fund. An amount of £4,527 (2016: £2,102) is included in other creditors relating to undistributed funds that are repayable to ESFA.

The Academy Trust receives cash from students as an agent for several travel agents. In the accounting period ended 31 August 2017 the Academy Trust received £65,303 and disbursed £65,303 from the fund for Academy trips. All funds have been distributed before the year end.