

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the financial statements	28 - 52

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Wright E Knox J Watkins (appointed 1 September 2018) R Bailey T Joslyn (resigned 1 November 2019)
Trustees	. T Joslyn, Chair of Trustees (resigned 1 November 2019) ^{1,2,3,4} S Conlan ^{4,5,6} L Porter ^{2,3,6} M Evans, Head Teacher ^{1,2,3,4,5} S Bartholomew ^{2,4} S Crawford (appointed 1 September 2018) ^{1,3} A Cripps, Vice Chair (appointed 11 December 2018) ^{2,3} D Evans (resigned 1 November 2019) ^{1,2} R Hills ^{1,4} E Knox ^{1,2,4} C Moran ^{2,3} R Mundy ^{2,3} K Norman ^{1,3} A Petersons Sevier (appointed 25 June 2019) ² S Paton, Chair of Trustees ^{1,2,3,4} ¹ Finance, Resources and Business Development Committee ² Curriculum and Quality of Teaching Committee ³ Student Welfare Committee ⁴ Staffing and Staff Welfare Committee ⁵ Policy 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
Company secretary	Sue Dorey
Accounting Officer	Matthew Evans
Senior management team	Matthew Evans, Headteacher Steve Shaw, Deputy Headteacher Emma White, Assistant Headteacher (Head of Sixth Form) Noelle Sturla, Assistant Headteacher (Inclusion) Roger Eckersley, Assistant Headteacher (Pastoral) Sue Dorey, School Business Lead (Strategic)

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
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Bankers	Lloyds Bank Plc Cirencester Gloucestershire GL7 1QJ
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**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company known as Farmor's School (the "Academy Trust") for the year ended 31 August 2019. 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 1,006 in the school census on 1 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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 or she is a member, or within one year after he or 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.

Trade Union facility time

During the year one employee, who was a full time equivalent of one employee, acted as a relevant union official. None of their time was spent on facility time, therefore the Academy Trust incurred no cost in relation to this.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, 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 as 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. 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. On 1 January 2018, amended Articles of Association were adopted by written resolution, to change the structure of the Board to a tiered structure of members and trustees, where a majority of members are now not also Trustees of the Academy.

As from 1 January 2018, the Academy Trust has had the following Trustees as set out in its Articles of Association and Funding Agreement with the Department for Education:

- up to 8 Trustees, appointed by Members by ordinary resolution;
- up to 2 Trustees who are appointed by the Farmor's Endowed Schools Foundation and do not have to be (but may be) trustees of the Foundation;
- a minimum of 2 Parent Trustees who are elected by parents of registered pupils at the Academy;
- up to 2 staff Trustees who are elected by the staff and appointed by Members by ordinary resolution; and

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- the Headteacher who is treated for all purposes as being an ex officio Trustee.

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. 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 2018 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 four 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 reviewer. 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 has responsibility for business development and monitoring the use of school resources including premises;
- **Student Welfare Committee** – this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to all pastoral issues including safeguarding, behaviour, exclusions and careers advice;
- **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 once a term to monitor, evaluate and review Academy policy and practice in relation to all personnel and staffing aspects of the school;
- **Policy 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
- **Pay Committee** – this meets annually to receive and review proposed arrangements for staff pay progression.

The Trustees are responsible for setting the vision, values and strategic direction of the Academy, 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.

The Headteacher is the Accounting Officer.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2018-2019 financial year for acting as a Trustee.

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 2018-2019 financial period. The subsidiary company ceased trading on 31 August 2019.

The Elizabeth Farmor Trust is a related party as Mr M Evans, a Trustee of the Academy, is also a Trustee of The Elizabeth Farmor Trust. Three previous Trustees of the Academy Trust, Mr S Mumford, Mr J Watkins and Mr D Wright have remained as Trustees of The Elizabeth Farmor's 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.

Prior to nationalisation in 1944, the Farmor's Endowed Schools 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 two 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 recognise the excellent standards achieved.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

In 2017, Farmor's Academy Trust received a 'Requires Improvement' rating from Ofsted, having been rated 'Good' previously. Many areas of the school were rated as Good, including the Sixth Form, students' Personal Development and Wellbeing, and the quality of Leadership and Management. However, inconsistencies in standards of teaching and learning brought this aspect of the school's work down and resulted in a fall in the overall rating. Exam outcomes have remained strong during this period, and the Academy Trust quickly set about addressing the recommendations in the report.

Since 2014, Farmor's Academy Trust has been over-subscribed in Year 7. In 2018, the Trust increased its Published Admissions Number (PAN) to 168 and remained over-subscribed. Sixth Form student numbers fell over a two year period (2017-18) due to small cohorts coming through the school, but are now increasing again. The total effect of these changes is an increase in the number of pupils on roll in 2019 to over 1,000 students. The popularity of the Academy Trust is increasing despite the recent Ofsted rating, which reflects the confidence parents and the local community have in the school.

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 Commission's general guidance on public benefit in exercising their powers or 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 has provided leisure facilities for the local community with the aim of improving the life of the 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 with the 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, Musical Mania, a performing arts group and Youth Football groups have all used the Academy Trust facilities regularly during the last year. During the summer period Roaring Rugby provided a multisports scheme on school premises.

STRATEGIC REPORT

Achievements and Performance

Background

The Academy Trust is in its ninth year of operation. In September 2018 although the Academy Trust increased its pupil admission number (PAN) for Year 7 students from 150 to 168 it was still over-subscribed for Year 7 for the sixth year in a row and agreed to take up to 170 students into Year 7. The Academy Trust had over 1,000 students on roll according to the most recent school census.

Continuing professional development

Two teaching staff took part in year- long Middle Leadership programmes and a further colleague took part in a Senior Leadership programme.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

During the year 94 applications for staff training were approved, spread across teaching departments supporting NQT induction and supporting more general teaching and learning areas. The school continued to make good use of free courses where available.

Associate staff also benefited from INSET training covering a variety of required training courses and additional specific training, including courses to support our Exam Officer.

As in previous years, online training was used for safety training and induction for all staff.

Student Achievement

GCSE results and progress 2018/19 (Year 11)

Estimated Progress 8 score (DfE finalised January)	+ 0.07
Percentage entering the Ebacc	40.4%
EBacc Average Points Score	4.76
Grade 5+ in English and Maths	53%
Average Attainment 8 score	5.27

The value added result (Progress 8) was within the average range. This shows that students made the same progress as other children nationally between the end of primary school and the end of secondary school who had the same academic start points. This has been consistent over the past three years. The 5+ measure for English and Maths rose this year to 52.7% from 49% last year. The Attainment 8 scorer also rose this year to 5.27 from 4.99 last year.

GCE results and progress 2018/2019 (Year 13)

Overall results

A*/A	21%
A*/B	52%
A*/C	82%
A*/E	99%

Value added results were the highest for the last three years and although we reflected the national dip in A* grades, the students in the A*-B range exceeded their minimum expected grades and the sixth form targets. In addition, a third of Y12 students took the Extended Project Qualification and in addition to their A level studies and 84% gained A*-B with 100% pass rate.

90% of Year 13 students who had applied to go to University gained a place at their first choice university including 26% of all students gaining unconditional offers. Only one student was holding an Oxbridge place which she confirmed with A*A*A*. Of the 53% of the year group who applied to university, top destinations this year were Swansea, Bath Spa, Manchester and Bristol; 40% went to Russell Group universities and only one student ended up in clearing.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Benchmarks and Targets for 2019/20

GCSE Benchmarks 2019/20 using FFT 50 (Year 11)

Estimate Progress 8 score	N/A
Percentage entering the EBacc	31%
EBacc Average Points Score	3.91
Grade 5+ in English and Maths	53%
Attainment 8 Score	5.1

GCE Targets 2019/20 (Year 13)

Headline attainment

Students achieving A* - B grades	55%
Students achieving A* - C grades	85%
Valued Added	+0.25

Notes on attainment, progress and benchmark measures

FFT (Fischer Family Trust) are an educational charity that provide data to schools nationally in the UK. They typically provide benchmark data which can support with target setting and to quantify the outcomes of GCSE examinations. The benchmarks are derived by identifying how similar students to our own nationally attained over the past three years in each GCSE subject. Similar pupils are defined as those with similar prior attainment, gender and month of birth. These benchmarks can be 'Average' which means similar to schools that made the average progress last year and are called FFT50 – 50th percentile of progress.

The English Baccalaureate, or EBacc, is a measure of how many pupils achieve a good GCSE pass in six core academic subjects: English, maths, history or geography, combined science (which counts as two passes) and a language. In addition, students must take both English language and literature, although they only need a grade A*-C (old GCSEs) or 5+ (new GCSEs) in one of them.

Progress 8 is a measure of the progress children make between the end of primary school and the end of secondary school. Progress 8 and Attainment 8 are based on pupils' performance in eight qualifications. These are English and maths, up to three subjects from the Ebacc list (see above), and students' three highest scores from a range of other qualifications, including GCSEs and approved non-GCSEs. English and maths are given double weighting to reflect their importance. The raw point score from these eight qualifications is average to give the school's Attainment 8 score. The Progress 8 score is calculated by comparing each student's Attainment 8 score to those nationally of other students who had the same Primary School results. This is designed to measure how much progress each student has made from Year 6 to Year 11. A school's Progress 8 score is usually between -1 and +1. The average Progress 8 score of all secondary schools nationally is 0.

Developing Facilities

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

- developed outside spaces to include better access for students to the school field;
- developed eating spaces to improve queuing and till access, improving the lunchtime experience for students;
- created more areas for eating around the school; and
- replaced the lights in Maths classrooms.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. The Academy has 1,006 students on roll according to the school census on 1 October 2019, an increase of 25 over the number on roll at the time of the school census in 2018. It is anticipated that the number on roll will continue increase over the next three years as the school continues to attract a full intake in year 7 each year alongside the 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 2018-2019 this was 85.2%, compared to 82.0% in 2017-2018.

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 policy (Note 1.5).

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) 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 2019 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 2019, the Academy Trust received total income of £4,822,204 (2018: £4,918,439) and incurred total expenditure of £5,096,792 (2018: £4,929,214) excluding the restricted fixed asset fund and the charge to expenditure for the pension fund. The excess of expenditure over income for the year was £274,588 (2018: £10,775).

At 31 August 2019 the net book value of fixed assets was £15,026,548 (2018: £15,278,706) 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 together with for public benefit as detailed on page 6.

The building that was used by Farmor's Sports Centre was transferred to the Academy Trust on 1 January 2014 from Cotswold District Council. The freehold of the building was valued at £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 Activities with details in Note 27 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

As detailed in note 1.5 to the accounts, the Trustees have reviewed the reserves position of the Academy Trust and are confident that through increased student numbers and further cost savings, the Academy Trust will return to a surplus position in future accounting periods.

The higher student numbers will help to secure future funding as the Academy Trust grows and help to stabilise sixth form numbers in the future, particularly as the final remaining small year group has now moved through to the sixth form. The increased student numbers and impact of lagged funding have however, put an additional strain on the Academy's cashflow, and the Trust made an application to the ESFA in the year for additional short term funding to ensure the Trust was able to meet its financial liabilities as they fell due in the financial period to 31 August 2019. After this date the Academy's GAG funding will reflect the increased student numbers and the Trust will be able to manage its cashflow going forward.

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 90.4% 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 six academic years (as at September 2019). The Sixth Form numbers have fallen slightly but remain strong and are expected to increase again over the coming few years now that the numbers in Years 7 to 11 have stabilised.

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 – Bishop Fleming undertake assurance visits at the Academy each year and provide assurance reports to the Finance, Resources and Business Development Committee.

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 27 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 the liability is minimised.

**PLANS FOR FUTURE PERIODS
Strategic Priorities 2018 to 2023**

The Academy reviewed its plans for improvement and has set new strategic priorities for the coming five years, 2018 to 2023 as detailed below:

A diverse, knowledge-rich CURRICULUM

We must ensure that all students acquire a broad, deep and valuable knowledge of the world. The curriculum sets out this knowledge and justifies its inclusion. The subject disciplines, each with their own traditions and pedagogies, bring diversity and richness. Learning, defined as the acquisition and application of knowledge, is our core purpose.

High quality TEACHING, LEARNING and ASSESSMENT

Teachers' expertise in instructing students is developed through experience and guidance, and must be informed by the best insights into, and evidence of, how to teach and how students learn. There is no one 'right way' to teach, and the effectiveness of our provision will be judged by the quality of outcomes in terms of achievement, knowledge and enjoyment.

Enabling students to make GOOD CHOICES regarding their conduct, safety and education

The measure of our students is in the quality of the choices they make. Students will learn to conduct themselves in ways that are in their own interest and are respectful and supportive of others. We will educate them to make good choices in relation to their health, wellbeing and safety. At key transition points, students will make informed decisions about their studies which will help them achieve their ambitions. We will encourage students to learn from their mistakes and be a role model for others.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Promoting the WELLBEING of students and staff

Our school must be a place where we are encouraged to look after ourselves and to look out for others. Our relationships with others will be characterised by trust, support and mutual concern.

A thriving SIXTH FORM

The Sixth Form is core to our identity as a school. We will build on strong foundations; a broad curriculum, wide-ranging opportunities beyond study, excellent examination results and students achieving their personal goals. Our Sixth Form must be an attractive option for those already at the school, and from elsewhere. A thriving Sixth Form is essential for a thriving school.

A rich and varied EXTRA-CURRICULAR offer

We aim for students to remember not just what they were taught, but what they experienced during their time at the school. These experiences will shape them, help them form lasting relationships and instil values such as integrity, fellowship and endeavour.

Professionally enriching work and OPPORTUNITIES TO DEVELOP

Our staff are our greatest asset. We value their loyalty, expertise and professionalism. Work should be enriching in itself, whether staff members decide to develop their careers or commit to developing expertise in a role for a period of time. All employees should be offered opportunities to grow and develop, being proud of their job and their contributions to the school.

Financial security and HIGH QUALITY FACILITIES

We must make the most of the scarce resources available to us to deliver the facilities our students and staff deserve.

Full details of these plans for the future are given in the Academy's 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 4 December 2019 and signed on its behalf by:

S Paton
Chair of Trustees

A handwritten signature in black ink, appearing to be 'S Paton', written over the printed name.

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to the Academy in the funding agreement between Farmor's School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 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	3	4
S Conlan	4	4
L Porter	4	4
M Evans, Headteacher	4	4
S Bartholomew	2	4
S Crawford	4	4
A Cripps, Vice Chair	2	2
D Evans	2	4
R Hills	2	4
E Knox	4	4
C Moran	3	4
R Mundy	4	4
K Norman	3	4
A Petersons Sevier	1	1
S Paton, Chair of Trustees	4	4

The Academy moved to the New Funding Agreement approved by the Department for Education in June 2019.

During this period the key challenges that have faced the Board have been related to budgetary constraints that the Academy faced for the period to 31 August 2019.

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

The **Finance, Resources and Business Development Committee** is a sub-committee of the main Board of Trustees. It 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 reviewer. This Committee also approves the annual budget for submission to the Education and Skills Funding Agency (ESFA). It also performs the role of an audit committee and reviews business development activity. The Committee has responsibility for business development and monitoring the use of school resources including premises. This Committee aims to meet at least four times each year and is comprised of members with financial or premises understanding and background to enable it to meet its responsibilities better. During the year ending 31 August 2019, the committee met four times, and discussed other items via email.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Crawford	4	4
D Evans (Chair)	3	4
M Evans	3	4
R Hills	4	4
T Joslyn	4	4
E Knox	3	4
K Norman	4	4
S Paton	3	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility and is accountable 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 education and wider societal outcomes achieved in return for the tax payers resources received.

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

- 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;
- outsourcing of the school's catering provision from September 2018, to ensure a better provision for staff and students and to mitigate financial losses from the in-house provision; 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 the Academy Trust's 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

The Academy'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 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, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform internal assurance reviews.

The reviewer reports to the Board of Trustees through 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. No significant issues arose from the reviews carried out in the year.

REVIEW OF EFFECTIVENESS

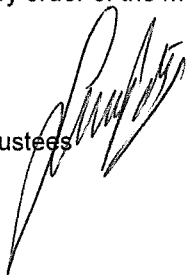
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal assurance reviewer;
- the work of the external auditors;
- the work of the 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

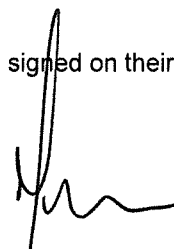
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Resources and Business Development committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 4 December 2019 and signed on their behalf by:

S Paton
Chair of Trustees



M Evans
Accounting Officer



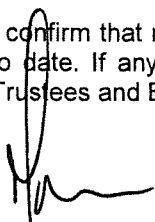
**FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Farmor's School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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.

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

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



M Evans
Accounting Officer
Date: 4 December 2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

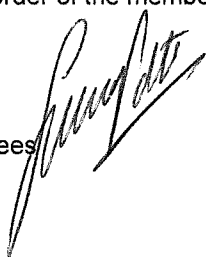
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements 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 on 4 December 2019 and signed on its behalf by:

S Paton
Chair of Trustees



**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 (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including 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 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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 (CONTINUED)**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year 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 including the Strategic Report.

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



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:

13/12/19

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

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

In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Farmor's School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FARMOR'S
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date:

13/12/19

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	8,485	1,131	71,022	80,638	353,880
Charitable activities	4	39,146	4,693,021	-	4,732,167	4,765,606
Other trading activities	5	80,216	-	-	80,216	82,547
Investments	6	205	-	-	205	206
TOTAL INCOME		128,052	4,694,152	71,022	4,893,226	5,202,239
EXPENDITURE ON:						
Charitable activities	8	128,052	5,067,740	342,440	5,538,232	5,422,854
TOTAL EXPENDITURE		128,052	5,067,740	342,440	5,538,232	5,422,854
NET EXPENDITURE		-	(373,588)	(271,418)	(645,006)	(220,615)
Transfers between funds	19	-	(14,760)	14,760	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		-	(388,348)	(256,658)	(645,006)	(220,615)
Actuarial losses on defined benefit pension schemes	27	-	(703,000)	-	(703,000)	268,000
NET MOVEMENT IN FUNDS		-	(1,091,348)	(256,658)	(1,348,006)	47,385
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(1,161,229)	15,283,206	14,121,977	14,074,592
Net movement in funds		-	(1,091,348)	(256,658)	(1,348,006)	47,385
TOTAL FUNDS CARRIED FORWARD		-	(2,252,577)	15,026,548	12,773,971	14,121,977

The notes on pages 28 to 52 form part of these financial statements.

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

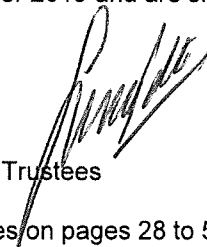
**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	15,026,548	15,278,706
Investments	14	1	1
		15,026,549	15,278,707
CURRENT ASSETS			
Debtors	15	205,520	283,381
Cash at bank and in hand		17,897	81,220
		223,417	364,601
Creditors: amounts falling due within one year	16	(442,995)	(440,331)
NET CURRENT LIABILITIES		(219,578)	(75,730)
TOTAL ASSETS LESS CURRENT LIABILITIES		14,806,971	15,202,977
Creditors: amounts falling due after more than one year	17	(150,000)	-
NET ASSETS EXCLUDING PENSION LIABILITY		14,656,971	15,202,977
Defined benefit pension scheme liability	27	(1,883,000)	(1,081,000)
TOTAL NET ASSETS		12,773,971	14,121,977
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	19	15,026,548	15,283,206
Restricted income funds	19	(369,577)	(80,229)
Restricted funds excluding pension asset	19	14,656,971	15,202,977
Pension reserve	19	(1,883,000)	(1,081,000)
Total restricted funds	19	12,773,971	14,121,977
TOTAL FUNDS		12,773,971	14,121,977

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue on 04 December 2019 and are signed on their behalf, by:


S Paton
Chair of Trustees

The notes on pages 28 to 52 form part of these financial statements.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	23	(194,268)	76,304
CASH FLOWS FROM INVESTING ACTIVITIES	25	(19,055)	(160,371)
CASH FLOWS FROM FINANCING ACTIVITIES	24	150,000	-
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(63,323)	(84,067)
Cash and cash equivalents at the beginning of the year		81,220	165,287
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	17,897	81,220
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 28 to 52 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 2019**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Farmor's School meets the definition of a public benefit entity under FRS 102.

1.2 FUND ACCOUNTING

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 EXPENDITURE

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

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 £373,067 (2018: £83,837). The reason for this year end deficit position is that the Academy Trust incurred additional costs in the year, largely due to a planned increase in its PAN from 150 to 168 students in September 2018, together with the impact of a deficit in funding as a small year group moves through the school. In addition the Academy Trust agreed with the local authority to take on an additional 12 students in September 2018. The above factors led to an increase in pupil numbers of 54 students in the October 2018 census compared to the previous year.

The Trustees are confident that, due to increased pupil numbers and further cost savings, the Academy Trust will return to a surplus position in future accounting periods. The pupil numbers are anticipated to grow in the future due to the aforementioned increased PAN intake and the higher pupil numbers will help to secure future funding as the Academy Trust grows and help to stabilise sixth form numbers in the future, particularly as the final remaining small year group moves through to the Sixth Form.

However, the increased pupil numbers and impact of lagged funding have put an additional strain on the Academy's cashflow in the year. As such during the year the Trust made an application to the ESFA for additional short term funding to ensure the Trust is able to meet its financial liabilities as they fall due in the current financial period. After this date the Academy's GAG funding will reflect the increased pupil numbers and the Trust will be able to manage its cashflow going forward.

This loan of £150,000 was received in November 2018. The loan is interest free and will be repaid in 12 monthly instalments starting in September 2020. The balance for the loan is included within creditors due after more than one year as at 31 August 2019. The Trustees are confident that the Academy Trust will be able to make the scheduled repayments of the loan and return the reserves to a surplus position in future accounting periods.

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.

1.6 TANGIBLE FIXED ASSETS

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Long-term leasehold land	-	over the term of the lease
Furniture and equipment	-	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 TAXATION

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

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

1.8 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.12 FINANCIAL INSTRUMENTS

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.13 PENSIONS

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

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 30.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019. 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.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	8,485	1,131	9,616	75,080
Capital Grants	-	71,022	71,022	278,800
	<u>8,485</u>	<u>72,153</u>	<u>80,638</u>	<u>353,880</u>
Total 2018	<u>33,623</u>	<u>320,257</u>	<u>353,880</u>	

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA GRANTS				
General Annual Grant	-	4,141,805	4,141,805	4,105,145
Other DfE/EFSA grants	-	223,213	223,213	118,332
	<u>-</u>	<u>4,365,018</u>	<u>4,365,018</u>	<u>4,223,477</u>
OTHER GOVERNMENT GRANTS				
High Needs	-	60,957	60,957	40,951
	<u>-</u>	<u>60,957</u>	<u>60,957</u>	<u>40,951</u>
OTHER FUNDING				
Internal catering income	5,386	-	5,386	171,898
Music income	33,760	-	33,760	27,381
Educational visit and transport income	-	267,046	267,046	301,899
	<u>39,146</u>	<u>267,046</u>	<u>306,192</u>	<u>501,178</u>
	<u>39,146</u>	<u>4,693,021</u>	<u>4,732,167</u>	<u>4,765,606</u>
Total 2018	<u>199,279</u>	<u>4,566,327</u>	<u>4,765,606</u>	

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	5,767	5,767	3,753
Other funding	74,449	74,449	78,794
	<u>80,216</u>	<u>80,216</u>	<u>82,547</u>

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	205	205	206
	<u>205</u>	<u>205</u>	<u>206</u>

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	3,647,067	-	474,359	4,121,426	3,892,323
Support costs	521,194	631,226	264,386	1,416,806	1,530,531
	<u>4,168,261</u>	<u>631,226</u>	<u>738,745</u>	<u>5,538,232</u>	<u>5,422,854</u>
Total 2018	<u>4,033,940</u>	<u>562,215</u>	<u>826,699</u>	<u>5,422,854</u>	

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	4,121,426	1,416,806	5,538,232	5,422,854
Total 2018	3,892,323	1,530,531	5,422,854	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension income	31,000	31,000
Staff costs	3,647,067	3,425,237
Educational supplies	15,745	26,032
Examination fees	85,780	73,123
Staff development	9,396	7,041
Other costs	322,163	316,227
Supply teachers	10,275	13,663
	4,121,426	3,892,323

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	521,194	608,703
Depreciation	342,440	366,640
Staff development	7,412	3,486
Other costs	24,103	26,053
Maintenance of premises and equipment	79,580	51,558
Cleaning	79,831	35,274
Rent and rates	29,610	23,542
Energy costs	75,544	61,107
Insurance	37,845	36,955
Security and transport	20,169	24,094
Catering	38,355	127,502
Technology costs	53,093	60,774
Office overheads	24,251	23,303
Legal and professional	70,817	69,646
Bank interest and charges	62	94
Governance costs	12,500	11,800
	1,416,806	1,530,531

9. NET EXPENDITURE

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	10,076	7,763
Depreciation of tangible fixed assets	342,440	366,640
Fees paid to auditors for:		
- audit	10,300	8,300
- other services	2,700	3,250

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,190,166	3,072,688
Social security costs	310,047	290,700
Pension costs	657,773	656,919
	<u>4,157,986</u>	<u>4,020,307</u>
Supply teacher costs	10,275	13,633
	<u>4,168,261</u>	<u>4,033,940</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	66	67
Student Support Staff	19	19
Support Staff	20	25
Senior Leadership Team	6	6
	<u>111</u>	<u>117</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	57	55
Student Support Staff	14	14
Support Staff	13	19
Senior Leadership Team	6	6
	<u>90</u>	<u>94</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Both of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2019, pension contributions for those staff amounted to £25,591 (2018: £24,604).

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £487,187 (2018: £428,796).

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

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: M Evans: Remuneration £90,000 - £95,000 (2018: £85,000 - £90,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000), R Mundy: Remuneration £25,000 - £30,000 (2018: £25,000 - £30,000), Employer's Pension Contribution £0 - £5,000 (2018: £5,000 - £10,000), S Crawford: Remuneration £40,000 - £45,000 (2018: £Nil), Employer Pension Contribution £0 - £5,000 (2018: £Nil).

During the year, retirement benefits were accruing to 3 Trustees (2018 - 2) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £1,199 were reimbursed or paid directly to 2 Trustees (2018: £344 to 1 Trustee).

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 2019 was £842 (2018: £842). The cost of this insurance is included in the total insurance cost.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	15,119,339	2,129,681	179,991	178,900	17,607,911
Additions	81,118	-	6,839	2,325	90,282
At 31 August 2019	<u>15,200,457</u>	<u>2,129,681</u>	<u>186,830</u>	<u>181,225</u>	<u>17,698,193</u>
DEPRECIATION					
At 1 September 2018	1,933,665	70,604	162,365	162,571	2,329,205
Charge for the year	304,009	17,601	4,036	16,794	342,440
At 31 August 2019	<u>2,237,674</u>	<u>88,205</u>	<u>166,401</u>	<u>179,365</u>	<u>2,671,645</u>
NET BOOK VALUE					
At 31 August 2019	<u>12,962,783</u>	<u>2,041,476</u>	<u>20,429</u>	<u>1,860</u>	<u>15,026,548</u>
At 31 August 2018	<u>13,185,674</u>	<u>2,059,077</u>	<u>17,626</u>	<u>16,329</u>	<u>15,278,706</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 September 2018	1
AT 31 AUGUST 2019	<u>1</u>
NET BOOK VALUE	
AT 31 AUGUST 2019	<u>1</u>
<i>AT 31 AUGUST 2018</i>	<u>1</u>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Academy:

Name	Holding
Farmor's Sports Centre Limited	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Farmor's Sports Centre Limited	1

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	44,240	45,026
Amounts owed by group undertakings	7,545	1,045
Tax recoverable	9,579	49,058
Prepayments and accrued income	144,156	188,252
	<u>205,520</u>	<u>283,381</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	277,641	234,481
Other taxation and social security	73,451	72,617
Other creditors	10,589	14,553
Accruals and deferred income	81,314	118,680
	<u>442,995</u>	<u>440,331</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other loans	150,000	-
	<u>150,000</u>	<u>-</u>

Other loans due after more than one year is made up of an advance on GAG receivable from the ESFA. For further information on this loan, see note 1.5. The loan is interest free and repayable in equal instalments which will be deducted from future GAG income over a 1 year period from September 2020.

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	17,897	81,220
Financial assets measured at amortised cost	108,362	189,118
	<u>126,259</u>	<u>270,338</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(519,544)	(244,578)
	<u>(519,544)</u>	<u>(244,578)</u>

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

Financial assets measured at amortised cost comprise trade debtors, amounts due from group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and other loans.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	-	128,052	(128,052)	-	-	-
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(83,837)	4,141,805	(4,431,035)	-	-	(373,067)
Rates Relief	-	22,443	(22,443)	-	-	-
Pupil Premium	-	75,361	(75,361)	-	-	-
High Needs Income	-	60,957	(60,957)	-	-	-
Trip Income	-	267,046	(267,046)	-	-	-
Other Restricted Income	-	125,409	(110,649)	(14,760)	-	-
Elizabeth Farmor Trust	3,608	1,131	(1,249)	-	-	3,490
Pension reserve	(1,081,000)	-	(99,000)	-	(703,000)	(1,883,000)
	<u>(1,161,229)</u>	<u>4,694,152</u>	<u>(5,067,740)</u>	<u>(14,760)</u>	<u>(703,000)</u>	<u>(2,252,577)</u>
RESTRICTED FIXED ASSET FUNDS						
Transferred on Conversion	11,095,228	-	(251,545)	-	-	10,843,683
Purchased from GAG/Other Restricted	211,413	-	(1,448)	14,760	-	224,725
Capital Grants	2,401,565	71,022	(54,447)	-	-	2,418,140
Sports Centre Donation	1,575,000	-	(35,000)	-	-	1,540,000
	<u>15,283,206</u>	<u>71,022</u>	<u>(342,440)</u>	<u>14,760</u>	<u>-</u>	<u>15,026,548</u>
TOTAL RESTRICTED FUNDS	<u>14,121,977</u>	<u>4,765,174</u>	<u>(5,410,180)</u>	<u>-</u>	<u>(703,000)</u>	<u>12,773,971</u>
TOTAL FUNDS	<u>14,121,977</u>	<u>4,893,226</u>	<u>(5,538,232)</u>	<u>-</u>	<u>(703,000)</u>	<u>12,773,971</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - 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 - 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 other restricted grants received from the ESFA including devolved formula capital, teachers pay grant, year 7 catch up, free school meals allocation and other restricted donations. During the year £14,760 (2018: £28,225) was transferred to the restricted fixed asset fund to represent fixed assets purchased from restricted income.

Elizabeth Farmor Trust - Represents funds donated from the Elizabeth Farmor Trust for educational purposes of the Academy Trust.

Pension Scheme - As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed Assets Transferred on Conversion - Represent the building and equipment donated to the Academy Trust from Gloucestershire County Council on conversion to an Academy.

Fixed Assets Purchased from GAG and Other Restricted - Represents fixed assets purchased from GAG and Other Restricted Income. During the year £14,760 (2018: £28,225) was transferred from the restricted fund to represent fixed assets purchased from restricted income.

Other Capital Grants - Represents grants received from the ESFA for various capital projects throughout the school.

Sports Centre Donation - Represents the gift of the sports centre on 1 January 2014 from Cotswold District Council. The sports centre has been treated as an asset of the Academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	-	315,655	(315,655)	-	-	-
RESTRICTED FUNDS						
General Annual Grant (GAG)	(44,596)	4,105,145	(4,152,377)	7,991	-	(83,837)
Rates Relief	-	18,833	(18,833)	-	-	-
Pupil Premium	-	72,181	(72,181)	-	-	-
High Needs Income	-	40,951	(40,951)	-	-	-
Trip Income	-	301,899	(301,899)	-	-	-
Other Restricted Income	-	27,318	(27,318)	-	-	-
Elizabeth Farmor Trust	3,367	36,457	-	(36,216)	-	3,608
Pension reserve	(1,222,000)	-	(127,000)	-	268,000	(1,081,000)
	<u>(1,263,229)</u>	<u>4,602,784</u>	<u>(4,740,559)</u>	<u>(28,225)</u>	<u>268,000</u>	<u>(1,161,229)</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Transferred on Conversion	11,369,905	-	(274,677)	-	-	11,095,228
Purchased from GAG/Other Restricted	187,723	-	(4,535)	28,225	-	211,413
Capital Grants	2,170,193	283,800	(52,428)	-	-	2,401,565
Sports Centre Donation	1,610,000	-	(35,000)	-	-	1,575,000
	<u>15,337,821</u>	<u>283,800</u>	<u>(366,640)</u>	<u>28,225</u>	<u>-</u>	<u>15,283,206</u>
TOTAL RESTRICTED FUNDS	<u>14,074,592</u>	<u>4,886,584</u>	<u>(5,107,199)</u>	<u>-</u>	<u>268,000</u>	<u>14,121,977</u>
TOTAL FUNDS	<u>14,074,592</u>	<u>5,202,239</u>	<u>(5,422,854)</u>	<u>-</u>	<u>268,000</u>	<u>14,121,977</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	15,026,548	15,026,548
Fixed asset investments	1	-	1
Current assets	223,417	-	223,417
Creditors due within one year	(442,995)	-	(442,995)
Creditors due in more than one year	(150,000)	-	(150,000)
Provisions for liabilities and charges	(1,883,000)	-	(1,883,000)
TOTAL	<u>(2,252,577)</u>	<u>15,026,548</u>	<u>12,773,971</u>

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	15,278,706	15,278,706
Fixed asset investments	1	-	1
Current assets	360,101	4,500	364,601
Creditors due within one year	(440,331)	-	(440,331)
Provisions for liabilities and charges	(1,081,000)	-	(1,081,000)
TOTAL	(1,161,229)	15,283,206	14,121,977

21. 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.

22. 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.

23. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(645,006)	(220,615)
ADJUSTMENTS FOR:		
Depreciation	342,440	366,640
Capital grants	(71,022)	(278,800)
Interest receivable	(205)	(206)
Defined benefit pension scheme cost less contributions payable	68,000	96,000
Defined benefit pension scheme finance cost	31,000	31,000
(Increase)/Decrease in debtors	77,861	(84,903)
Increase in creditors	2,664	167,188
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(194,268)	76,304

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Loans received in the year	150,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	150,000	-

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest receivable	205	206
Purchase of tangible fixed assets	(90,282)	(439,377)
Capital grants	71,022	278,800
NET CASH USED IN INVESTING ACTIVITIES	(19,055)	(160,371)

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	17,897	81,220
TOTAL CASH AND CASH EQUIVALENTS	17,897	81,220

27. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

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

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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)
- 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%.

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

The employer's pension costs paid to TPS in the year amounted to £428,720 (2018: £405,096).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £189,000 (2018: £191,000), of which employer's contributions totalled £156,000 (2018: £156,000) and employees' contributions totalled £33,000 (2018: £35,000). The agreed contribution rates for future years are 30.2% for employers and 5.5 - 12.5% 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

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. PENSION COMMITMENTS (CONTINUED)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24	24
Females	26.4	26.4

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	512	369
Salary increase rate +0.5%	59	49
CPI rate +0.5%	443	316

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,444,000	1,333,000
Bonds	555,000	406,000
Property	178,000	154,000
Cash and other liquid assets	44,000	39,000
Total market value of assets	2,221,000	1,932,000

The actual return on scheme assets was £78,000 (2018: £52,000).

FARMOR'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(217,000)	(252,000)
Past service cost	(7,000)	-
Interest income	56,000	44,000
Interest cost	(87,000)	(75,000)
Total amount recognised in the Statement of Financial Activities	(255,000)	(283,000)

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

	2019 £	2018 £
At 1 September	3,013,000	2,882,000
Past service cost	7,000	-
Current service cost	217,000	252,000
Interest cost	87,000	75,000
Employee contributions	33,000	35,000
Actuarial losses/(gains)	777,000	(216,000)
Benefits paid	(30,000)	(15,000)
At 31 August	4,104,000	3,013,000

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

	2019 £	2018 £
At 1 September	1,932,000	1,660,000
Interest income	56,000	44,000
Actuarial gains	74,000	52,000
Employer contributions	156,000	156,000
Employee contributions	33,000	35,000
Benefits paid	(30,000)	(15,000)
At 31 August	2,221,000	1,932,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

28. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	4,627	10,076
Later than 1 year and not later than 5 years	6,940	10,076
	<u>11,567</u>	<u>20,152</u>

29. 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, transactions may take place with organisations in which a trustees has 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 £Nil (2018: £25,320) were charged to Farmor's Sports Centre Limited, a 100% wholly owned subsidiary. At the year end £7,545 (2018: £1,045) was owed to the Academy from 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.

30. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 the Academy received £8,398 (2018: £10,491) and distributed £9,710 (2018: £4,023) from the fund. An amount of £9,683 (2018: £10,995) is included within other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy receives cash from students as an agent for several travel agents. In the accounting period ended 31 August 2019 the Academy received £310,011 (2018: £191,630) and disbursed £310,011 (2018: £191,630) from the fund for Academy trips. All funds have been distributed before the year end.