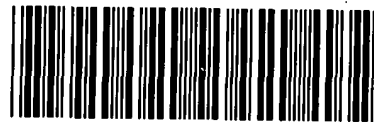


COMPANY NUMBER: 00924280
CHARITY NUMBER: 307019

GOVERNORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS
FOR
THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 AUGUST 2016

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THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

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THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

J Maudslay (Chairman)
F Flint
V Mills
A Moore-Bick
G Nash
P Noel
J Pennock
G Peters
J Slater
J Stevenson
J Watts

Senior Management Team

Principal
Deputy Head
Bursar & Secretary
Head of Boarding
SENCO
Head of 6th Form
Head of Prep

N Goodman
C Hogan
G Gore
N Kirkwood
C Bellerby
A Glubb
S Welch

Company number

00924280

Charity number

307019

Registered office and principal address

Frewen College
Brickwall Rye Road
Northiam
Rye
East Sussex
TN31 6NL

Auditors

Russell New Limited
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Bankers

HSBC Bank plc
4 Robertson Street
Hastings
East Sussex
TN34 1HW

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

The governors present their report and the financial statements for the year ended 31 August 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association, applicable law and the requirements of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in March 2005.

Structure, governance and management

The charity is a limited liability company governed by the Memorandum and Articles of Association as amended by special resolution on 4 October 1996. The company is registered in England and Wales and numbered 924280. The names and addresses of organisations providing banking services or professional services to the school can be found on the 'Legal and Administrative Information' page.

The Governors who are also the directors for the purpose of company law, who served during the year were:

J R Maudslay (Chairman)
F Flint
J A Hamer
V Mills
A Moore-Bick
G Nash
P Noel
J Pennock
G Peters
J Slater
J Stevenson
J Watts

Governors are proposed and appointed by current serving Governors at a full meeting of the members. None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

New Governors are usually either well known to existing Governors in a professional capacity, or are personally recommended to them by similar connections. Prospective Governors typically receive an extensive briefing from the Chairman of Governors before visiting the school and having the opportunity to meet with and question the Principal and members of the Senior Leadership Team. Enhanced Disclosure and Barring Service checks are undertaken for new Governors.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Governors are selected on the basis of their extensive knowledge and experience in relevant sectors. The Chairman ensures that a broad balance of experience is maintained encompassing the spheres of education, finance, and business, as well as social and moral guidance.

Governors are encouraged to attend those training courses and conferences which they consider helpful in broadening and deepening their existing knowledge and strengths.

The school is governed through a Company limited by guarantee, by an independent Board of Directors which oversees the management and sets the policies for the school. The Board members fulfil the roles of school Governors and act as Trustees. The Principal is entitled to sit on the Board if he/she so chooses. The Board meets once a term as a minimum. The Board has also established a Finance and General Purposes Committee, a Health and Safety Committee, an Education Committee, a Boarding and Pastoral Committee, and a Marketing Committee, each of which meets at least once a term. The executive function is managed and accomplished by a senior leadership team led by the Principal.

The school is registered by the Department for Education (DfE), the Council for the Registration of Schools Teaching Dyslexic Pupils (CRSTeD) and UK Visas and Immigration. It is approved by the Independent Schools Association and the Children's Education Advisory Service, and is a member of the Boarding Schools Association, and a Supporting Corporate Member of the British Dyslexia Association.

Risk management

The Governors are satisfied that systems are in place to manage exposure to major risks and that all appropriate steps have been taken to ensure the future financial stability of the Company. A continuing process is in place in order to identify, monitor and minimise all significant areas of risk.

The principal risks are considered to be:

- Failure to maintain student numbers at a level to ensure the school remains financially viable
- Safeguarding risk
- Regulatory risk
- Performance risk, whereby the school's reputation would suffer if students did not make or exceed the expected progress

Objectives and activities

The principal object of the Charity is that of maintaining an independent co-educational school, known as Frewen College. The aim of the school is to be a centre of excellence for educating children with Specific Learning Difficulties such as Dyslexia, Dyspraxia and closely related difficulties including Speech and Language and Sensory Integration problems. The school includes a junior section known as Frewen Preparatory School, and a new Sixth Form was opened in September 2014.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

The Company is established to deliver the following principal objects:-

- a) to promote the cause of education;
- b) in furtherance of that object, to establish and carry on any school or schools; to acquire any school as a going concern subject to any liabilities thereto;
- c) to provide for the training and instruction of pupils in any school so acquired or established in every branch of learning and knowledge; in citizenship, and in arts and crafts of all kinds, and on the basis of broad Christian principles to provide such pupils with spiritual, moral, mental and physical training in a non-denominational environment;
- d) in furtherance of the foregoing objects to do all or any of the things laid down in the Memorandum of Association.

In pursuit of the school's specialist educational objectives all appropriate classroom staff including teaching assistants are expected to undertake specialist training. Full time therapists are employed offering speech and language, occupational, sensory integration, and Johansen IAS sound therapies. Small class sizes are maintained, and individual provision plans are prepared for each pupil. Additional reading tuition is provided for all pupils in small groups as well as regular intensive numeracy tuition.

Governors regularly review the structure of the school, and this has recently seen a Sixth Form established in partnership with Bexhill Sixth Form College and Plumpton College. The Senior Leadership Team has also been restructured (with effect from September 2016) to better align Teaching and Learning with the specific needs of our students.

Guidance is provided to parents seeking Local Authority funding, and a means tested bursary scheme is available to assist parents of limited means who are unable to obtain funding. Services Bursaries are available to assist Service families. During the year, 12 pupils benefited from bursary support.

The school continued to develop its educational facilities with a further expansion of the IT network including additional PCs and interactive whiteboards. Sports provision continues with fixtures with mainstream as well as specialist schools and successes were recorded in football, athletics and cross country meetings. The Prep School participated in the Rural Rother Sports Partnership and enjoyed involvement in a wide range of sports activities including hosting a number of tournaments. Popular Prep activities included archery and many other sports.

The school continues to extend its pastoral activities with both boarding and day pupils. Designated staff have time allocated for mentoring activities and have undertaken specialist training. Tutor time allows tutors to check pupils' welfare throughout the day; along with timetabled PSHEE (Personal Social Health and Economic Education) lessons across the school and SEAL (Social and Emotional Aspects of Learning) lessons for KS2 & 3. The PSHEE curriculum has been developed to ensure that we are addressing pupils' emotional wellbeing, as well as physical

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

wellbeing. Boarding Care staff regard the social development of their pupils as an integral part of their role. Pupils are encouraged to join external groups such as Scouts and Athletics Clubs, and to give enthusiastic support to fundraising activities such as MacMillan Nurses, The Teenage Cancer Trust and more local charities like St Michael's Hospice. We offer a range of enrichment activities after school, including archery, kayaking, GCSE revision, art and music; and a number of trips, including the Duke of Edinburgh's Award, adventurous educational visits, theatre trips and fieldwork, all of which encourage pupils to develop their social skills as well playing an important role in the SMSC (Spiritual, Moral, Social, Cultural Values) agenda.

Achievements and performance

The school's boarding provision was inspected by Ofsted in December 2015, and assessed as 'Good'. This was followed by a full Ofsted inspection in June 2016, which identified the progress the school continues to make, and resulted in an assessment of 'Good with Outstanding Features'.

Her Majesty's Inspector observed:

- The new principal has a clear vision to improve academic outcomes for pupils
- Precisely focused plans for improvement guide leaders' work effectively
- Pupils benefit from a range of therapies that are used extremely well to supplement the curriculum
- The quality of teaching, learning and assessment is good, sometimes better
- Pupils make rapid gains in their self-confidence, self-awareness and self-esteem
- Pupils achieve good outcomes

The most recent CReSTeD report also reports extremely positively on all aspects of the school.

We encourage pupils to sit GCSE exams in as many subjects as we believe they can manage. Those we think cannot cope with GCSE level are entered for the Entry Level Certificate so that they have a goal to aim for and a reward for their efforts.

Exam results, based on pupil progress and achievement against their CATS projections, have increased steadily over the last three years, and the June 2016 results were the best ever.

The pass rate at GCSE was 100%, with candidates exceeding their CAT projections by an average of 0.4 grades across all GCSEs taken.

Less than 30% of exams taken were Level 1, Functional Skills or Entry Level. Of these, 80% of candidates achieved the top grades possible within the qualification.

Pupil numbers continue to show steady growth, which is expected to continue. Students reflect a mixture of privately funded, Local Authority funded, and also of day students and boarding (including overseas students).

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Financial review

The year under review was anticipated to be challenging, which proved to be the case, with a cashflow deficit of £59,295 (2015: £19,595). Additional costs arising from increased Employer Pension and National Insurance Contributions have been significant factors in this deficit. Nevertheless, governors recognise the need to maintain affordability of school fees, and were able to restrict the level of fee increase to well below the average of our peer independent schools.

The School's principal funding source is school fees, this income is used to support the key objectives of the school as documented earlier in this report. Reserves have fallen by £115,509 during the year to total £556,231 at 31 August 2016. This total is represented by £543,953 general funds to be spent or applied at the discretion of the Governors to further any of the School's objectives and £12,278 restricted funds, further details of which can be found in the notes to the financial statements.

Student numbers remain buoyant, the impact of the restructure of the Senior Management Team will reduce costs from September 2016, and capital commitments will also reduce by £97,000 per year by 2020. This, together with other cost controls, will lead to the delivery of annual surpluses for investment in the school.

Remuneration of Senior Management

The day-to-day running of the school is delegated to the Principal and Senior Management Team.

The remuneration of key management is set by governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure the school remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the school's charitable vision and purpose is primarily dependent on key management, and staff costs are the largest single element of charitable expenditure.

Reserves policy

It is the policy of the school that its financial affairs are maintained within a tight budget that is approved by the Governors. The nature of the school's activities determines that the reserves fund, property and other net assets are held to cover unexpected shortfalls on the Statement of Financial Activities. The Governors consider that, in the event of a significant drop in short term funding, they will be able to continue the school's activities while consideration is given to ways in which additional funds may be raised.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Funding sources and how expenditure meets objectives

School fees continue to represent the great majority of income, and the school has experienced an increase in privately funded pupils, including several from Overseas. Additional income is generated from grants and donations, and a small amount of rental income. All expenditure is directly related to the salaries of classroom and support staff, the delivery of the school curriculum, and the upkeep of the school's premises, fixtures, fittings and equipment.

The school continues to operate a means tested bursary scheme to assist parents with school fees. Additional discounts and bursaries are available to children from Armed Forces families, and sibling discounts are provided. The Governors have agreed a limit on the maximum bursary commitments permissible, as a proportion of total fee income. This bursary commitment is currently not fully drawn.

The Trust has wide investment powers, but any monies subject to the jurisdiction of the Charity Commission for England and Wales or the Secretary of State for Education or representing property so subject shall be invested only upon such investments and with such sanction (if any) as may for the time being be required by law.

Public Benefit

The Governors have had regard to the Charity Commission's guidance on public benefit. The school's specialist role, with a consequent high proportion of Local Authority and Ministry Of Defence funded placements, sets it apart from the majority of the Independent sector. The means tested bursary scheme, and the guidance given to parents seeking funding underpin the school's conviction that access to specialist education should be available to the broadest possible spectrum of pupils in terms of their social and economic background.

In addition, a number of the school's facilities are made available to the public, in particular the maintained primary school adjacent to the school, the local village cricket club, and local youth football teams. The inaugural Dyslexia Conference was held in November 2015, at which a panel of speakers presented to education professionals from Kent and Sussex.

The school has welcomed the Brickwall Music and Arts Society, a long established charity which stages regular music concerts in the school's historic Drawing Room.

The school was also pleased to again host the annual village bonfire and firework display on behalf of Northiam Bonfire Society, attended by 2,000 visitors.

Asset cover for funds

The assets are sufficient to meet the charity's obligations.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Plans for the future

Cost controls continue to be developed to ensure a sound financial operating basis for the future, including adequate provision to secure the appropriate maintenance and future development of the premises.

The further development of the Preparatory School and establishment of a Sixth Form reinforce our commitment to providing all through education for children with Specific Learning Difficulties. Referrals from local mainstream Preparatory Schools continue, and the restructure of the Senior Leadership Team will enable these relationships with local schools to be further developed.

Marketing of the school will continue to be given a high priority. The appointment of a Marketing Assistant in October 2015 will continue to raise the school's profile, particularly through digital marketing and the use of social media.

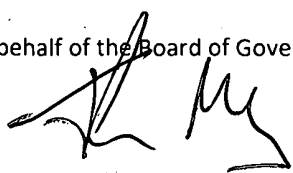
Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Russell New be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Governors



J R Maudslay (Chairman)

Date

10 MARCH 2017

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also the directors for the purposes of company law, are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard in the UK and Republic of Ireland'.

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements the governors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will not continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

We have audited the financial statements of The Frewen Educational Trust Limited for the year ended 31 August 2016 set out on pages 12 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' report and for the *no other purpose*. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members, as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As explained in the statement of governors' responsibilities, the governors, who are also the directors of the charitable company 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.

We have been appointed under the Companies Act 2006 and report in accordance with that act.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Governors' Report (incorporating the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of Russell New Limited

Statutory Auditors

The Courtyard

Shoreham Road

Upper Beeding

Steyning

West Sussex

BN44 3TN

Dated: 22 March 2017

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2016

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2016 £ | Total 2015 £ |
|--------------------------------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 6 | 70 | - | 70 | 777 |
| Other trading activities | 7 | 25,531 | - | 25,531 | 23,965 |
| Charitable activities | 8 | 2,813,747 | - | 2,813,747 | 2,678,349 |
| Total income | | 2,839,348 | - | 2,839,348 | 2,703,091 |
| EXPENDITURE ON: | | | | | |
| | 9 | | | | |
| Raising funds | | 27,170 | - | 27,170 | 22,638 |
| Charitable activities | | 2,927,687 | - | 2,927,687 | 2,725,464 |
| Total expenditure | | 2,954,857 | - | 2,954,857 | 2,748,102 |
| Net income/expenditure | | (115,509) | - | (115,509) | (45,011) |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | (115,509) | - | (115,509) | (45,011) |
| Fund balances brought forward | | 659,462 | 12,278 | 671,740 | 716,751 |
| Fund balances carried forward | | 543,953 | 12,278 | 556,231 | 671,740 |

All income and gains for the year are recognised above. All of the charity's activities are classed as continuing.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FREWEN EDUCATIONAL TRUST LIMITED

Company Number 00924280


(LIMITED BY GUARANTEE)

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2016

| | Notes | 2016 | | 2015 | |
|--|-------|--------------------|------------------|--------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 12 | | 1,652,629 | | 1,721,189 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 533,221 | | 524,429 | |
| Cash at bank and in hand | | <u>2,549</u> | | <u>2,878</u> | |
| | | 535,770 | | 527,307 | |
| CURRENT LIABILITIES | | | | | |
| Creditors due within one year | 14 | <u>(1,411,975)</u> | | <u>(1,260,611)</u> | |
| NET CURRENT ASSETS | | | <u>(876,205)</u> | | <u>(733,304)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 776,424 | | 987,885 |
| LONG TERM LIABILITIES | | | | | |
| Creditors due after one year | 15 | | (220,193) | | (316,145) |
| NET ASSETS | | | <u>556,231</u> | | <u>671,740</u> |
| REPRESENTED BY: | | | | | |
| RESTRICTED FUNDS | 20 | | 12,278 | | 12,278 |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 20 | | 543,953 | | 659,462 |
| | | | <u>556,231</u> | | <u>671,740</u> |

The accounts were approved by the board and signed on their behalf by:


J R Maudslay (Chairman)

Date: 10 March 2017

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

| | Notes | 2016 | 2015 |
|---|-------|-----------|-----------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net income/expenditure for the year | | (115,509) | (45,011) |
| Adjustments for: | | | |
| Depreciation charges | 12 | 70,754 | 73,523 |
| Loss/(profit) from sale of tangible fixed assets | | 1,642 | - |
| (Increase)/decrease in debtors | | (8,792) | 4,577 |
| Increase/(decrease) in creditors | | 89,015 | 14,971 |
| Net cash provided by/(used in) operating activities | | 37,110 | 48,060 |
| Cash flows from investing activities: | | | |
| Proceeds from sale of tangible fixed assets | | 500 | - |
| Purchase of tangible fixed assets | 12 | (4,336) | (101,932) |
| Net cash provided by/(used in) investing activities | | (3,836) | (101,932) |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | | (92,569) | (65,723) |
| Cash inflows from new borrowing | | - | 100,000 |
| Net cash provided by/(used in) financing activities | | (92,569) | 34,277 |
| Change in cash and cash equivalents in the year | | (59,295) | (19,595) |
| Cash and cash equivalents at the beginning of the year | | (121,728) | (102,133) |
| Cash and cash equivalents at the end of the year | | (181,023) | (121,728) |
| Analysis of cash and cash equivalents | | | |
| Cash at bank and in hand | | 2,549 | 2,878 |
| Overdraft facility repayable on demand | | (183,572) | (124,606) |
| Total cash and cash equivalents | | (181,023) | (121,728) |

THE FREWEN EDUCATIONAL TRUST LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 STATUTORY INFORMATION

The charity is a charitable company, limited by guarantee, registered in England and Wales. The registered office, company number and charity number are detailed in the Legal and Administrative Information on page 1.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities' Statement of Recommended Practice (SORP (FRS102)) and Financial Reporting Standard 102.

The charitable company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy.

After reviewing the charity's forecasts and projections, the governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements the governors have considered whether in applying the accounting policies required by FRS 102 and the Charities' SORP FRS 102 the restatement of comparative items was required. The governors have reviewed the transactions and have determined that no amendment to the comparative figures is required, other than a presentational amendment.

2.3 Income

Fees receivable and charges for services, less any allowances, scholarships and bursaries granted by the school against those fees are accounted for in the period in which the service is provided. Where fees are received for a future service period they are included in deferred income, including those fees received under an advance fee payment scheme.

Investment and biomass RHI income is accounted for on an accruals basis.

Donations, legacies, grants and other voluntary income are accounted for as and when entitlement arises, the amount can be reliably measured and the economic benefit is considered probable.

Where a donor or an appeal has imposed restrictions the income is credited to a restricted fund.

THE FREWEN EDUCATIONAL TRUST LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2.4 Expenditure

Expenditure is accounted for on an accruals basis with irrecoverable VAT included with the item to which it relates.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold land is not depreciated

| | | |
|----------------------------------|---|--|
| Freehold buildings | - | 1% straight line less estimated £50,000 for cost of land |
| Portable buildings | - | 20% straight line |
| Fixtures, fittings and equipment | - | 33% straight line |
| Motor vehicles | - | 25% reducing balance |

Minor items of capital expenditure up to £1,000 are written off to the Statement of Financial Activities as incurred.

2.6 Leasing and hire purchase commitments

Rentals paid under operating leases are charged against income on a straight line basis over the period of the lease.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and the useful life of the asset. Obligations under such agreements are included as creditors net of the finance charge allocated to future periods. The finance charge element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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FOR THE YEAR ENDED 31 AUGUST 2016

2.7 Pensions

Teaching staff are members of the Teachers' Pension Scheme (TPS), a defined benefit scheme administered by the Teachers' Pension Agency. Contributions to the scheme are charged to the Statement of Financial Activities as they fall due. The TPS is an unfunded scheme. Contributions on a 'pay as you go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

The charity also contributes to personal pension schemes for its non-teaching staff.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The governors seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.10 Fund accounting

Unrestricted funds comprise those funds which can be used in accordance with the charitable objects at the discretion of the governors.

Designated funds comprise those funds set aside by the governors out of general funds for specific purposes or projects.

Restricted funds are those funds that can only be used for particular restricted purposes in accordance with the wishes of the donor or when funds are raised for particular restricted purposes.

3 TURNOVER

The turnover of the charity is wholly attributable to the objects of the charity as stated in the Governors' Report and is earned entirely within the UK.

4 NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2016 | 2015 |
|---|--------|--------|
| | £ | £ |
| Operating lease payments | 28,286 | 33,623 |
| Depreciation | 70,754 | 73,523 |
| Profit/(loss) on disposal of assets | 1,642 | - |
| Auditors' remuneration - audit services | 10,500 | 10,260 |
| Auditors' remuneration - non-audit services | 4,794 | 870 |

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FOR THE YEAR ENDED 31 AUGUST 2016

5 TAXATION

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

6 INCOME FROM DONATIONS AND LEGACIES

| | UNRESTRICTED | RESTRICTED | TOTAL 2016 | TOTAL 2015 |
|-----------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Donations | 70 | - | 70 | 777 |

7 INCOME FROM OTHER TRADING ACTIVITIES

| | UNRESTRICTED | RESTRICTED | TOTAL 2016 | TOTAL 2015 |
|---------------------|--------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Lettings income | 1,768 | - | 1,768 | 1,989 |
| Fund raising income | 858 | - | 858 | 794 |
| Biomass RHI income | 22,905 | - | 22,905 | 21,182 |
| | 25,531 | - | 25,531 | 23,965 |

8 INCOME FROM CHARITABLE ACTIVITIES

| | TOTAL 2016 | TOTAL 2015 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Gross school fees | 2,806,911 | 2,652,332 |
| less bursaries and allowances | (74,322) | (71,882) |
| Net school fees | 2,732,589 | 2,580,450 |
| Add: | | |
| Registration fees | 3,600 | 3,650 |
| Extras income | 50,241 | 83,738 |
| School bus / Transport Income | 27,317 | 10,511 |
| | 2,813,747 | 2,678,349 |

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FOR THE YEAR ENDED 31 AUGUST 2016

9 ANALYSIS OF EXPENDITURE

| | Staff Costs £ | Depreciation £ | Other costs £ | Total 2016 £ | Total 2015 £ |
|-------------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| Cost of raising funds: | | | | | |
| Other trading activities | - | - | - | - | 788 |
| Financing costs | - | - | 27,170 | 27,170 | 21,850 |
| Total cost of raising funds | - | - | 27,170 | 27,170 | 22,638 |
| Charitable expenditure | | | | | |
| Education | | | | | |
| Teaching | 1,560,983 | 36,031 | 272,507 | 1,869,521 | 1,688,041 |
| Welfare | 246,638 | - | 96,068 | 342,706 | 334,492 |
| Premises | 203,523 | 34,723 | 188,685 | 426,931 | 436,206 |
| Support and governance | 163,795 | - | 124,734 | 288,529 | 266,725 |
| Total charitable expenditure | 2,174,939 | 70,754 | 681,994 | 2,927,687 | 2,725,464 |
| Total expenditure | 2,174,939 | 70,754 | 709,164 | 2,954,857 | 2,748,102 |

Analysis of support and governance costs:

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Governance costs: | | |
| Auditors remuneration for audit services | 10,500 | 10,260 |
| Governors' training | 596 | - |
| Governors' expenses | 337 | 934 |
| Total governance costs | 11,433 | 11,194 |
| Support costs: | | |
| Auditors' remuneration for non audit services | 4,794 | 870 |
| Legal and professional fees relating to support | 40,059 | 39,084 |
| Support staff wages, national insurance and pension | 163,795 | 159,637 |
| Other support costs | 68,448 | 55,940 |
| | 288,529 | 266,725 |

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FOR THE YEAR ENDED 31 AUGUST 2016

10 STAFF COSTS

The average monthly headcount was 87 staff (2015: 84 staff) and the number of full time equivalent employees during the year was:

| | 2016 Number | 2015 Number |
|----------|----------------|----------------|
| Teaching | 43 | 40 |
| Welfare | 10 | 11 |
| Premises | 5 | 5 |
| Support | 6 | 5 |
| | <u>64</u> | <u>61</u> |

The aggregate payroll costs for the year were as follows:

| | 2016 £ | 2015 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,870,579 | 1,766,439 |
| Social security costs | 134,969 | 129,276 |
| Pension costs | 169,391 | 146,683 |
| | <u>2,174,939</u> | <u>2,042,398</u> |

Staff earning in excess of £60,000 per annum in the following bands are:

| | 2016 Number | 2015 Number |
|-------------------|----------------|----------------|
| £70,000 - £79,999 | <u>1</u> | <u>1</u> |

Of the employees whose emoluments exceed £60,000, 1 (2015: 1) have retirement benefits accruing under defined benefit schemes.

Contributions payable by the company for those employees were:

| | 2016 £ | 2015 £ |
|--------------------------|---------------|--------------|
| Defined benefits schemes | <u>12,195</u> | <u>7,810</u> |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

10 STAFF COSTS

cont'd

The key management personnel of the school are detailed in the Governors' Report and Legal and Administrative Information.

| | 2016 | 2015 |
|---|---------|---------|
| | £ | £ |
| Aggregate employee benefits of key management personnel | 383,619 | 361,424 |

None of the governors received any remuneration or other benefits from the school or any connected body. Two governors (2015: 4) had expenses reimbursed in the amounts detailed in note 9.

11 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 31 AUGUST 2015

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|
| INCOME FROM: | | | |
| Donations and legacies | 757 | 20 | 777 |
| Other trading activities | 23,965 | - | 23,965 |
| Charitable activities | 2,678,349 | - | 2,678,349 |
| Total income | 2,703,071 | 20 | 2,703,091 |
| EXPENDITURE ON: | | | |
| Raising Funds | 22,638 | - | 22,638 |
| Charitable activities | 2,725,464 | - | 2,725,464 |
| Total expenditure | 2,748,102 | - | 2,748,102 |
| Net income/expenditure | (45,031) | 20 | (45,011) |
| Fund balances brought forward | 704,493 | 12,258 | 716,751 |
| Fund balances carried forward | 659,462 | 12,278 | 671,740 |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

12 TANGIBLE FIXED ASSETS

| | Freehold Property £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|------------------------|---------------------------|-----------------------------|------------------------|------------|
| Cost | | | | |
| At 1 September 2015 | 2,018,254 | 212,549 | 66,699 | 2,297,502 |
| Additions | - | 4,336 | - | 4,336 |
| Disposals | - | (5,472) | (34,393) | (39,865) |
| At 31 August 2016 | 2,018,254 | 211,413 | 32,306 | 2,261,973 |
| Depreciation | | | | |
| At 1 September 2015 | 349,383 | 166,819 | 60,111 | 576,313 |
| Charge for year | 34,723 | 34,384 | 1,647 | 70,754 |
| Eliminated on disposal | - | (3,960) | (33,763) | (37,723) |
| At 31 August 2016 | 384,106 | 197,243 | 27,995 | 609,344 |
| Net Book Value | | | | |
| At 31 August 2016 | 1,634,148 | 14,170 | 4,311 | 1,652,629 |
| At 31 August 2015 | 1,668,871 | 45,730 | 6,588 | 1,721,189 |

ASSETS ON HIRE PURCHASE

| | Fixtures & Fittings £ | Total £ |
|-----------------------|-----------------------------|------------|
| Cost | | |
| At 1 September 2015 | 190,132 | 190,132 |
| Additions | - | - |
| Disposals | - | - |
| At 31 August 2016 | 190,132 | 190,132 |
| Depreciation | | |
| At 1 September 2015 | 1,901 | 1,901 |
| Charge for year | 1,901 | 1,901 |
| At 31 August 2016 | 3,802 | 3,802 |
| Net Book Value | | |
| At 31 August 2016 | 186,330 | 186,330 |
| At 31 August 2015 | 188,231 | 188,231 |

THE FREWEN EDUCATIONAL TRUST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

13 DEBTORS

| | 2016 | 2015 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Fee debtors | 521,221 | 497,448 |
| Prepayments and accrued income | 12,000 | 26,981 |
| | <u>533,221</u> | <u>524,429</u> |

14 CREDITORS: due within one year

| | 2016 | 2015 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 253,650 | 193,085 |
| Hire purchase | 27,201 | 25,416 |
| Trade creditors | 107,961 | 56,895 |
| Other creditors | 22,667 | 20,052 |
| Accruals | 11,507 | 9,759 |
| Fees in Advance | 932,647 | 899,906 |
| Deposits | 16,099 | 18,699 |
| Other taxes and social security | 40,243 | 36,799 |
| | <u>1,411,975</u> | <u>1,260,611</u> |

Fees in advance represent fees received for the Autumn term 2016.

15 CREDITORS: due after one year

| | 2016 | 2015 |
|---------------|----------------|----------------|
| | £ | £ |
| Bank loans | 126,581 | 195,334 |
| Hire purchase | 93,612 | 120,811 |
| | <u>220,193</u> | <u>316,145</u> |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

16 BANK LOANS AND HIRE PURCHASE

Bank loans are wholly repayable in instalments as follows:

Less than one year

In more than one year but less than two years

In more than two years but less than five years

2016 2015

£ £

70,078 68,479

71,716 70,078

54,865 125,256

196,659 263,813

The bank loans and overdraft are secured by fixed and floating charge over the assets of the school. The loans mature in February 2019 and June 2019 with interest rates of 2.15% and 2.75% above base rate respectively.

Net obligations payable under hire purchase and lease contracts:

2016 2015

£ £

Within one year

27,201 25,416

Between one and five years

93,612 120,811

120,813 146,227

Interest of £9,171 (2015: £10,839) was paid in respect of assets under hire purchase.

17 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2016 the company had total commitments under non-cancellable operating leases payable as follows:

| | Land & Buildings | | Other | |
|----------------------------|------------------|------|---------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Within one year | - | - | 34,180 | 33,623 |
| Between one and five years | - | - | 44,311 | 32,902 |
| | - | - | <u>78,491</u> | <u>66,525</u> |

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FOR THE YEAR ENDED 31 AUGUST 2016

18 PENSION COMMITMENTS

The school participates in the Teachers' Pension Scheme (England and Wales) (TPS) for its teaching staff. The TPS is an unfunded multi-employer defined benefits scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The pension charge for the year includes employer contributions payable to the TPS of £146,988 (2015: £116,777) and at the year end £19,765 (2015: £16,829) was accrued in respect of contributions due to the scheme.

The school also contributes to defined contribution schemes on behalf of its other staff. Employer contributions payable to these schemes were £22,403 (2015: £29,899) and at the year end £2,943 (2015: £3,223) was accrued in respect of contributions due to these schemes.

19 SHARE CAPITAL AND CONTROL

The charity is limited by guarantee and does not have a share capital. In the event of a winding up each member guarantees to contribute an amount of no more than £1.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

20 SUMMARY OF FUND MOVEMENTS

| | At 1 September 2015 | Income | Expenses | At 31 August 2016 |
|---------------------------|------------------------|------------------|--------------------|----------------------|
| Unrestricted funds | | | | |
| General reserves | 659,462 | 2,839,348 | (2,954,857) | 543,953 |
| Restricted funds | | | | |
| Academic Fund | 9,278 | - | - | 9,278 |
| Michael Waller Award Fund | 3,000 | - | - | 3,000 |
| | 12,278 | - | - | 12,278 |
| Total funds | 671,740 | 2,839,348 | (2,954,857) | 556,231 |

Unrestricted funds:

These are funds to be spent or applied at the discretion of the Governors to further any of the Charity's objectives.

Restricted funds:

Academic Fund - This fund represents restricted donations received for academic purposes.

Michael Waller Award Fund - This fund represents restricted donations received for the purpose of awarding prizes to pupils for exceptional performance.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|-------------------------------|----------------------------|--------------------------|----------------|
| Tangible fixed assets | 1,652,629 | - | 1,652,629 |
| Current assets | 523,492 | 12,278 | 535,770 |
| Creditors: less than one year | (1,411,975) | - | (1,411,975) |
| Creditors: over one year | (220,193) | - | (220,193) |
| | 543,953 | 12,278 | 556,231 |

22 RELATED PARTIES

There were no related party transactions during the year (2015: none).