

Faringdon Academy of Schools

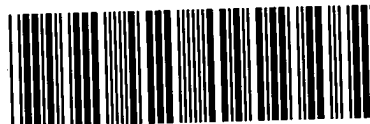
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the period from 1 September 2013 to 31 August 2014

**Company Registration Number:
07977368(England and Wales)**

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Faringdon Academy of Schools

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Faringdon Academy of Schools

Reference and Administrative Details

Members

Bob Wintringham (since 1st April 2012)
Liz Holmes (since 1st April 2012)
Mark Mobey (since 1st April 2012)
Diocese Board of Education (since 1st November 2013)
Dan Read (1st April 2012 to 31st October 2013)
Roger Cox (1st April 2012 to 31st October 2013)
Alex Bannister (1st April 2012 to 31st October 2013)

Directors (Trustees)

Bob Wintringham (Chairman)
David Wilson (Executive Head Teacher)*
Liz Holmes (Vice-Chairman)*
Mark Mobey
Rachel Kenyon
Alun Williams
Paul Turner*
Ian Wright (since 1st November 2013)
Kathryn Hall (since 1st November 2013)
Christine Price (since 1st November 2013)

*Member of Academy Resources Committee

Rev Richard Hancock (since 1st November 2013)
Jeremy Twynam (since 1st November 2013)*
Dan Read (until 31st October 2013)
Roger Cox (until 31st October 2013)
Claire King (until 31st March 2013)
Lisa Proctor (until 31st October 2013)
Alex Bond (until 31st October 2013)
Alex Bannister (until 31st October 2013)
Peter McGurk (until 31st October 2013)
Heather Hambridge (until 31st October 2013)

Clerk

Sally McKendrick

Academy Leadership Team

Executive Head
Academy Business and Finance Director
Director of School Improvement
Head Faringdon Junior School
Head Faringdon Infant School
Head of Buckland CofE Primary
Head of John Blandy Primary
Head of Longcot & Fernham CofE Primary
Head of Shrivenham CofE Primary
Head of Watchfield Primary

David Wilson
John Banbrook
Duncan Millard
Paul Turner
Heather Hambridge
Louise Warren
Clare Sylvester
Claire Mellor
Vicky Sammon
John Quinn

Principal and Registered Office

Fernham Road
Faringdon
Oxon
SN7 7LB

Company Registration Number

07977368 (England and Wales)

Independent Auditor:

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

Bankers:

Lloyds Bank PLC
8 Market Place
Faringdon
Oxfordshire
SN7 7HN

Solicitors:

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Faringdon Academy of Schools Trustees' Report

The Board of Directors hereby presents their 2nd annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2013 to 31st August 2014. Academy conversion orders were issued by the Secretary of State for Education on 20th December 2011 and Faringdon Academy of Schools, comprising Faringdon Community College (1076 pupils), Faringdon Junior School (255 pupils) and Faringdon Infant School (264 pupils), were incorporated on 6th March 2012, formally converting from Local Authority maintained schools to a multi-academy trust on 1st April 2012. During the period covered by this report, the Academy underwent a significant consultation to expand to include 5 partnership primary schools. Consequently, on 1st November 2013, a further 5 academy primary schools joined Faringdon Academy of Schools:

- Watchfield Primary School (298 pupils);
- John Blandy Primary School (157 pupils);
- Shrivenham VC Church of England (CofE) Primary School (141 pupils);
- Buckland VC CofE Primary School (96 pupils);
- Longcot & Fernham VC CofE Primary School (117 pupils).

This report refers to the constitution, activities, policies and structures in operation during the period covered by this report. The annual report serves the purposes of both a trustees' report, and a directors report under company law.

Structure, Governance and Management

Constitution

Faringdon Academy of Schools ("Academy Trust") is a company limited by guarantee and an exempt charity. The primary governing documents of the Academy Trust are its Memorandum and Articles of Association. The Directors are responsible for the affairs and the management of the academies operated by the Academy Trust. The Directors act as the trustees for the Academy Trust's charitable activities.

Details of the Directors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease 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.

Governors' (Directors) Indemnities

Insurance cover is provided by Ecclesiastical.

Method of Recruitment and Appointment or Election of Directors

As the Academy expanded on 1st November 2013, the Board of Directors evolved to a new structure comprising 12 appointments:

- 2 – Directors with Secondary Education experience.
- 2 – Directors with Primary Experience.
- 3 – Directors appointed by the Oxfordshire Diocese Board of Education.
- 4 – Directors appointed by Members.
- 1 – Executive Head Teacher.

Members may appoint up to 4 Directors, but the total number of Directors who are employees of the Academy Trust (including the Executive Head Teacher) must not exceed one third of the total number of Directors.

Faringdon Academy of Schools Trustees' Report (continued)

The Directors may appoint up to 2 co-opted Directors. A 'co-opted Director' means a person who is appointed to be a Director by being co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Company as a co-opted Director if the number of Directors who are employed by the Company (including the Head Teachers) would thereby exceed one third of the total number of Directors.

Policies and Procedures Adopted for the Induction and Training of Governors

Faringdon Academy of Schools continues to subscribe to Oxfordshire County Council's Governor Services, which exists to provide support and training for Oxfordshire's school governors. Furthermore, the Board of Directors provides direction and guidance to the Local Governing Bodies at each academy school.

Organisational Structure

The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Board of Directors

The Board of Directors has overall responsibility for the administration of the academy's finances. The main responsibilities of the Board of Directors are prescribed in the Master Funding Agreement and respective Supplemental Funding Agreements between the academy and the DfE and in the academy's Scheme of Delegation. The main responsibilities include:

- Ensuring that the grant from the DfE is used only for the purposes intended.
- Approval of the annual budget for each school.
- Appointment of the Accounting Officer.
- Appointment of the Finance Director, in conjunction with the Accounting Officer.

The Board of Directors has wide discretion over its use of the Academy's funds, and is ultimately responsible for the proper stewardship of those funds and for ensuring **economy, efficiency and effectiveness** in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability or propriety.

The Faringdon Academy of Schools Resources Committee

The Academy Resources Committee is a committee of the Board of Directors. The Committee meets at least once per term, but more frequent meetings are arranged as necessary. The main responsibilities of the Academy Resources Committee are detailed in written terms of reference which have been authorised by the Board of Directors and they include:

- Providing guidance and direction for the annual budget process.
- Agreeing a mechanism for accounting for central academy services and setting the annual contribution from each school.
- The review and authorisation of the annual budget of each school and any subsequent revised budgets submitted in January of each school year.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies.
- Authorising the award of contracts and leases over £25,000 per year.

Faringdon Academy of Schools Trustees' Report (continued)

- Authorising changes to the central academy personnel establishment.
- Reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Directors meeting.

Additionally, during this reporting period, the Resources Committee established mechanisms to monitor application of Pay Policy across the Academy. The Committee is directly supported by the Finance Committees from each academy school. School Finance Committees are responsible for their delegated budgets and for regular monitoring of actual expenditure and income against school budgets.

The Executive Head Teacher – Accounting Officer

Faringdon Academy of Schools appointed an Executive Head Teacher on 1st April 2013. The Executive Head Teacher is the appointed Academy Accounting Officer and has overall personal responsibility for:

- Probity and regularity compliance.
- Prudent and economical Academy administration.
- Keeping of proper Academy accounts.
- Ensuring value for money and avoiding waste and extravagance across the whole Academy.
- Efficient and effective use of available Academy resources.

Much of the responsibility is delegated to the Academy Finance Director to manage on a day-to-day basis. Additionally, within a framework that comprises the academy vision, strategic objectives and academy school improvement plan, approved by the Board of Directors, each Head Teacher has responsibility for their individual School Development Plans including the setting of their school's individual budget and financial activities. Individual school budgets are approved by their respective Local Governing Body and submitted to the Board of Directors, via the Academy Resources Committee for approval annually or as required.

The Academy Finance Director

The Academy Finance Director works in close collaboration with the Accounting Officer through whom he is responsible to the Board of Directors. The Finance Director also has direct access to the Board of Directors and the Academy Resources Committee. The main responsibilities of the Finance Director are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- The preparation of monthly management accounts.
- Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

Faringdon Academy of Schools Trustees' Report (continued)

Other Staff

Other members of staff, primarily the Academy Finance Officer, School Finance Officers, School Finance Assistants and budget holders at each school, will have some financial responsibilities and these are detailed in the Faringdon Academy of Schools Financial Regulations Manual. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

Connected Organisations, including Related Party Relationships

The Academy Trust is not part of a wider network such as a soft federation.

Objectives and Activities

Objects and Aims - taken from the Objects as described in the Articles of Association:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:*
- i. Academies other than those designated Church of England, whether with or without a designated religious character; and*
 - ii. Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any reasonable directives issued by the Diocesan Board of Education,*

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England; and

- (b) as ancillary to (a), and with the written agreement of the Trustees in respect of Academies falling under (a)(ii), to promote for the benefit of the inhabitants of the areas served by the Academies the provision of services for other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.*

Faringdon Academy of Schools Vision statement approved by the Board of Directors:

"Our Academy will create a seamless educational experience for our students across all key stages to develop responsible, capable and confident young people who are active citizens in the 21st Century. We will achieve outstanding progression and maximise pupil achievement in all Academy schools through a rich and motivating curriculum. The Academy will be recognized by our staff, parents and the local community as providers of a safe, creative and ethical environment reinforced by a vibrant Community Dimension. Overall, we will ensure that the Academy proactively adds value to each partner school so that the sum is always greater than the individual parts."

Faringdon Academy of Schools

Trustees' Report (continued)

Objectives, Strategies and Activities

Objectives - When the Academy expanded on 1st November 2013, the Board agreed to maintain the vision statement and the following 5 strategic objectives with associated key indicators. These will be reviewed in the Autumn term 2014 to assess progress and continued relevance:

1. Our aim is to be the best multi-school academy in southern England

Performance Indicators:

- All Academy Schools to have an Ofsted outstanding rating.
- All Academy Schools to consistently achieve attainment standards within the top 25% nationally (KS1 – KS5).
- Satisfaction survey with stakeholders and if possible benchmark against other schools.

2. We want to achieve seamless progression across all key stages

Performance Indicators:

- Implement a 'through-life' teaching and learning strategy.
- Create a rich and motivating curriculum acknowledged through student and parental 'voice' feedback; and independent verification.

3. Maximise engagement with students, their families and the local community to achieve a vibrant community dimension

Performance Indicators:

- Produce an Academy Community Strategy document, detailing development of all key partnerships and interactions.
- Annually audit the Academy's delivery of a 'safe, creative and ethical environment' with staff, parents and the local community.

4. Build a viable and sustainable long term Faringdon Education Strategy

Performance Indicators:

- Produce and publish a Faringdon Education Development Plan (10 year vision) linked to the Faringdon Neighbourhood Plan.
- Proactively support the conversion of Faringdon Partnership schools to Academy status with feedback via the Headteacher Steering Group.

5. Ensure that our Academy proactively adds value to member schools

Performance Indicators:

- Academy Board to subjectively assess the quality of approved 'Added Value Projects' being successfully implemented each year; and /or assessment by Local Governing Bodies using questionnaires with ratings on added-value progress.
- Additional investment made available per year by becoming a Multi-Academy Trust – whether derived via economies of scale or other savings (measured as absolute quantum or % of total budget).

Faringdon Academy of Schools Trustees' Report (continued)

Strategies and Activities - The expansion of Faringdon Academy of Schools as an 8-school multi-academy trust on 1st November 2013 marked the next logical step in the evolution of the academy programme within our local community. Our Academy now comprises 8 of the 11 schools that previously formed the Faringdon Partnership of Schools. We continue to include the 3 remaining non-academy schools in our leadership meetings and most of our activities involving the pupils. We aspire to include these schools within our Multi-Academy Trust at a time convenient and appropriate to all parties. The previous Partnership arrangements now superseded by the Academy have seen these 11 schools working closely together for over 18-years. The model includes Faringdon Community College, rated by Ofsted as 'Outstanding' since May 2008 and the key primary feeder schools from the Town and local villages. The success of Academy activities stems from the integration and cooperation of all of the Head Teachers within an Academy Leadership Team, chaired by the Executive Head Teacher which meets every 3-weeks. This meeting is further supplemented by an Academy Operations meeting once every small term to discuss all of the support and enabling activities (finance, HR, catering, IT services, H&S and premises). Following on from last year's Annual Report, there have been 3 high level strategies developed by the Board of Directors and these are articulated below.

Strategic Priority Number 1 (Consolidation)- The immediate focus was to finalise the expansion of the Academy from 3 to 8 schools following a 12-month consultation and conversion programme. The new 5 primary schools formally joined the Academy on 1st November 2013 with the formation of a new Academy Board of Directors and revised Articles of Association. The Academy Leadership Team formed in September 2013 ahead of the conversion date to provide operational leadership of all academy schools. The Board of Directors and the Academy Leadership Team have worked hard to bring the 8 schools closer together to share best practice and experience and to exploit the benefits of economies of scale. Whilst this remains a work in progress, significant achievements have already been made and these are identified later in this report. Looking forward, it remains our intention to offer the opportunity to the remaining 3 partnership schools to join the academy and consequently, the organizational structure of the Academy will remain a strategic priority for the next year.

Strategic Priority Number 2 (Demographic Growth)- In 2013, the Board co-sponsored a report with Oxfordshire County Council to identify strategic recommendations to meet the predicted increase in pupil numbers created by population growth within Faringdon Town. The report addressed the immediate pressure created by increased numbers at Faringdon Infant School and made recommendations to meet this need as part of a longer term proposal to achieve a balanced and increased provision of primary schools places in Faringdon. The expansion of the Academy combined with greater than anticipated growth within Faringdon has meant that the Master Plan has had to be revisited. Oxfordshire County Council agreed to sponsor this work acknowledging their responsibility to meet basic need.

The new plan will look at the future needs of every school in the Academy and revisits the assumptions and recommendations for Faringdon Community College. The recommendations will form the baseline for the Academy's infrastructure needs for the next 10-years. During the year, planning permission has been obtained to construct the new 3-classroom build at Faringdon Junior School which will eventually enable the school to transition to provide a 2 form entry primary capability. The Academy inherited a requirement to build a new 4 classroom block at Watchfield Primary school and planning permission has recently been approved. A bid was submitted to the Education Funding Agency for a grant to construct a new 3-storey block at Faringdon Community College as phase 1 of a multi-phase plan to expand the capacity of secondary provision. Whilst this grant was unsuccessful, detailed work has continued and planning permission was submitted in October 2014 in preparation for a subsequent bid. Responding to demographic changes within the local community and delivering the recommendations in the revised Master Plan will remain a strategic priority for the Academy the foreseeable future.

Faringdon Academy of Schools Trustees' Report (continued)

Strategic Priority Number 3 (Improvement) - The third key strategy remains the same as last year and stems from activity to deliver the first 2 of our strategic objectives; to become the best multi-academy trust in Southern England; and, to achieve a seamless progression across all key stages. In April 2013, Dave Wilson Head Teacher at Faringdon Community College was appointed as interim Executive Head Teacher of the Academy with overall responsibility for school improvement and as the single Academy Accounting Officer. The Executive Head Teacher is a Board Director and chair of the Academy Leadership Team thereby delivering the means to ensure that the Board's strategic priorities can be translated directly into operational activity. The priority over the last 12-months has been to further develop the relationships between each school, to share results and best practice, to introduce and develop a School Improvement Team and to produce a common assessment strategy.

Once again, this has been an exceptionally busy operating period for Faringdon Academy of Schools and a significant amount of work has been completed to establish the foundation for how the Academy will operate in the coming months and years. The Board of Directors seeks to take a strategic approach to running the Academy with Local Governing Bodies at each school empowered to operate and oversee their respective schools. This framework includes a developing mechanism to ensure economy, efficiency and effectiveness in order to guarantee value for money. The Academy is building on the work of the last 12-months and further developing mechanisms to ensure that it meets its obligations in full and critically that it adds value to each of its member schools.

Public Benefit

Faringdon Academy of Schools comprises a mixed comprehensive secondary school with a successful 6th Form, a Junior School and an Infant School, 3 Church of England Primary Schools and 2 Primary Schools. Together they offer an excellent educational environment for over 2400 pupils. Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated pupils, very supportive parents and a highly committed Academy Board with a strong connection with the local community. All of our schools have high quality pastoral care systems.

Faringdon Academy of Schools has excellent links with other Oxfordshire Academies, the Rotary Club, U3A, Chamber of Commerce & Faringdon Business Breakfast Club, the Defence Academy, Friends of the Folly and so many more groups in our community. This ensures that we continue to generate better educational programmes for all young people, as well as improving our transitional activities for students who will be coming to Faringdon Community College.

We value highly all contact with parents since we see a successful education being a partnership between parents, students and the school. By working together we are able to meet our aim of ensuring that all who attend our Academy Schools will find it challenging, stimulating, caring and a happy place to be.

Enabled by our close partnership and community connections, all pupils within member schools are able to participate in a wide variety of sports, clubs, trips and activities; at Faringdon Community College this includes the Duke Of Edinburgh Award Scheme and The Community Sports Leadership Award Schemes. The Academy has further developed Saturday School, held at the Community College to utilise the outstanding facilities and this is accessible by all pupils at academy schools. Saturday School offers diverse activities from technology clubs, web design, drama, cooking, music, art and first aid workshops. The popularity of Saturday School continues to accelerate and we hope to increase the range of options as the Academy expands in the coming year. This initiative is funded via a grant from central academy funds and contributions from those attending.

To that end, the Academy Trust Directors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Faringdon Academy of Schools

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Faringdon Academy of Schools primary output is the delivery of outstanding education to all pupils in our Academy schools. The following information and data summarises the achievement and performance data for each Academy school from an educational perspective.

Faringdon Community College - reviewed by Ofsted as outstanding since 2008.

GCSE Exam Results 2014

- 61% of students achieved a minimum of 5 A*-C (E+M) passes
- 68% of students achieved a minimum of 5 A*-C passes
- 99% of students achieved a minimum of 5 A*-G passes
- Average points per student 430pts (equivalent to over 10 C passes)
- Average points per entry 42 (equivalent to grade C+)

In terms of examination entries

- 73% of all entries were at grades A*/C level
- 50% of all entries were at grades A*/B level
- 28% of all entries were at grades A*/A level

There were many aspects of the results for 2014 to be proud of. Our more able students performed very well indeed. Twenty two students achieved a minimum of 10 A*/A grades. There were 3 students who gained 15 A*/A grades, a phenomenal achievement. The percentage of A* grades was 50% higher than the national figure. However the 5A*-C (E+M) and the 5A*-C headline figures were down on 2013, although both still above the national figures. This drop was a disappointment and the result of a number of factors. It was a weaker year group, as analysed by Key Stage 2 points on entry, it had a large number (36%) of borderline 5A*-C (E+M) students. Faringdon Community College and the results were also affected by what was described by Ofqual as the 'volatility' of the GCSE outcomes 2013. This was created by the changes brought in by the Government mid-course to how GCSE's were to be counted in 2014. The current predictions for 2015 suggest a positive picture with 5A*-C (E+M) returning to the very high levels of performance of 2013 at over 70%

A Level

The A level results 2014 by any analysis were outstanding.

- 62% of passes were at grade A*/B
- 99% of passes were at A*/E
- 33% of passes were at A*/A
- Average UCAS pts per student was 407 (average 4 grade B's)
- 67% of students achieved 2 or more A*/B passes

All the figures are high compared to national averages and at the very top end of performance in Oxfordshire for maintained schools.

When analysed in terms of value added.

- 33% of A level departments performed in the top 10% of departments nationally.
- 50% of A level departments in the top 25% of departments national.
- Chemistry was in the very top percentile.

This was the best ever set of A level results for FCC. Phasing of all the students who applied to University, 47% achieved places at the prestigious Russell Group.

Faringdon Academy of Schools

Trustees' Report (continued)

PRIMARY SCHOOL SUMMARY - KEY STAGE 2 PERFORMANCE							
	Attainment				Progress		
	Reading Level 4+	Writing Level 4+	Maths Level 4+	Spelling, Punctuation and Grammar Level 4+	Reading % 2 levels progress Key stage 1 to 2	Writing % 2 levels progress Key stage 1 to 2	Maths % 2 levels progress Key stage 1 to 2
Faringdon Junior School	78%	84%	84%	65%	88%	96%	92%
	Commentary: The School acknowledges that the reading score was lower than anticipated and we have since put strategies in place to make significant improvements for this year; reading has historically been a strong subject at FJS. We were very pleased with the writing as this gave us sig+ in raise. Maths is OK if two more children had got 2 levels of progress we would have been sig+ in this subject. Each child was worth just under 2%. Two children had statements.						
Buckland Primary School	92%	92%	92%	92%	100%	100%	92%
	Commentary: Cohort of 12 = each pupil 8%. One pupil with a statement who did not achieve level 4. SEN made very good progress. FSM value added progress was very good in reading and writing but less than national expectation in maths. Lower ability do particularly well. Percentage of level 5s well above national averages in all subjects and 50%+ pupils making more than expected progress. Boys outperform girls in maths and girls outperform boys in writing.						
Shrivenham Primary School	100%	76%	86%	76%	100%	95%	95%
	Commentary: Each child in this cohort is worth 5%. These scores are all in line with or above national average apart from writing. Our level 5 reading, writing and maths scores were all above the national average as were our above expected progress scores for reading and writing. There were 5 pupils with SEN in this cohort (25%) including 1 pupil with a statement. Their value added scores were 103.2 which is significantly above national expectations as shown in Raiseonline.						
John Blandy Primary School	90%	71%	81%	67%	95%	100%	90%
	Commentary: Each child in this cohort is worth 4.8%. Attainment of L4+ in Maths and Reading are in line with National averages. The percentage of children achieving L5+ in Reading (62%), Maths (48%) and Spelling Punctuation and Grammar (62%) are all above National averages. The percentages of children making expected progress across the key stage are all above National averages. There were 6 pupils with SEN in this cohort (28.8%) including 1 pupil with a statement. The gap between disadvantaged pupils and other pupils progress shows as sig+ in all areas in RAISEonline when compared nationally.						
Longcot & Fernham Primary School	100%	94%	100%	100%	100%	100%	100%
	Commentary: Each child in this cohort is worth 6%. Attainment (APS) is significantly above national level in all subjects. Level 5 scores were also significantly above national level in Reading, Writing and Maths and above national level in Spelling, Punctuation and Grammar. There were no SEN pupils in the cohort. Raiseonline data shows that CVA is 100.3. The percentage of pupils making expected progress across the key stage are above national averages in all subjects.						
Watchfield Primary School	90%	95%	80%	90%	94%	94%	88%
	Commentary: These figures are without the EAL children who only joined the school in September 2013. Attainment and Progress for English is above National Average. Maths is broadly in line with National Average. The percentages for attainment correspond to a cohort of 22 children whilst the progress is for 17 children only. There were only 5 children in this cohort who had been with school since reception. There was one child who had a statement; this same child was in receipt of free school meals.						
KEY STAGE 1 PERFORMANCE							
	Phonics Year 1	Reading Level 2+	Writing Level 2+	Maths Level 2+	Average Point Score all Subjects		
Faringdon Infant School	78%	82%	72%	88%	15.0		
	Commentary: Year 2 pupils made rapid progress from their end of Foundation Stage starting points in Maths and Reading and expected progress in Writing. Most of the cohort with no SEN achieved age related expectations in all three areas. A third of the cohort were on the SEN register and some had complex needs; these were supported through a wide variety of interventions. Phonics results in Year 1 remain above National.						

Notes: Level 4 is the expected standard for a pupil at the end of Key Stage 2 (Year 6 pupil)

Faringdon Academy of Schools Trustees' Report (continued)

The Academy primary school results overall at KS2 are very pleasing. When combined across the Academy, "expected progress" and "above expected progress" made by the students is very good, and above national. The Academy has a strong school improvement programme in place whereby, as well as utilising specialist staff, individual schools share this area of expertise across all schools in the Academy.

Academy Ofsted Ratings - There are 8 schools in the Academy, 2 are rated "Outstanding", 5 are rated as "Good" (one of these moved from "Requires Improvement" to "Good" during the course of the year) and one is rated as "requires Improvement" (it went into this category just before joining the Academy).

Academy Saturday School - The Faringdon Academy Saturday School continues to be a success with children attending a variety of activities on a Saturday morning. The majority of children attending are from the Primary schools in the Academy and the younger aged children of FCC. The most recent activities have included football, fencing, guitar lessons, art and craft, ICT including Stop Go Animation and Web Design. In the past we have run cooking, design technology, electronics and tennis lessons. We continue to build on the success by offering different subjects and activities for all age groups.

Going Concern

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

Key Performance Indicators

The Board of Directors approved an overall Academy budget for the period 1st September 2013 to 31st October 2013 and a revised budget when the Academy expanded from 1st November 2013 to 31st August 2014. During this period, our total General Annual Grant was £9.920M. For this period:

- The Academy predicted a total income of £11.280M and we received £11.479M¹ or 102%.
- The Academy predicted staffing costs at £8.360M and we actually spent £8.592M or 103%.
- The Academy predicted total revenue expenditure at £11.051M and we actually achieved £11.369M (excluding depreciation and FRS17 pension costs) or 103%.

In summary, the Board of Directors are pleased with the financial performance during a period where the Academy expanded from 3 to 8 schools. There is a requirement to review the financial structure of the Academy and specifically financial delegation and support staff structures. This work will take place during AY1415 with a view to changes being made for AY1516.

¹ Excludes EFA SEN clawback of £127K.

Faringdon Academy of Schools

Trustees' Report (continued)

Financial Review

Faringdon Academy of Schools converted to a multi-academy trust of 1st April 2012 and an Academies Financial Management and Governance Evaluation was undertaken within four months of the conversion date and submitted to the Education Funding Agency (EFA) in July 2012 in accordance with a published submission deadline. In September 2013, the Academy established an Independent Audit Committee with 5 members. Furthermore a new Chartered Accountant was appointed to fulfil the duties of the Responsible Officer. This appointment works to a schedule determined by the Audit Committee; the focus has been to visit all schools to check that Academies financial controls are appropriate. The Audit Committee presented their inaugural report to the Academy Board on 27th November 2014.

Fund balances

The total fund balances of the Academy at 31st August 2014, as detailed in Note 19 to the financial statements, amounted to £17.662M. Excluding the fixed asset fund (representing the net book value of fixed assets) of £18.988M and the pension deficit fund of £2.696M, reserves amounted to £1.370M and are summarised as follows:

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2014	2013
	£	
Faringdon Community College	464,629	446,033
Faringdon Junior School	204,588	142,570
Faringdon Infant School	134,900	52,714
Buckland CofE Primary School	54,266	-
John Blandy VC Primary School	(22,142)	-
Longcot and Fernham CofE Primary School	111,329	-
Shrivenham CofE Controlled School (<i>including MOD MUGA grant £27k</i>)	40,023	-
Watchfield Primary School	103,988	-
Central services - main funds	278,232	302,299
Central services - primaries' conversion funding	-	120,016
Total before fixed assets and pension reserve	1,369,813	1,063,632
Fixed asset fund (representing net book value of fixed assets - note 15)	18,987,701	14,303,415
Pension reserve	(2,696,000)	(1,293,000)
Total funds	17,661,514	14,074,047

Reserves Policy

During the inaugural operating period the Academy accrued a healthy reserve and this has increased with the expansion of the Academy as each of the 5 new schools received transfer balances from Oxfordshire County Council on conversion. These balances amounted to a further £291K (£252K revenue and £39K capital) from Oxfordshire County Council in AY1314. In addition to delegated school budgets, the Academy holds a central budget to fund a range of central services; within this budget we have planned to accrue sufficient funds to meet the needs of our 5-year maintenance programme. This programme was revisited in February 2014 to take account of all 8 academy schools; we have conducted high-level property surveys of each site to assess the significant under-investment by the local authority over many years. These surveys identified circa £2.834M of routine maintenance required over a 5-year period across 8-sites. A detailed programme of work is maintained by the Academy Operations Manager and approved by the Academy Safety & Facilities Management Committee to ensure that it is coherent with the aforementioned Master Planning Proposals to expand capacity across all phases of education.

Faringdon Academy of Schools Trustees' Report (continued)

Additionally, in AY1415, the Academy is due to receive a new 3 classroom build at Faringdon Junior School and a 4 classroom build at Watchfield Primary School; funds have been ring-fenced to assist with the costs of equipping both projects once they are handed over by the local authority.

Following our expansion on, on 1st November 2013, and given the uncertainty over future funding levels, the Board have taken the view that until we have a solid understanding of the financial profile and performance of the 5 joining schools, it is prudent to retain a sensible reserve. A more detailed policy on reserves will be developed by the Academy Resources Committee in AY1415.

Investment Policy

Investments will be made only in accordance with written procedures approved by the Board of Directors. At present, all funds held by the Academy as at the 31 August 2014 were in an interest bearing account with Lloyds Banking Group. The Academy Resources Committee has debated options to invest money and they have had exploratory discussions with our relationship manager at Lloyds Bank. At this time, cognisant of the position outlined in the Reserves Policy statement and enduring low interest rates, the Committee have elected to postpone any investment policy until we have changed our financial structure. The Academy Resources Committee will review the need for an investment policy in AY1415 in order to make a recommendation to the Board.

Principal Risks and Uncertainties

Risk Management

In this operating period, the Board of Directors have identified and reviewed the major risks to which the Academy Trust is exposed. The major risks have been discussed at Board meetings and appropriate mitigating action has been agreed. At an operational level, the internal control systems and the exposure to risks are considered on a regular basis by the Executive Head Teacher and the academy leadership team.

As the Academy continues to grow, new operating procedures have been developed to formalise a means of identifying, analysing, managing, implementing strategies and reviewing risks. These procedures are now contained in the Academy Strategic Plan which incorporates the risk management strategy and risk register. This plan was approved by the Board of Directors on 17th October 2013. The Board of Directors has made a considered choice about its desired risk profile, taking account of its legal obligations, its strategic objectives and public expectations of what it should deliver.

The Board of Directors define risk as:

The probability and implications of an activity or event of potentially positive or negative consequences taking place.

This definition of risk enables an approach that allows for the possibility of identifying and exploiting opportunities as well as identifying and mitigating threats. The Faringdon Academy of Schools Risk Management strategy comprises 4 steps:

- **Step 1 – Risk Identification** - In simple terms, risk identification aims to recognise what could go wrong, and how. It begins with the annual review of strategic objectives and the subsequent work conducted by the 4 Academy sub-committees (Resources, Safety & Facilities Management, Performance & Standards and PR & Community). However, all Directors, Head Teachers and members of Academy Leadership Teams are responsible for highlighting any key risks that they

Faringdon Academy of Schools Trustees' Report (continued)

identify. Strategic risks should be passed to the Academy Business & Finance Director to collate in the Academy Risk Register for further analysis.

- **Step 2 – Risk Analysis** – Risk analysis seeks to understand the likelihood of the activity or event occurring, the potential severity of the outcome, and to ascertain who owns each risk. The Academy has developed a risk matrix, showing likelihood versus impact, to determine the risk of any single event occurring.
- **Step 3 – Risk Management** - Having identified and assessed the likely risks, the Board of Directors, Academy sub-committees and/or Academy Leadership Team develop measures to reduce their likelihood and impact, mitigate unfavourable outcomes, and exploit opportunities that may arise. Risks are prioritised, so that attention can be focused on mitigating the most severe first.
- **Step 4 – Review** – This process is an iterative process. The Risk Register is maintained by the Academy Central Office, owned by the Academy Business & Finance Director; it is reviewed regularly by the Academy Leadership Team and Executive Head Teacher who is responsible for raising strategic risks to the Board of Directors. The Risk Management Strategy and the Risk Register must be reviewed annually by the Board of Directors. Both the Risk Strategy and Risk Register are available on the Academy website to enable all Directors to be familiar with strategic risks.

From 1st September 2013 to 31st August 2014, the Academy considered its main risks to be:

- **Potential of Academy to fail to respond to demographic changes in local community.** This risk is directly as a result of the ongoing number of new housing developments in the immediate area which continue to place significant pressure on pupil places at primary level. To mitigate this risk, Faringdon Academy of Schools has revisited the Master Planning Proposals which were co-sponsored by Oxfordshire County Council in 2013. The revised Plan will be a strategic review of education infrastructure in Faringdon and the local villages for the next 15-years. Moreover, work is due to begin in 2015 to construct a new 3-classroom build at Faringdon Junior School and a 4 classroom build at Watchfield Primary School. Short-term capacity at Shrivenham, John Blandy and Faringdon Community College remains a significant risk. The Academy is working closely with Oxfordshire County Council to address these concerns.
- **Potential of Academy Schools to sustain favourable Ofsted inspections.** The Board acknowledges that our future success is inextricably linked to the performance of each of our academy schools and the continuous improvement of our reputation and achievements. Consequently, the Board acknowledges this risk and has made the following improvements to mitigate the risk.
 - The Academy Performance & Standards Committee to provide governance and strategic direction to manage school improvement. This committee reports directly to the Board of Directors.
 - The Academy Executive Head Teacher is appointed to oversee teaching and learning across the whole academy.
 - On 1st September 2013, the Academy School Improvement Team was formally established, comprising experienced teachers and led by a trained and current Ofsted inspector. The team is responsible for the strategy for school improvement across the academy and has established a programme of pre-Ofsted inspection visits to support and advise each Head Teacher.
 - On 1st September 2013 an Academy Leadership Team was established, led by the Executive Head Teacher and comprising the Director of School Improvement, each Headteacher and the Academy Business & Finance Director. The Team meet every 3-weeks with a focus on teaching and learning and school improvement.

Faringdon Academy of Schools Trustees' Report (continued)

- **Potential of Academy to fail to respond to reducing levels of EFA funding.** Since converting as an Academy in April 2012, the additional funding necessary to operate as a multi-academy trust has reduced significantly. Reduced income combined with continued salary growth across all academy schools has placed real pressure on all 8 school budgets. The situation is likely to get worse in AY1516 with increases to employers contribution to Teacher Pension Scheme (2.4%) and further reductions in the Education Services Grant (£140 per pupil to £87 per pupil). The Academy Resources Committee has initiated a piece of work to review the financial structure of the Academy and it will report in the Spring Term of 2015 with recommendations for changes from September 2015.

Plans for Future Periods

Our plans for the next 12-months will be to consolidate the governance, leadership, systems and processes necessary to operate an expanded Academy. Enduring financial pressures are leading us to review our financial structures and support staff organisation and we anticipate that we may need to make changes for AY1516. Our immediate priorities are to:

- Further develop the strengths of our Board of Directors, Academy sub-committees and the relationships with the Local Governing Bodies at each school.
- Advance the cooperation and expertise of our Academy Leadership Team to continue to support every member school.
- Further exploit the benefits of the School Improvement Team and develop an enhanced School Improvement strategy for approval by the Board of Directors.
- Deliver proposals to amend our financial and organizational structure to ensure the future financial sustainability of the Academy.
- Determine a timescale for consultation to expand the Academy to offer an opportunity for local primary feeder schools to join.
- Deliver revised Master Planning Proposals in close consultation with Oxfordshire County Council to meet the increasing capacity requirements across the whole of the Academy.

Funds held as Custodian Trustee on behalf of others

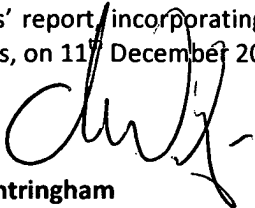
The Academy Trust or its directors are not acting as custodian trustee on behalf of others.

Auditor

In so far as the Directors are aware:

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

Trustees' report incorporating a strategic report, approved by order of the Board of Trustees', as the company directors, on 11/ December 2014 and signed on the board's behalf by:



Bob Wintringham
Chair of the Board of Directors

Faringdon Academy of Schools

Governance Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Faringdon Academy of Schools 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 Directors has delegated the day-to-day responsibility to the Executive 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 it in the Master Funding Agreement and respective Supplemental Funding Agreements between Faringdon Academy of Schools and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

During this period a major review of governance was conducted as the Academy expanded from 3 to 8 schools. At this time, the Members changed from 6 to 4 and the number of Directors changed from 15 to 12. Additionally the Audit Committee was established as a new sub-committee to the Board. The changes are incorporated within new articles of association. The changes have enabled the Board and members to take a more strategic approach to governance since the expansion of the Academy.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Governors' responsibilities. The Board of Directors has formally met 8 times during the operating period, twice as the original Board and 6 times as the newly formed Board. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Bob Wintringham	8	8
Liz Holmes	8	8
Alun Williams	7	8
Mark Mobey	8	8
David Wilson	5	8
Paul Turner	8	8
Rachel Kenyon	6	8
Rev Richard Hancock	4	6 - new Board member from 1 st Nov 13
Jeremy Twynam	5	6 - new Board member from 1 st Nov 13
Ian Wright	5	6 - new Board member from 1 st Nov 13
Kathryn Hall	5	6 - new Board member from 1 st Nov 13
Christine Price	5	6 - new Board member from 1 st Nov 13
Heather Hambridge	2	2 - resigned on 31 st Oct 13 on expansion
Roger Cox	0	2 - resigned on 31 st Oct 13 on expansion
Alex Bond	2	2 - resigned on 31 st Oct 13 on expansion
Alex Bannister	0	2 - resigned on 31 st Oct 13 on expansion
Dan Read	1	2 - resigned on 31 st Oct 13 on expansion
Lisa Proctor	2	2 - resigned on 31 st Oct 13 on expansion
Peter McGurk	1	2 - resigned on 31 st Oct 13 on expansion

Faringdon Academy of Schools Governance Statement (continued)

The **Academy Resources Committee** is a sub-committee of the Board of Directors. The main responsibilities of the committee are set out in page 6 of this report.

Attendance at meetings since 1st Nov 2013 was as follows:

Director/Governor	Meetings attended	Out of a possible
Liz Holmes (Director)	3	3
Dave Wilson (Director)	2	3
Paul Turner (Director)	3	3
Jeremy Twynam	3	3
David Hancox	3	3
Martin Westmorland	2	3

The **Audit Committee** is also a sub-committee of the Board of Directors with a remit to review and constructively challenge the adequacy of internal controls and risk management processes. The Committee is fully independent of the Board and does not comprise any Board members. The Committee reviews the effectiveness of the operation of Faringdon Academy of Schools financial systems and provides the Board with an annual assessment on their internal control. The Committee formed in the Autumn Term 2013 and met for the first time on 12th November 2013.

Attendance at meetings since 1st September 2013 was as follows:

Committee Member	Meetings attended	Out of a possible
Anne Lynn (Chairman)	3	3
Paul Andrews	3	3
Andrew Walsham	2	3
Jane Taylor	3	3
Michael Brady	3	3

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place since 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors 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 Directors is of the view that there is an on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Academy Resources Committee which reports to the Board of Directors.

Faringdon Academy of Schools

Governance Statement (continued)

The Risk and Control Framework

The Board of Directors 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 each Local Governing Body and the Board of Directors.
- regular reviews by the Academy Resource Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Directors have considered the need for a specific internal audit function and they engaged with a specialist from Critchleys, our external auditors, to advise on an appropriate structure to meet our future needs. Following this advice, the Academy appointed an independent Audit Committee comprising 5 members and a Responsible Officer. The Audit Committee reports directly to the Board of Directors and the Responsible Officer reports to both the Audit Committee and the Academy Resources Committee. The Committee held its inaugural meeting on 12th November 2013. The Audit Committee sat 3 times from 1st November 2013 to 31st August 2014 and again on 23rd October 2014.

The main duties of the Audit Committee have been agreed as providing the Board of Directors with independent assurance that:

- The financial responsibilities of the Board of Directors are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.

The Audit Committee submitted their inaugural annual assessment to the Board of Directors on 27th November 2014. During this period, their work programme focused on 3 key areas: payroll, procurement and reporting. Internal audit visits were conducted by the Responsible Officer at 5 of the 8 academy schools and there were no material observations raised. The key recommendation, acknowledged by the Academy Resources Committee and the Board is to review the Academy's support staff organisation and its financial delegation structure. This work has already been initiated and will be present to the Resources Committee and Board in the Spring Term 2015.

Review of Effectiveness

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

- the work of the Responsible Officer and Audit Committee;
- the work of the external auditor; and,
- a review against the original financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

Faringdon Academy of Schools
Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee minutes and a plan to make further enhancements to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 11th December 2014 and signed on its behalf by:



Bob Wintringham
Chair of the Board of Directors



David Wilson
Accounting officer

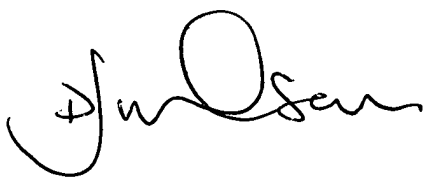
Faringdon Academy of Schools

Statement on Regularity, Propriety and Compliance

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

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

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 Directors and the EFA.



David Wilson
Accounting Officer

Date 11 December 2014

Faringdon Academy of Schools

Statement of Trustees' Responsibilities

The trustees (who act as governors for charitable activities of Faringdon Academy of Schools and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the governors 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:

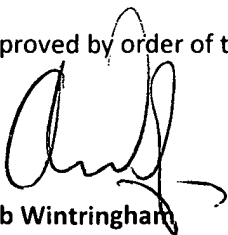
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the Board of Directors on 11th December 2014 and signed on its behalf by:



Bob Wintringham
Chair of the Governing Body

Independent Auditor's Report to the members of Faringdon Academy of Schools

We have audited the financial statements of Faringdon Academy of Schools for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Respective responsibilities of trustees and auditor

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

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Independent Auditor's Report to the members of Faringdon Academy of Schools (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' 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:

- 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.



Robert Kirtland (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date: 18/12/2014.

Independent Reporting Accountant's Assurance Report on Regularity to Faringdon Academy of Schools and the Education Funding Agency

In accordance with the terms of our engagement letter dated 1 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Faringdon Academy of Schools during the period 1 September 2013 to 31 August 2014 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 the governing body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Faringdon Academy of Schools and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Faringdon Academy of Schools and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Faringdon Academy of School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Faringdon Academy of School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. 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 period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.

Independent Reporting Accountant's Assurance Report on Regularity to Faringdon Academy of Schools and the Education Funding Agency (continued)

4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys LLP
Reporting Accountant
Oxford

Date: 18/12/2014.

Faringdon Academy of Schools
Statement of Financial Activities
For the year ended 31 August 2014
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income - transfer on conversion	3,31	252,067	(881,000)	5,620,961	4,992,028	15,856,927
Other voluntary income	3	-	59,763	-	59,763	4,000
Activities for generating funds	4	34,310	-	-	34,310	32,248
Investment income	5	2,353	-	-	2,353	1,859
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	10,608,773	112,004	10,720,777	11,081,956
Other income for educational operations	7	647,284	-	-	647,284	795,464
Total incoming resources		936,014	9,787,536	5,732,965	16,456,515	27,772,454
Resources expended						
<i>Other resources expended:</i>						
Transfer from Local Authority on conversion		-	-	-	-	882,000
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	8	582	-	-	582	323
<i>Charitable activities:</i>						
Academy's educational operations	9,10	647,284	10,603,911	1,140,610	12,391,805	12,394,543
Governance costs	10	-	117,661	-	117,661	66,541
Total resources expended		647,866	10,721,572	1,140,610	12,510,048	13,343,407
Net incoming / (outgoing) resources before transfers		288,148	(934,036)	4,592,355	3,946,467	14,429,047
Gross transfers between funds	19		(123,939)	123,939	-	-
Net income/(expenditure) for the period		288,148	(1,057,975)	4,716,294	3,946,467	14,429,047
Actuarial gains and losses in period for defined benefit pension schemes	20,29	-	(359,000)	-	(359,000)	(355,000)
Net movement in funds		288,148	(1,416,975)	4,716,294	3,587,467	14,074,047
Funds brought forward at 1 September 2013		387,072	(679,704)	14,366,679	14,074,047	-
Funds carried forward at 31 August 2014		675,220	(2,096,679)	19,082,973	17,661,514	14,074,047

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013.

All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period (see note 31).

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Faringdon Academy of Schools
Balance sheet
As at 31 August 2014

Company number:
07977368

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	15		18,987,701		14,303,415
Current assets					
Debtors	16	583,966		375,383	
Cash at bank and in hand		<u>2,217,457</u>		<u>1,397,687</u>	
		2,801,423		1,773,070	
Creditors: Amounts falling due within one year	17	(1,367,925)		(709,438)	
Net current assets			<u>1,433,498</u>		<u>1,063,632</u>
Total assets less current liabilities			20,421,199		15,367,047
Creditors: Amounts falling due after more than one year	18		(63,685)		-
Net assets excluding pension liability			<u>20,357,514</u>		<u>15,367,047</u>
Pension scheme liability	29		<u>(2,696,000)</u>		<u>(1,293,000)</u>
Net assets including pension liability			<u>17,661,514</u>		<u>14,074,047</u>
Funds of the academy:					
Restricted fixed asset funds	19		19,082,973		14,366,679
Restricted funds					
Restricted funds excluding pension liability	19	599,321		613,296	
Pension reserve	19	<u>(2,696,000)</u>		<u>(1,293,000)</u>	
Total restricted funds			(2,096,679)		(679,704)
Unrestricted funds	19		675,220		387,072
Total funds			<u>17,661,514</u>		<u>14,074,047</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 December 2014.

Signed on behalf of the Board of Directors



Bob Wintringham
Chair of the Board of Directors

Faringdon Academy of Schools
Cash Flow Statement
For the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cashflow from operating activities	23	704,120	1,155,431
Returns on investments and servicing of finance	24	2,353	1,859
Capital expenditure and financial investment	25	(177,303)	(168,633)
Increase/(decrease) in cash in the period	26	529,170	988,657
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an Academy Trust		290,600	409,030
Net funds at 1 September 2013		1,397,687	-
Net funds at 31 August 2014		2,217,457	1,397,687

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period (see note 30).

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Academy conversion

The conversion from a Local Authority maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred have been valued at their fair value in accordance with the accounting policies set out below. Property has been valued on a depreciated replacement cost basis (see note 15). The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 31.

Going Concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1. Statement of Accounting Policies (continued)

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Donated Services and gifts in kind

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

Resources Expended

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

Costs of generating funds

These are costs incurred in activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and any reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 15 for further details).

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

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

Leasehold buildings	10-45 years from conversion
Leasehold improvements	10-30 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
Motor Vehicles	5 years

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

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

Leased Assets

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

Stock

Any significant catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

1. Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 29, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and other funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and other funders.

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

2 Voluntary income on conversion to academy

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Fixed assets transferred to academy	-	5,582,428	5,582,428	15,447,897
LGPS pension deficit transferred to academy	-	(881,000)	(881,000)	-
Other capital funds	-	38,533	38,533	55,742
Other revenue funds:				
Budget surplus on LA funds	252,067	-	252,067	285,135
Other school funds	-	-	-	68,153
	<u>252,067</u>	<u>4,739,961</u>	<u>4,992,028</u>	<u>15,856,927</u>

Further information can be found in note 31.

3 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Other grants and donations	-	59,763	59,763	4,000
	<u>-</u>	<u>59,763</u>	<u>59,763</u>	<u>4,000</u>

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Hire of facilities / other lettings	34,310	-	34,310	32,248
	<u>34,310</u>	<u>-</u>	<u>34,310</u>	<u>32,248</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Bank interest	2,353	-	2,353	1,859
	<u>2,353</u>	<u>-</u>	<u>2,353</u>	<u>1,859</u>

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grants				
Devolved formula capital grant	-	65,165	65,165	70,463
	-	65,165	65,165	70,463
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	9,920,457	9,920,457	10,364,450
GAG: SEN LACSEG adjustment	-	(127,370)	(127,370)	-
Other DfE grants	-	612,295	612,295	504,106
	-	10,405,382	10,405,382	10,868,556
Other Government grants				
Early Years funding	-	127,843	127,843	127,870
Local authority revenue funding	-	48,048	48,048	-
Local authority capital funding	-	46,839	46,839	-
Other grants	-	27,500	27,500	15,067
	-	250,230	250,230	142,937
	-	10,720,777	10,720,777	11,081,956

7 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Trip and activity income	289,550	-	289,550	418,212
Catering income	181,982	-	181,982	131,257
Other income	175,752	-	175,752	245,995
	647,284	-	647,284	795,464

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

8 Resources Expended (excluding transfer on conversion)

	Staff Costs £	Premises Costs £	Other Costs £	Total 2014 £	Total 2013 £
Costs of activities for generating funds	-	582	-	582	323
Academy's educational operations					
Direct costs (note 9)	7,399,026	-	1,193,565	8,592,591	8,598,892
Allocated support costs (note 9)	1,356,065	552,439	1,890,710	3,799,214	3,795,651
	<u>8,755,091</u>	<u>552,439</u>	<u>3,084,275</u>	<u>12,391,805</u>	<u>12,394,543</u>
Governance costs (note 10)	-	-	117,661	117,661	66,541
	<u>8,755,091</u>	<u>553,021</u>	<u>3,201,936</u>	<u>12,510,048</u>	<u>12,461,407</u>

Incoming/outgoing resources for the period include:

	2014 £	2013 £
Operating leases		
Plant and machinery	-	-
Other	<u>27,946</u>	<u>23,925</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Cash losses	<u>1,250</u>	-	-

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

9 Charitable Activities - Academy's educational operations

	Total 2014 £	Total 2013 £
Direct costs		
Teaching and educational support staff costs	7,399,026	7,173,661
Educational supplies, trips and transport costs	737,573	835,977
Examination fees	103,175	152,198
Technology costs	120,435	135,121
Staff development	41,011	39,018
Other direct costs	191,371	262,917
	<u>8,592,591</u>	<u>8,598,892</u>
Allocated support costs		
Support staff costs	773,542	702,606
Depreciation	1,140,610	1,383,578
Technology costs	157,782	162,159
Recruitment and support	16,973	12,947
Premises staff costs	284,955	262,631
Maintenance (excluding staff costs)	317,510	318,640
Cleaning (excluding staff costs)	20,732	12,528
Rent	600	-
Rates	37,797	44,499
Energy	176,400	194,839
Security and transport	12,361	8,887
Catering staff costs	134,568	84,021
Catering costs	267,701	218,876
Insurance	149,158	137,240
Other pension costs	89,000	(2,000)
Other finance costs (FRS17 pension)	74,000	58,000
Other support costs	145,525	196,200
	<u>3,799,214</u>	<u>3,795,651</u>
Total	<u><u>12,391,805</u></u>	<u><u>12,394,543</u></u>

10 Governance Costs

	Total 2014 £	Total 2013 £
Legal and professional fees	89,211	48,051
Auditors' remuneration		
Audit services	13,450	8,400
Other services	15,000	10,090
	<u>117,661</u>	<u>66,541</u>

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

11 Staff Costs

	2014	2013
	£	£
Staff costs for the period were:		
Wages and salaries	7,042,346	6,752,775
Social security costs	455,813	458,912
Pension costs	987,594	925,602
FRS17 Other pension and finance costs	163,000	56,000
	<u>8,648,753</u>	<u>8,193,289</u>
Agency supply teacher costs	78,223	85,630
Staff restructuring costs	28,115	-
	<u><u>8,755,091</u></u>	<u><u>8,278,919</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £28,115 (2013: £Nil).
Two of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £15,000 and £6,000.

The average number of persons (including senior leadership team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Charitable Activities		
Teachers	121	81
Administration and support	139	64
Management	21	13
	<u><u>281</u></u>	<u><u>158</u></u>

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

	2014 No.	2013 No.
£60,001 - £70,000	3	3
£90,001 - £100,000	<u>1</u>	<u>1</u>

The above employees also participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £41,757 (2013: £39,924).

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

12 Central services

The academy trust has provided central services to its academies during the period. This includes the following services:

Finance and administrative staff
Professional services
Educational support and supplies
Insurance
ICT supplies
Premises supplies and services

During this operating period, the trust made charges for centrally provided services equal to total budgeted central costs, apportioned on a pro rata basis using respective pupil numbers and the appropriate Age Weighted Pupil Unit funding to calculate each schools contribution. The charges were approved by the Academy Resources Committee and the Board of Directors.

The actual amounts charged during the period were as follows:

	2014	2013
	£	£
Faringdon Community College	366,654	413,939
Faringdon Junior School	87,048	111,864
Faringdon Infant School	79,680	102,649
Buckland CofE Primary School	27,560	-
John Blandy VC Primary School	43,090	-
Longcot and Fernham CofE Primary School	33,880	-
Shrivenham CofE Controlled School	42,060	-
Watchfield Primary School	81,260	-
	761,232	628,452

13 Trustees' remuneration and expenses

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the Academy in respect of their role as trustees. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for trustees, as follows:

	2014	2013 (17 mths)
	£	£
D Wilson, FCC Headteacher, FAS Executive Headteacher and Trustee	£105k-£110k	£145k-£150k
P Turner, FJS Headteacher and Trustee	£60k-£65k	£85k-£90k
H Hambidge, FIS Headteacher and Trustee (retired from Trustee role on 31/10/13)	£65k-£70k	£85k-£90k
R Kenyon, Staff Governor and Trustee	£50k-£55k	£65k-£70k
C King, Staff Governor and Trustee (up to April 2013)	-	£55k-£60k

During the period ended 31 August 2014, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors (2013: £Nil).

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

14 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m (2013: £5m) on any one claim and the cost for the period ended 31 August 2014 was £1,165 (2013: £320).

The cost of this insurance is included in the total insurance cost.

15 Tangible Fixed Assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
As at 1 September 2013	15,458,422	43,940	184,631	15,686,993
Transfer on conversion	5,525,000	13,986	43,442	5,582,428
Additions	109,298	94,552	38,618	242,468
As at 31 August 2014	21,092,720	152,478	266,691	21,511,889
Depreciation				
As at 1 September 2013	1,251,710	37,158	94,710	1,383,578
Charges in period	1,039,774	12,323	88,513	1,140,610
As at 31 August 2014	2,291,484	49,481	183,223	2,524,188
Net book values				
As at 31 August 2014	18,801,236	102,997	83,468	18,987,701
As at 1 September 2013	14,206,712	6,782	89,921	14,303,415

Transfers on conversion during year ended 31 August 2014

The Academy took out 125 year leases over the land and buildings of the new primary schools (except Church of England schools included in the next paragraph). Leasehold buildings have been valued by Mouchel as commissioned by the EFA. The valuation was carried out on a desktop depreciated replacement cost basis as at 31 March 2014.

The Academy also entered into Supplemental Agreements with Church land trustees for the use of land and buildings at the Church of England primary schools. The Academy has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. A depreciated replacement cost value of the buildings (as valued by Mouchel) has been recognised on the balance sheet on the basis that the Academy has the economic benefit from their use.

16 Debtors

	2014 £	2013 £
Trade debtors	11,628	1,983
Prepayments and accrued income	316,179	73,484
Other debtors	256,159	299,916
	<u>583,966</u>	<u>375,383</u>

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

17 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	466,229	195,434
PAYE and NIC creditor	143,977	100,500
Other creditors	158,020	172,745
EFA creditor: SEN LACSEG adjustment	63,685	-
Accruals and deferred income	536,014	240,759
	<u>1,367,925</u>	<u>709,438</u>

Deferred income

	2014 £
Deferred income at 1 September	135,285
Resources utilised in the period	(135,285)
Resources deferred in the period	440,191
Deferred income at 31 August	<u>440,191</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

18 Creditors: amounts falling due within one year

	2014 £	2013 £
EFA creditor: SEN LACSEG adjustment	63,685	-
	<u>63,685</u>	<u>-</u>

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

19 Funds

	Balance at 1 Sept 2013 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	492,220	9,793,087	(9,603,197)	(114,106)	568,004
Pupil Premium funding	-	471,211	(471,211)	-	-
16-19 bursary funding	1,060	7,485	(4,501)	-	4,044
Other DfE funding	-	133,599	(133,599)	-	-
Local authority revenue funding	-	48,048	(48,048)	-	-
Primaries' conversion grants	120,016	-	(120,016)	-	-
Early Years funding	-	127,843	(127,843)	-	-
MOD MUGA funding	-	27,500	(227)	-	27,273
Other restricted funds	-	59,763	(49,930)	(9,833)	-
Pension reserve (note 29)	(1,293,000)	(881,000)	(163,000)	(359,000)	(2,696,000)
	(679,704)	9,787,536	(10,721,572)	(482,939)	(2,096,679)
Restricted fixed asset funds					
EFA DFC and LA capital funding	63,264	150,537	-	(118,529)	95,272
Fixed asset fund (note 15)	14,303,415	5,582,428	(1,140,610)	242,468	18,987,701
	14,366,679	5,732,965	(1,140,610)	123,939	19,082,973
Total restricted funds	13,686,975	15,520,501	(11,862,182)	(359,000)	16,986,294
Unrestricted funds					
Unrestricted funds	387,072	936,014	(647,866)	-	675,220
Total unrestricted funds	387,072	936,014	(647,866)	-	675,220
Total funds	14,074,047	16,456,515	(12,510,048)	(359,000)	17,661,514

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2014 £	2013
Faringdon Community College	464,629	446,033
Faringdon Junior School	204,588	142,570
Faringdon Infant School	134,900	52,714
Buckland CofE Primary School	54,266	-
John Blandy VC Primary School	(22,142)	-
Longcot and Fernham CofE Primary School	111,329	-
Shrivenham CofE Controlled School	40,023	-
Watchfield Primary School	103,988	-
Central services - main funds	278,232	302,299
Central services - primaries' conversion funding	-	120,016
Total before fixed assets and pension reserve	1,369,813	1,063,632
Fixed asset fund (representing net book value of fixed assets - note 15)	18,987,701	14,303,415
Pension reserve	(2,696,000)	(1,293,000)
Total funds	17,661,514	14,074,047

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2014

The 2013 comparative figures represented a 17 month period of activity from conversion to 31 August 2013

19 Funds (continued)

Analysis of academies by cost

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation and FRS17 pension costs) £	Total £
Faringdon Community College	3,683,979	541,553	876,105	416,156	5,517,793
Faringdon Junior School	738,841	118,800	85,683	120,293	1,063,617
Faringdon Infant School	813,271	119,956	35,393	132,179	1,100,799
Buckland CofE Primary School	242,782	49,663	20,644	58,918	372,007
John Blandy VC Primary School	382,861	71,595	23,272	85,869	563,597
Longcot & Fernham CofE Primary School	250,793	36,232	32,091	53,630	372,746
Shrivenham CofE Controlled School	387,053	40,588	30,780	72,963	531,384
Watchfield Primary School	729,896	80,149	41,858	102,698	954,601
Central services	169,547	134,530	47,741	378,076	729,894
	7,399,023	1,193,066	1,193,567	1,420,782	11,206,438
				Depreciation	1,140,610
				Other finance costs and pension costs (FRS17)	163,000
				Note 8	12,510,048

20 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	18,987,701	18,987,701
Current assets	2,043,145	663,006	95,272	2,801,423
Current liabilities	(1,367,925)	-	-	(1,367,925)
Long term liabilities	-	(63,685)	-	(63,685)
Pension Scheme liability	-	(2,696,000)	-	(2,696,000)
Total net assets	675,220	(2,096,679)	19,082,973	17,661,514

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21 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	-	-

22 Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<u>Land and buildings</u>		
Expiring within one year	398	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>398</u>	<u>-</u>
<u>Other</u>		
Expiring within one year	352	5,963
Expiring within two and five years inclusive	27,517	15,682
Expiring in over five years	-	-
	<u>27,869</u>	<u>21,645</u>

23 Reconciliation of net income to net cash flow from operating activities

	2014 £	2013 £
Net income	3,946,467	14,429,047
Cash transferred on conversion	(290,600)	(409,030)
Depreciation (note 15)	1,140,610	1,383,578
Capital income re fixed assets transferred on conversion	(5,582,428)	(15,447,897)
Capital grants from DfE	(65,165)	(70,463)
Interest receivable (note 5)	(2,353)	(1,859)
FRS17 pension liability on transfer to Academy	881,000	882,000
FRS17 pension costs less contributions payable (note 29)	89,000	(2,000)
FRS17 pension finance income (note 28)	74,000	58,000
(Increase)/decrease in debtors	(208,583)	(375,383)
Increase/(decrease) in creditors	722,172	709,438
Net cash inflow from operating activities	<u>704,120</u>	<u>1,155,431</u>

24 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	2,353	1,859
Net cash inflow from returns on investment and servicing of finance	<u>2,353</u>	<u>1,859</u>

25 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	(242,468)	(239,096)
Capital grants from DfE	65,165	70,463
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	<u>(177,303)</u>	<u>(168,633)</u>

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26 Analysis of changes in net funds

	At Sept 2013	Cashflows	At 31 August 2014
	£	£	£
Cash at bank and in hand	1,397,687	529,170	1,926,857
	<u>1,397,687</u>	<u>529,170</u>	<u>1,926,857</u>

27 Contingent liabilities

There are no contingent liabilities that require disclosure.

28 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.

29 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £133,450 were payable to the schemes at 31 August 2014 (2013: £87,926) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

29 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The last valuation of the TPS related to the period 1 April 2001 -31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

29 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £396,000 of which employer's contributions totalled £302,000 and employees' contributions totalled £94,000. The agreed contribution rates for future years are 15.9% for employers (until 31 March 2017) and 5.5-12.5% for employees. The agreed additional lump sum employer contributions due are £30,000 for the year ended 31 March 2015, £31,000 for the year ended 31 March 2016 and £33,000 for the year ended 31 March 2017.

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

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.40%	5.10%
Rate of increase for pensions in payment / inflation	2.60%	2.90%
Discount rate for scheme liabilities	3.90%	4.70%
Inflation assumption (CPI)	2.60%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	4,818	4,920	5,024
Projected service cost	425	434	443
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	4,754	4,920	5,087
Projected service cost	419	434	449

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.2	19.2
Females	25.5	23.2
<i>Retiring in 20 years</i>		
Males	25.4	21.1
Females	27.9	25.1

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70%	1,583,000	7.00%	703,000
Gilts	3.00%	216,000	3.50%	122,000
Other bonds	3.60%	144,000	4.40%	41,000
Property	5.90%	141,000	6.00%	61,000
Cash	2.90%	100,000	0.50%	41,000
Other (hedge funds)	6.70%	40,000	5.00%	51,000
Total market value of assets		2,224,000		1,019,000
Present value of scheme liabilities				
- Funded		(4,920,000)		(2,312,000)
Surplus/(deficit) in the scheme		(2,696,000)		(1,293,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015).

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £171,000 (2013: £151,000).

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	391,000	241,000
Past service cost	-	-
Total operating charge	391,000	241,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	104,000	61,000
Interest on pension liabilities	(178,000)	(119,000)
Pension finance income / (costs)	(74,000)	(58,000)

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £714,000 loss (2013: £355,000 loss).

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

	2014 £	2013 £
At 1 September	2,312,000	1,433,000
Current service cost	391,000	241,000
Interest cost	178,000	119,000
Employee contributions	94,000	75,000
Actuarial (gain)/loss	450,000	444,000
Estimated benefits paid	(9,000)	-
Past Service cost	-	-
Curtailments and settlements	1,504,000	-
At 31 August	4,920,000	2,312,000

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

	2014 £	2013 £
At 1 September	1,019,000	551,000
Expected return on assets	104,000	61,000
Actuarial gain/(loss)	91,000	89,000
Employer contributions	302,000	243,000
Employee contributions	94,000	75,000
Benefits paid	(9,000)	-
Settlement prices received/(paid)	623,000	-
At 31 August	2,224,000	1,019,000

Reconciliation of opening and closing deficit				
	2014		2013	
	£	£	£	£
Pension deficit at 1 September		(1,293,000)		(882,000)
Current service cost	(391,000)		(241,000)	
Employer contributions	<u>302,000</u>		<u>243,000</u>	
Additional pension cost		(89,000)		2,000
Other finance costs		(74,000)		(58,000)
Deficits transferred on conversion of new schools		(881,000)		-
Actuarial losses		<u>(359,000)</u>		<u>(355,000)</u>
Pension deficit at 31 August		<u><u>(2,696,000)</u></u>		<u><u>(1,293,000)</u></u>

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £285,000 (2014: £167,000)

The history of experience adjustments is as follows:

	2014 £	2013 £
Present value of defined benefit obligations	(4,920,000)	(2,312,000)
Fair value of share of scheme assets	2,224,000	1,019,000
Deficit in the scheme	<u>(2,696,000)</u>	<u>(1,293,000)</u>
 Experience adjustments on share of scheme assets	 <u>91,000</u>	 <u>89,000</u>
Experience adjustments on scheme liabilities	<u>(299,000)</u>	<u>-</u>

30 Related party transactions

The membership of the Board of Directors appropriately includes individuals from stakeholder public and private sector organisations and groups. Where it is to the benefit of the academy to use such networking links, from time to time financial transactions will be entered into with organisations in which a member of the governing body may have an interest. All transactions are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Prior to Academy conversion, Faringdon Community College engaged Mr Alun Williams to provide monthly consultancy advice to the College for work associated with the College's specialist engineering status. This matter was raised at the Board of Directors meeting on 28 June 2012 and 19 July 2012 and the Board concluded that there was no conflict of interest with Mr Williams' role as a MAT Director. The Board considers that as this existing contract was in place prior to 7 November 2013, the Academy is exempted the rules related to services provided 'at cost' as referenced at sections 2.6.2 to 2.6.6 to the Academies Financial Handbook (effective 2013). Notwithstanding, this arrangement terminated by mutual agreement on 31 August 2014 due to changes in Mr Williams' business and revised direction in the Academies Financial Handbook.

Transactions totalling £19,800 were charged by Mr Williams' business, Luna Branding Limited, during the period (2012/13 17 months: £28,050). There were no amounts outstanding at 31 August 2014 (2013: £Nil).

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31 Additions to the academy trust

On 1 November 2013 Buckland CofE Primary School, John Blandy VC Primary School, Longcot and Fernham CofE Primary School, Shrivenham CofE Controlled School and Watchfield Primary School (Local Authority maintained schools) converted to academy trust status under the Academies Act 2010. All the operations and assets and liabilities were transferred to Faringdon Academy of Schools (academy trust) from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities ("SOFA") as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total £
Tangible fixed assets:				
Leasehold buildings			5,525,000	5,525,000
Other tangible fixed assets			57,428	57,428
Budget surplus on LA funds	252,067		38,533	290,600
Budget surplus on other school funds	0			0
	252,067	0	5,620,961	5,873,028
LGPS pension deficit		(881,000)		(881,000)
Net assets	252,067	(881,000)	5,620,961	4,992,028

The above net assets include £290,600 that was transferred as cash at bank.