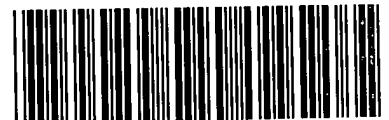




Company Registration No. 08722556 (England and Wales)

FRIARS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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FRIARS ACADEMY

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FRIARS ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr M Kay (Chair of Governors) (Resigned 31 August 2015) *
Dr R J Westcott (Vice Chairman) *
Mr P J Sim *
Mrs H Morton
Mrs R Stockham (Staff Governor)
Mrs T Humphries (Resigned 31 August 2015)
Mrs S Ijewsky (Head Teacher) *
Mr J Turnbull *
Mr J Dawes (Appointed 25 November 2014) *
Mrs N Daniel (Appointed 10 February 2015)
Mr M Adams (Staff Governor) (Appointed 20 October 2014)

* members of the Finance and General Purpose Committee

Members

Dr R J Westcott
Mr M Kay (Resigned 31 August 2015)
Mr P J Sim

Senior Leadership Team

- Head Teacher	Mrs S Ijewsky
- Business Manager	Mrs C White
- Deputy Head Teacher	Mr M Adams
- Assistant Head Teacher	Mr D Gay
- Assistant Head Teacher	Mrs R Stockham

Company registration number 08722556 (England and Wales)

Registered office Friars Close
Wellingborough
Northamptonshire
NN8 2LA

Independent auditor Ellacotts LLP
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England



FRIARS ACADEMY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The Governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Wellingborough. It has a pupil capacity of 145 and had a roll of 143 in the school census on 16 January 2015.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. Friars Academy was incorporated on 8 October 2013 and Friars School converted to academy status on 1 November 2013.

The Governors are the trustees of Friars Academy and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year 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' indemnities

In accordance with article 5 of the charitable company's Articles of Association third party indemnity provision is in place with Zurich Municipal to the value of £2,000,000 for any one claim and in the aggregate in any one period.

Method of recruitment and appointment or election of Governors

In accordance with articles 48 and 49 of the charitable company's Articles of Association, the Academy Trust shall have the following Governors:

- Up to 8 Governors appointed for a fixed term period of 4 years from the date of appointment;
- The Head Teacher, being an ex officio member of the Governing Body;
- A minimum of 2 Parent Governors appointed by the Governing Body;
- Up to 2 additional Parent Governors; and
- Up to 2 Staff Governors elected to office or appointed if there are insufficient candidates offering themselves for election.

The Academy Trust may also have any Co-opted Governor appointed. Their fixed term maybe less than 4 years. Governors may be appointed by the Secretary of State if deemed fit.

Policies and procedures adopted for the induction and training of Governors

New Governors are issued with a handbook which includes terms of Reference for all the committees, a description of the role of a Governor and code of conduct, Governors will also receive a copy of the Academy Funding Agreement, the Articles of Association, timetable of meetings and copies of all policy documents. All Governors are issued with an Academy email address. It is recommended that new Governors attend training within 6 months of appointment.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The structure of the Academy consists of three senior levels:

- 1) The Governing Body
- 2) The Head Teacher
- 3) The Senior Leadership Team (SLT) which includes the Head Teacher, Deputy Head Teachers, Assistant Head Teachers, the Academy Business Manager and fixed term secondees as the SLT see fit.

The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Governing Body is responsible for setting the Academy's policies and approving the annual budget and medium term plan, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of the students and personnel.

The Head Teacher and SLT control the Academy at an executive level, implementing the policies set by the Governing Body and reporting back to them.

The Governing Body has established a resource committee. The committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Head Teacher (the Accounting Officer) and to the SLT. The terms of reference and meeting frequency for this committee is reviewed and approved by the Governing Body annually.

The sub-committee of the Governing Body is:

- Resources - remit of the committee is HR, Finance and Premises

All other areas are covered by link Governors:

- Teaching and Learning
- Safeguarding
- Policies

Related parties and other connected charities and organisations

The Academy has well established links with local businesses and other organisations as part of the Academy's work experience programme.

The Academy has a parent organisation called the Friends of Friars. The organisation supports the school in raising funds to support student outcomes.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

As set out in the Articles of Association the Academy's Trust's object is specifically restricted to the following:

a) To advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs offering a broad and balanced curriculum ("the Special Academy").

b) To promote for the benefit of the inhabitants of Wellingborough and the surrounding area the provision of the facilities for recreation or 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 economic circumstances of for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Our Curriculum objectives will strive to:

- 1) Give the students broad and balanced opportunities to enhance their learning skills and to develop their independence.
- 2) Give the students the tools to learn by underpinning the curriculum with SEAL and PSHCE to ensure readiness to learn.
- 3) Prepare the students for their next stages in the future.

Objectives, strategies and activities

- Ensure that progress data is secure and interventions are appropriately used in order to enhance the learning experience for all students;
- To focus on reading and writing across the curriculum;
- To enhance the creativity of the curriculum – through research and development;
- Enhance the good teaching practices across the Academy by establishing learning communities and links to other schools;
- Develop the student voice through Ambassadors, Anti bullying group and School council;
- Enhance links and communication with parents through 'Achievement for All' project, website, twitter and and text;
- Develop school to school support and sustainable school growth through Teaching School's Alliance; and
- Establish business links through the National Pilot of Enterprise Advisers.

Public benefit

The Governing Body have complied with their duty to have due regard to the guidance on public benefit in exercising their powers and duties as published by the Charity Commission. The key aim of the Governing Body is the advancement of non-selective secondary education through the provision of a broad curriculum, pastoral care and enrichment for the students at Friars Academy. The public benefit of this provision is identifiable in the educational attainment of our students as published on our website annually.

Education at Friars Academy is open to all young people from 11 to 18 in the Wellingborough and surrounding area regardless of race, gender, religion, sexual orientation, social class and ability.

In accordance with Object 4b of our Articles of Association the Governing Body actively promotes the use of our facilities for the benefit of our local community.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

Using CASPA - Comparative Analysis of Special Pupil Attainment - a national data set:

- 98% of the students made expected or better progress in all core subjects; and
- 96% of lessons were judged to be good or outstanding.

Pupils supported by Pupil Premium at least match the progress of their peers. Looked After Children outperform their expectation of progress.

The percentage of NEET students (Not in Education or Training) is significantly lower than County average.

Key performance indicators

The Governing Body has delegated financial management to the Finance and General Purposes Committee. The committee meets a minimum of 3 times per year to consider the school performance against budget, to approve the annual budget, to consider the medium term financial plan, to consider the external auditor quarterly reports, to consider financial developments, to oversee contracts and procurement and to review finance policies.

The key performance indicators are:

- Staff costs as a percentage of General Annual Grant (GAG) income;
- Monthly variances against budget;
- Revised outturn forecasts;
- Cash flow forecasts;
- Final outturn against projected outturn; and
- Restricted and unrestricted funds carried forward.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the Academy's income was obtained from the Education Funding Agency (EFA) in the form of the General Academies Grant, the use of which was restricted to particular purposes.

The grant received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the 12 months ended 31 August 2015, the excess of income over expenditure for the period was £76,226.

At 31 August 2015 the net book value of tangible assets was £2,471,359. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance shows a net liability position of £775,000.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Reserves policy

The Governing Body has deemed that the appropriate level of cash reserves should enable the Academy to continue its rolling programme of improvements and in particular at least ensure that wages and salary expenses can be met in full on a monthly basis.

The Academy's level of free reserves (total funds less the amount held in fixed assets or other restricted funds) at 31 August 2015 was £728,675. Reserves are reviewed at least every 2 months by the Finance and General Purpose Committee and the Business Manager. The policy is reviewed annually by the Governing Body.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard 17, the Academy is recognising a significant pension fund deficit at 31 August 2015 of £775,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making payments of £110,000 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of the deficit has no direct impact on the free reserves of the Academy trust.

Investment policy and powers

The Governors' Finance and General Purpose Committee aims to manage the cash balances of the Academy to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation:

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements;
- To minimise the risk of loss in the capital value of any cash funds invested;
- To protect, as far as possible, the capital value of any invested funds against inflation; and
- To optimise returns on any invested funds.

The Academy's Investment Policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Surpluses may be invested for periods of between 6 weeks and 3 years provided that funds can be withdrawn before the investment term albeit with an interest penalty. Investments are reviewed at least every 3 months by the Business Manager. The policy is reviewed every 2 years by the Finance and General Purpose Committee.

Principal risks and uncertainties

The Academy maintains a Risk Register that identifies the major risks to which it is exposed, in particular those relating to Governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The risk register is approved and monitored by the Finance and General Purpose Committee in consultation with the other Governing Body committees.

The principle risks facing the Academy are detailed below. The Governing Body has implemented a number of systems to assess and reduce risks that the Academy faces, especially in operational areas in relation to teaching, health and safety (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the Academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as outlined in the Governance Statement.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2015**

The Governing Body assesses the principal risks facing the Academy as follows:

- 1) Annual financial commitments because of unpredictability of funding;
- 2) The Academy experiences intermittent failure of electronic communications;
- 3) The Academy loses expertise and knowledge through resignation of key staff or extended absence from post;
- 4) The Academy suffers loss of equipment due to burglary; and
- 5) The Academy suffers significant loss of reputation as a result of physical or emotional harm to a pupil.

Achievements for this period

- Ofsted grading of Outstanding June 2015
- The Academy has recently taken on a strategic lead role in the Teaching Schools Alliance.
- Innovation projects have been launched that are impacting on pupil progress and enjoyment.
- Considerable investment has been completed to improve the catering provision for students and refurbishing the dining room.
- Increasing the use of new technologies within the classrooms to enhance learning, further developments planned;
- Developing the use of our outdoor spaces, further developments planned;
- Developing areas for additional needs, further developments planned;
- Maintaining and refurbishing the buildings effectively.
- Increasing security around the building.
- Enhancing links with parents and local businesses including being part of the National Enterprise Advisers pilot and project.
- The Independent Living Area has been changed and is in the process of becoming a specialist support unit for pupils and a training provision which can be accessed external organisations.
- Leading a National conference workshop showing the success of the Achievement for All project

Plans for future periods

The Academy wishes to develop its capital plan in line with the Risk Management and Academy Development Plan. Projects next year will include:

- Improving the catering provision for students;
- Increasing the use of new technologies within the classrooms to enhance learning;
- Developing the use of our outdoor spaces;
- Developing areas for additional needs;
- Maintaining the buildings effectively; and
- Enhancing links with parents and local businesses.

The Academy has recently taken on a strategic lead role in the Teaching Schools Alliance.

Funds held as custodian trustee on behalf of others

The Academy does not hold any funds as Custodian Trustees on behalf of other Charities.



FRIARS ACADEMY

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that Ellacotts LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 24/11/15 and signed on its behalf by:

Mr J Turnbull



FRIARS ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Friars Academy 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 Governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Friars Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr M Kay (Chair of Governors) (Resigned 31 August 2015)	6	6
Dr R J Westcott (Vice Chairman)	5	6
Mr P J Sim	4	6
Mrs H Morton	4	6
Mrs R Stockham (Staff Governor)	1	6
Mrs T Humphries (Resigned 31 August 2015)	5	6
Mrs S Ijewsky (Head Teacher)	5	6
Mr J Turnbull	6	6
Mr J Dawes (Appointed 25 November 2014)	2	4
Mrs N Daniel (Appointed 10 February 2015)	4	4
Mr M Adams (Staff Governor) (Appointed 20 October 2014)	4	4

The Finance and General Purpose Committee is a sub-committee of the main Board of Governors. Its purpose is to advise the Governing Body on all matters relating to the financial and estates management of the Academy including Health & Safety.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr M Kay (Chair of Governors) (Resigned 31 August 2015)	3	4
Dr R J Westcott (Vice Chairman)	4	4
Mr P J Sim	1	2
Mrs S Ijewsky (Head Teacher)	3	4
Mr J Turnbull	4	4
Mr J Dawes (Appointed 25 November 2014)	4	4

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.



FRIARS ACADEMY

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

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

- obtaining a credit card facility enabling the academy to purchase goods online at a more competitive price whilst ensuring the security of the purchase

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 in Friars Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance and General Purpose Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Governors have appointed Ellacotts LLP, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the external auditor reports to the Board of Governors through the Finance and General Purpose Committee/Executive Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

Review of effectiveness

As accounting officer the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the additional program of work performed by the external auditor; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.



FRIARS ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 24/11/15 and signed on its behalf by:

Mrs S Ijewsky
Head Teacher

Mr J Turnbull



FRIARS ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Friars Academy I have considered my responsibility to notify the Academy Trust Board of Governors 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust's Board of Governors 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 Governors and EFA.

Approved on 24/11/15 and signed by:

Mrs S Ijewsky
Accounting Officer



FRIARS ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Friars Academy and are also the directors of Friars Academy for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors 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 that grants received from the EFA/DfE have been applied for the purposes intended.

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 24/11/15 and signed on its behalf by:

Mr J Turnbull
Head Teacher



FRIARS ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS ACADEMY

We have audited the accounts of Friars Academy for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 charitable 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 Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the Governors, who are also the directors of Friars Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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



FRIARS ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FRIARS ACADEMY

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Stevens

David Stevens (Senior Statutory Auditor)
For and on behalf of Ellacotts LLP

**Chartered Accountants &
Statutory Auditor**

Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Dated: *24 November 2015*



FRIARS ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS ACADEMY AND THE EDUCATION FUNDING AGENCY

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

This report is made solely to Friars Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Friars Academy 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 the Friars Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.



FRIARS ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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

David Stevens

David Stevens
Reporting Accountant

For and on behalf of Ellacotts LLP
Chartered Accountants & Statutory Auditor
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Dated: *24 November 2015*



FRIARS ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015	Total 2014
	Notes	£	£	£	£	£
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	-	943	-	943	249
- Inherited on conversion		-	-	-	-	2,539,199
- Activities for generating funds	3	2,270	40,710	-	42,980	57,053
- Investment income	4	1,023	-	-	1,023	615
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	2,492,498	6,544	2,499,042	1,955,734
Total incoming resources		3,293	2,534,151	6,544	2,543,988	4,552,850
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	-	2,249,796	102,256	2,352,052	1,920,491
Governance costs	8	-	93,710	-	93,710	45,720
Total resources expended	6	-	2,343,506	102,256	2,445,762	1,966,211
Net incoming/(outgoing) resources before transfers		3,293	190,645	(95,712)	98,226	2,586,639
Gross transfers between funds		-	(148,242)	148,242	-	-
Net income/(expenditure) for the year		3,293	42,403	52,530	98,226	2,586,639
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(22,000)	-	(22,000)	(110,000)
Net movement in funds		3,293	20,403	52,530	76,226	2,476,639
Fund balances at 1 September 2014		725,382	(676,296)	2,427,553	2,476,639	-
Fund balances at 31 August 2015		728,675	(655,893)	2,480,083	2,552,865	2,476,639

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

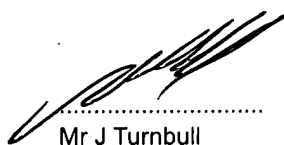


FRIARS ACADEMY

BALANCE SHEET AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		2,471,359		2,425,372
Current assets					
Debtors	12	137,533		78,059	
Cash at bank and in hand		1,001,675		860,382	
		<u>1,139,208</u>		<u>938,441</u>	
Creditors: amounts falling due within one year	13	(282,702)		(166,174)	
Net current assets			856,506		772,267
Total assets less current liabilities			3,327,865		3,197,639
Defined benefit pension liability	17	(775,000)		(721,000)	
Net assets			<u>2,552,865</u>		<u>2,476,639</u>
Funds of the Academy Trust:					
Restricted income funds	15				
- Fixed asset funds			2,480,083		2,427,553
- General funds			119,107		44,704
- Pension reserve			(775,000)		(721,000)
Total restricted funds			<u>1,824,190</u>		<u>1,751,257</u>
Unrestricted funds	15		728,675		725,382
Total funds			<u>2,552,865</u>		<u>2,476,639</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 24/11/15.


Mr J Turnbull

Company Number 08722556



FRIARS ACADEMY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	282,057	232,213
Cash funds transferred on conversion		-	716,189
Returns on investments and servicing of finance			
Investment income	1,023	615	
Financing costs	(88)	(182)	
Net cash inflow/(outflow) from returns on investments and servicing of finance		935	433
		282,992	948,835
Capital expenditure and financial investments			
Capital grants received	6,544	2,181	
Payments to acquire tangible fixed assets	(148,243)	(90,634)	
Net cash flow from capital activities		(141,699)	(88,453)
Increase/(decrease) in cash	19	141,293	860,382



FRIARS ACADEMY

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

1 Accounting policies

1.1 Basis of preparation

The accounts 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 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 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 company 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 accounts.

1.3 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

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 the Academy Trust's policies.



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 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 central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading 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 reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years straight line
Computer equipment	33.3% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	10% straight line

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

1.6 Leasing and hire purchase commitments

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



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.7 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.

1.8 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 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 17, 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 are 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.

1.9 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 Education Funding Agency/Department for Education/sponsor/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 Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other Donations	-	943	943	249
	==	==	==	==



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities/lettings	2,554	-	2,554	8,160
Parental contributions to student visits and events	-	6,348	6,348	6,702
Other income	(284)	34,362	34,078	42,191
	<u>2,270</u>	<u>40,710</u>	<u>42,980</u>	<u>57,053</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Bank interest receivable	<u>1,023</u>	<u>-</u>	<u>1,023</u>	<u>615</u>

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	2,492,498	2,492,498	1,948,699
Capital grants	-	6,544	6,544	2,181
	<u>-</u>	<u>2,499,042</u>	<u>2,499,042</u>	<u>1,950,880</u>
Other government grants				
Local authority grants	-	-	-	4,854
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,854</u>
Total funding	<u>-</u>	<u>2,499,042</u>	<u>2,499,042</u>	<u>1,955,734</u>



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,764,653	81,805	97,900	1,944,358	1,606,975
- Allocated support costs	207,055	41,810	158,829	407,694	313,516
	<u>1,971,708</u>	<u>123,615</u>	<u>256,729</u>	<u>2,352,052</u>	<u>1,920,491</u>
Other expenditure					
Governance costs	-	-	93,710	93,710	45,720
	<u>-</u>	<u>-</u>	<u>93,710</u>	<u>93,710</u>	<u>45,720</u>
Total expenditure	<u>1,971,708</u>	<u>123,615</u>	<u>350,439</u>	<u>2,445,762</u>	<u>1,966,211</u>
Net income/(expenditure) for the year includes:				2015	2014
				£	£
Operating leases					
- Plant and machinery				20,829	25,830
Fees payable to auditor					
- Audit				4,750	4,750
- Other fees paid to auditors				3,350	3,350
				<u>4,750</u>	<u>3,350</u>



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	1,764,653	1,764,653	1,467,446
Depreciation	-	81,805	81,805	66,715
Technology costs	-	748	748	1,250
Educational supplies and services	-	55,340	55,340	43,455
Examination fees	-	7,423	7,423	8,519
Other direct costs	-	34,389	34,389	19,590
	-	1,944,358	1,944,358	1,606,975
Allocated support costs				
Support staff costs	-	207,055	207,055	151,291
Depreciation	-	20,451	20,451	16,677
Technology costs	-	14,068	14,068	9,930
Maintenance of premises and equipment	-	21,359	21,359	33,034
Cleaning	-	6,519	6,519	5,458
Energy costs	-	28,473	28,473	25,454
Rent and rates	-	7,749	7,749	3,062
Insurance	-	29,470	29,470	27,775
Security and transport	-	322	322	1,189
Catering	-	31,158	31,158	5,891
Interest and finance costs	-	17,088	17,088	17,182
Other support costs	-	23,982	23,982	16,573
	-	407,694	407,694	313,516
Total costs	-	2,352,052	2,352,052	1,920,491

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	85,478	85,478	37,170
Auditor's remuneration	-			
- Audit of financial statements	-	4,750	4,750	4,750
- Other fees paid to auditor	-	3,350	3,350	3,350
Other governance costs	-	132	132	450
	-	93,710	93,710	45,720



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

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

	2015 Number	2014 Number
Teachers	42	43
Administration and support	7	6
Management	7	8
	<u>56</u>	<u>57</u>

Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	1,577,501	1,305,301
Social security costs	107,870	88,723
Other pension costs	270,206	212,014
	<u>1,955,577</u>	<u>1,606,038</u>
Staff development and other staff costs	16,131	12,699
	<u>1,971,708</u>	<u>1,618,737</u>

Higher paid staff:

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	<u>2</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£	<u>8,062</u>	<u>8,062</u>
Local Government Pension Scheme	Numbers	-	-
	£	<u>-</u>	<u>-</u>



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £nil were reimbursed to Governors.

The value of Governors' remuneration was as follows:

Mrs S Ijewsky (Head Teacher and Governor) £65,001 - £70,000

Mrs R Stockham (Teacher and Governor) £45,001 - £50,000

Other related party transactions involving the Governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was included within insurance costs in the Statement of Financial Activities.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2014	2,157,708	71,442	224,486	55,128	2,508,764
Additions	-	21,288	126,955	-	148,243
At 31 August 2015	2,157,708	92,730	351,441	55,128	2,657,007
Depreciation					
At 1 September 2014	35,962	19,845	18,707	8,878	83,392
Charge for the year	42,500	23,261	31,901	4,594	102,256
At 31 August 2015	78,462	43,106	50,608	13,472	185,648
Net book value					
At 31 August 2015	2,079,246	49,624	300,833	41,656	2,471,359
At 31 August 2014	2,121,746	51,597	205,779	46,250	2,425,372



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

12 Debtors	2015	2014
	£	£
Trade debtors	2,056	1,670
VAT recoverable	87,526	46,705
Other debtors	24,660	-
Prepayments and accrued income	23,291	29,684
	<u>137,533</u>	<u>78,059</u>
13 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	121,621	59,167
Taxes and social security costs	30,110	30,882
Other creditors	29,073	34,641
Accruals	5,806	34,740
Deferred income	96,092	6,744
	<u>282,702</u>	<u>166,174</u>
14 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	<u>96,092</u>	<u>6,744</u>
Total deferred income at 1 September 2014	6,744	-
Amounts credited to the statement of financial activities	(6,744)	-
Amounts deferred in the year	<u>96,092</u>	<u>6,744</u>
Total deferred income at 31 August 2015	<u>96,092</u>	<u>6,744</u>

At the balance sheet date the Academy was holding funds received in advance in respect of its devolved capital grant and parental contributions received in advance of educational visits planned for 2014/15.



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	(3,754)	2,492,498	(2,300,111)	(148,242)	40,391
Other government grants	4,854	-	-	-	4,854
Other restricted funds	43,604	41,653	(11,395)	-	73,862
	<u>44,704</u>	<u>2,534,151</u>	<u>(2,311,506)</u>	<u>(148,242)</u>	<u>119,107</u>
Funds excluding pensions	(721,000)	-	(32,000)	(22,000)	(775,000)
	<u>(676,296)</u>	<u>2,534,151</u>	<u>(2,343,506)</u>	<u>(170,242)</u>	<u>(655,893)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	92,815	6,544	(102,256)	148,242	145,345
Inherited fixed asset fund	2,418,130	-	-	-	2,418,130
Capital expenditure from GAG or other funds	(83,392)	-	-	-	(83,392)
	<u>2,427,553</u>	<u>6,544</u>	<u>(102,256)</u>	<u>148,242</u>	<u>2,480,083</u>
Total restricted funds	<u>1,751,257</u>	<u>2,540,695</u>	<u>(2,445,762)</u>	<u>(22,000)</u>	<u>1,824,190</u>
Unrestricted funds					
General funds	725,382	3,293	-	-	728,675
	<u>725,382</u>	<u>3,293</u>	<u>-</u>	<u>-</u>	<u>728,675</u>
Total funds	<u>2,476,639</u>	<u>2,543,988</u>	<u>(2,445,762)</u>	<u>(22,000)</u>	<u>2,552,865</u>



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) has been provided by the EFA/DfE in order to fund the normal running costs of the Academy. During the period the Academy's GAG expenditure exceeded GAG income. Where the GAG income exceeds GAG expenditure, the balance will be carried forward to use in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other DfE/EFA Grants

This represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy.

Pension Reserve

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2015.

Other Restricted Funds

Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services. These funds will be applied in 2015/16.

Restricted Fixed Assets

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purpose. The transfer of £148,242 represents the costs of acquired tangible fixed assets funded through GAG income.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,471,359	2,471,359
Current assets	728,675	401,809	8,724	1,139,208
Creditors falling due within one year	-	(282,702)	-	(282,702)
Defined benefit pension liability	-	(775,000)	-	(775,000)
	<u>728,675</u>	<u>(655,893)</u>	<u>2,480,083</u>	<u>2,552,865</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £30,912 (2014: £31,992) were payable to the schemes at 31 August 2015 and are included within creditors.



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to the TPS in the period amounted to £250,356.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The estimated value of employer contributions for the forthcoming year is £113,000.

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.



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

	2015 £	2014 £
Employer's contributions	110,000	144,000
Employees' contributions	28,000	41,000
Total contributions	138,000	185,000

Principal actuarial assumptions

	2015 %	2014 %
Rate of increase in salaries	4.5	4.4
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Expected return on assets (%)	3.7	5.5

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2015:	Approximate % Increase to Employer Liability	Approximate monetary amounts £'s
0.5% decrease in Real Discount Rate	11%	156,000
1 year increase in member life expectancy	3%	42,000
0.5% increase in the Salary Increase Rate	4%	57,000
0.5% increase in the Pension Increase Rate	7%	95,000

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

	2015 Years	2014 Years
Retiring today		
- Males	23.2	22.3
- Females	25.7	24.3
Retiring in 20 years		
- Males	25.5	24.0
- Females	28.0	26.6



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.7	430,000	6.4	326,000
Bonds	3.7	117,000	2.9	87,000
Cash	3.7	12,000	4.5	14,000
Property	3.7	55,000	3.3	32,000
Total market value of assets		614,000		459,000
Present value of scheme liabilities - funded		(1,389,000)		(1,680,000)
Net pension asset / (liability)		(775,000)		(1,221,000)

Operating costs and income recognised in the statement of financial activities

	2015 £	2014 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(29,000)	(35,000)
Interest on pension liabilities	46,000	61,000
	17,000	26,000
Other expenditure/(income)		
Current service cost	125,000	176,000
Past service cost	-	-
	125,000	176,000
Total operating charge/(income)	142,000	202,000



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	12,000	(9,000)
Experience (gains)/losses on liabilities	10,000	119,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	22,000	110,000
Cumulative (gains)/losses to date	132,000	110,000

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

	2015 £	2014 £
Opening defined benefit obligations	(1,180,000)	(915,000)
Current service cost	(125,000)	(89,000)
Interest cost	(46,000)	(35,000)
Contributions by employees	(28,000)	(22,000)
Actuarial gains/(losses)	(10,000)	(119,000)
	(1,389,000)	(1,180,000)

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

	2015 £	2014 £
Opening fair value of scheme assets	459,000	325,000
Expected return on assets	29,000	18,000
Actuarial gains/(losses)	(12,000)	9,000
Contributions by employers	110,000	85,000
Contributions by employees	28,000	22,000
	614,000	459,000



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

History of experience gains and losses:

	2015 £	2014 £
Present value of defined benefit obligations	(1,389,000)	(1,180,000)
Fair value of share of scheme assets	614,000	459,000
Surplus / (deficit)	<u>(775,000)</u>	<u>(721,000)</u>
Experience adjustment on scheme liabilities	(10,000)	(119,000)
Experience adjustment on scheme assets	<u>(12,000)</u>	<u>9,000</u>

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	98,226	2,586,639
Capital grants and similar income	(6,544)	(2,181)
Net deficit/(surplus) transferred on conversion	-	(2,539,199)
Investment income	(1,023)	(615)
Financing costs	88	182
Defined benefit pension costs less contributions payable	15,000	4,000
Defined benefit pension finance costs/(income)	17,000	17,000
Depreciation of tangible fixed assets	102,256	83,392
(Increase)/decrease in debtors	(59,474)	(78,059)
Increase/(decrease) in creditors	116,528	166,174
Stocks, debtors and creditors transferred on conversion	-	(5,120)
Net cash inflow/(outflow) from operating activities	<u>282,057</u>	<u>232,213</u>

19 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	141,293	860,382
Net funds at 1 September 2014	860,382	-
Net funds at 31 August 2015	<u>1,001,675</u>	<u>860,382</u>



FRIARS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

20 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	860,382	141,293	-	1,001,675

21 Commitments under operating leases

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

	Other 2015 £	2014 £
Expiry date:		
- Within one year	9,138	16,722
- Between two and five years	11,691	9,000
	<u>20,829</u>	<u>25,722</u>

In addition to the above, on conversion the Academy committed to a 125 year lease of the land it occupies from Northamptonshire County Council for a peppercorn rent.

22 Capital commitments

The Academy had no capital commitments in existence at the year end.

23 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no transactions with related parties during the year ended 31 August 2015 which require disclosure.

In the opinion of the Governors, there is no ultimate controlling party.

24 Members' liability

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