



Faringdon Academy of Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2017

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

Period of account: 1 September 2016 – 31 August 2017

Faringdon Academy of Schools

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Faringdon Academy of School
Reference and Administrative Details

Members

Bob Wintringham
Liz Holmes
Anthony Cook
Oxford Diocese Board of Education

Trustees

Bob Wintringham (Chairperson)
David Wilson (Executive Head Teacher)*
Liz Holmes (Vice Chairperson)*
Rachael Kenyon
Ian Wright
Christine Price-Smith
Rev Richard Hancock
Jeremy Twynam
Louise Warren*
Jan Wiejak
John Kirk (from 6th October 2016)*
Nicola Ferguson (from 2nd March 2017)
Paul Turner (co-opted trustee from 1st January 2016)

* members of the Academy Resources
Committee

Clerk

Siobhan Vinall

Faringdon Academy of Schools

Reference and Administrative Details (continued)

Senior Leadership Team

Executive Head	David Wilson
Academy Business and Finance Director	John Banbrook
Director of School Improvement	Duncan Millard
Head of Buckland CofE Primary	Louise Warren
Head of Faringdon Community College	Colin Proffitt (from 1 st September 2016)
Head of Faringdon Infant School	Heather Hambidge (retired 31 st August 2017)
Head of Faringdon Junior School	Johanna Donnellan (retired 31 st August 2017)
Head of John Blandy Primary	Clare Sylvester (reduced to 0.6 FTE from 1 st January 2017) Paul Turner (0.4 FTE from 1 st January to 23 rd April 2017) Sarah Thompson (0.5 FTE from 24 th April 2017)
Head of Longcot & Fernham CofE Primary	Clare Mellor
Head of Shrivenham CofE Primary	Vicky Sammon (resigned 23 rd April 2017) Sharon Farrell (from 23 rd April to 31 st August 2017)
Head of Watchfield Primary	John Quinn
Company Name	Faringdon Academy of Schools
Principal and Registered Office	Fernham Road Faringdon Oxon SN7 7LB
Company Registration Number	07977368 (England and Wales)
Independent Auditor	Critchleys Audit LLP Beaver House, 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Lloyds Bank Plc 8 Market Place Faringdon Oxfordshire SN7 7HN
Solicitors	Stone King LLP 13 Queen Square Bath BA 2HJ

Faringdon Academy of Schools

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust comprises 8 academy schools:

Academy School	Capacity as listed in Funding Agreement	Pupils on Roll (Oct 16 census)
Faringdon Community College	1169	1178 (1014 Y7-Y11 + 164 6 th form)
Faringdon Infant School	242 (216 3-7yrs and 26 nursery)	249 + 21 nursery
Faringdon Junior School	250	302
Buckland Church of England Primary School	116 (105 4-11yrs and 11 nursery)	105 + 6 nursery
John Blandy Primary School	210	189
Longcot & Fernham Church of England Primary School	119	127
Shrivenham Church of England Primary School	210	182
Watchfield Primary School	446 (420 3-11yrs and 26 nursery)	303 + 11 nursery
Total	2762	2635 + 38 (FTE) nursery

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Faringdon Academy of Schools are also the directors of the charitable company for the purposes of company law. The charitable company is known as Faringdon Academy of Schools.

Details of the trustees 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.

Faringdon Academy of Schools

Trustees' Report (continued)

Trustees' Indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

Method of Recruitment and Appointment or Election of Trustees

During this reporting period, the board of trustees retained a structure of 12 appointments comprising:

- 2 – Trustees with Secondary Education experience.
- 2 – Trustees with Primary Education Experience.
- 3 – Trustees appointed by the Oxford Diocese Board of Education.
- 4 – Trustees appointed by Members.
- 1 – Executive Head Teacher.
- 1- Co-opted Trustee.

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

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

Trustees are appointed in accordance with the revised Articles of Association¹ which became applicable on conversion. When a new trustee is required the following process is followed:

- **Diocese appointed trustee** – the academy will liaise with the Oxford Diocese Board of Education to seek suitable nominations. Whilst it remains a Diocese responsibility to appoint, in practice, this process will be collaborative to ensure that the new appointee has the appropriate skills and experience to discharge his/her responsibilities.
- **Academy appointed trustee** – in the first instance, the Academy will advertise via the news letters of all 8 schools and through the 8 academy local governing bodies. Additionally, the academy will approach 'The Lieutenancy Trustee List' if we require a replacement trustee with specific professional skills that we are unable to recruit from the community.

As a vacancy becomes available, the trustees review existing experience and thereafter seek to recruit a new appointee with the appropriate competency for the role.

Policies and Procedures Adopted for the Induction and Training of Trustees

In this operating period, Faringdon Academy of Schools moved away from using Governor Services procured via Oxfordshire County Council in favour of developing an internally delivered approach. It has become clear that the service hitherto sourced from the local authority is increasingly irrelevant for academy trusts and specifically the service does not meet the needs of a multi-academy trust. We also recognise the developing expertise and experience within our governance structure and specially the Academy Secretary who operates on a regular contact (30-hours per week). To ensure that the Trust remains current, we continue to procure membership of the National Governors Association which enables all trustees and all local governing bodies' access to independent advice on all aspects of multi-academy trust governance.

¹ <http://www.faringdon.academy/articles-of-association/>

Faringdon Academy of Schools

Trustees' Report (continued)

The move away from Oxfordshire County Council's Governor Services means that we now hire and train our own clerks for all of the Local Governing Bodies and Academy committees. All clerks are now line-managed by the Academy Secretary and this move has helped to ensure that we can deliver a more consistent and coherent approach to governance, thereby ensuring an improved means of standardising and aligning policies and procedures where appropriate. We have also delivered a series of induction training for new governors and trustees designed to meet the needs of our multi-academy trust. The Academy Secretary holds the master record of Company policies, acts as Clerk to the Trustees and maintains the Trust Scheme of Delegation. Our new approach to governance continues to evolve and our expertise has been recognised by other trusts across the region. In this year, we have delivered outsourced training to a local multi-academy trust and this is a theme that we will seek to promote further as we develop.

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 Trustees

The Board of Trustees has overall responsibility for the administration of the academy's finances. The main responsibilities of the Board of Trustees 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 Trustees 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 Trustees. 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 Trustees 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.
- 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 Trustees meeting.

Faringdon Academy of Schools

Trustees' Report (continued)

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 lead from each local governing body. Local Governing Bodies are responsible for their delegated budgets and, supported by the academy central finance team, they conduct 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 Business & 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 Trustees, 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 Trustees, via the Academy Resources Committee for approval annually or as required.

In AY1617, the Executive Head Teacher moved from sharing this role concurrent with responsibility as head teacher at Faringdon Community College to being exclusively appointed as the Executive Head Teacher for 3-days per week. A new Head Teacher for Faringdon Community College was also appointed.

The Academy Business & Finance Director

The Academy Business & Finance Director works in close collaboration with the Accounting Officer through whom he is responsible to the Board of Trustees. The Business & Finance Director also has direct access to the Board of Trustees, the Academy Resources Committee and the Academy Audit Committee. The main responsibilities of the Business & 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 Trustees.
- 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.

Other Staff

Other members of staff, primarily the Deputy Business & Finance Director, 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 (reviewed annually). 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.

Faringdon Academy of Schools

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

Faringdon Academy of Schools agreed under TUPE to continue to operate within the School Teachers Terms and Conditions of Employment document and the terms and conditions of employment as set out in the National Joint Council for Local Government Services. Accordingly all positions within trust are set within the groups relevant to the size of an individual establishment, the size of the trust as a whole or in the case of non-teaching posts to reflect the level and range of responsibilities a post holder is expected to discharge.

When a post is established the grade and relevant salary ranges which will be applied is determined in accordance with those documents and as and when required are referred for evaluation to the Oxfordshire County Council Job Evaluation Moderation Panel.

A general benchmarking exercise against similar posts within the education sector is also undertaken when a new post is created or when a vacancy arises prior to any advert being placed. The review period is used to validate the continued requirements for a post and re set the salary range for the post.

The Academy Resources Committee hold the delegated responsibility for reviewing and authorising the salary range which can be offered for most senior appointment across the trust and recommend salary ranges for the approval by the board in the case of the Executive Headteacher, Academy Business and Finance Director and Director of School Improvement. It is through this committee that the Trust ensure consistency of practice and prevention of salary creep.

As per the trust's pay policy all staff are subject to an annual performance management review based on the trusts appraisal policies which links salary progression to performance.

The trust's board through its directors and the Executive Headteacher take an active role in the recruitment of all senior posts and the annual appraisal of all senior post holders. The outcome of all senior appointments and the annual appraisal process is reported to the Academy Resources Committee and when appropriate to the board.

Related Parties and other Connected Charities and Organisations

The Academy Trust is not part of a wider network such as a soft federation. For further details of related parties and transactions during the year, see notes 11 and 30 of the financial statements.

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 Trustees:

"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

Strategic Vision 1 – Our aim is to be the best multi academy trust in the South East of England			
STRATEGIC PRIORITIES	Target Date	KEY PERFORMANCE INDICATORS (What do we need to see this year to know that we are on track)	
All Academy Schools to be judged as 'Outstanding' - as graded by Ofsted or by the Academy using Ofsted criteria.	Sept 2018	A school's Self Evaluation Form to include actions and timescales required to achieve this outcome. Termly agenda item for Academy Leadership Team. Annual report to Performance & Standards	
EYFS: 100%* to achieve a "Good level of development". KS1: 100%* of students to achieve age related expectation at end of Year 2. KS2: 100%* of students to achieve age related expectation at end of Year 6. KS4: 100%* of students to achieve GCSE level 4 (equivalent to grade C) in English & Maths. - Value added at end of Year 11 to be "Significantly High". KS5: Achieve overall value added Grade 3 (ALPs)	Sept 2018	Key stage targets set by each school to be reported on in the Autumn term. Data returns to show progress towards targets and performance against targets.	
Quality of teaching and learning: 100% by typicality, in each school to be good or better, with exception of NQT's	Sept 2017 onwards	Ofsted ready assessments to be reported on termly. Support and action plans generated where required. Annual statement of position produced in July for the board.	
Attendance of 96% or better in all schools	Sept 2016 onwards	Targets set by each school in the Autumn term. Attendance levels which fall below expected level for reasons other than illness to be identified	

Strategic Vision 2 – We want to achieve seamless progression across all key stages			
STRATEGIC PRIORITIES	Target Date	KEY PERFORMANCE INDICATORS (What do we need to see this year to know that we are on track)	
Implement and embed a common system to measure attainment and progress across all schools and phases	By July 2017	Primary schools to show evidence that the system is embed and having impact Secondary school to have implemented a system	
Embed a rich and motivating core time curriculum	Sept 2016 onwards	Academy Leadership Team present on curriculum offer and provide termly learning walks reports. School Improvement Team to provide summary of cross academy observations. Student and parental feedback recognise this has happened.	

Strategic Vision 3 – Maximise engagement with students, their families and the local community to achieve a vibrant community dimension			
STRATEGIC PRIORITIES	Target Date	KEY PERFORMANCE INDICATORS (What do we need to see this year to know that we are on track)	
Establish and implement a programme which brings all the schools in the MAT together to participate in activities which also provide opportunities for engagement with the local community	July 2017	Schedule of interschool activities and annual report from Head teachers Evidence activities and engagement through Photographs and reports in school new letters, school web site, Academy newsletter	

Strategic Vision 4 – Ensure the Academy adds value to member schools			
STRATEGIC PRIORITIES	Target Date	KEY PERFORMANCE INDICATORS (What do we need to see this year to know that we are on track)	
Develop and implement an Academy wide middle and future leaders course	Sept 2017	Programme published and circulated to all staff Candidates for the programme are identified and participating in 2016/17 and for 2017/18	
School Improvement Team to identify actions and actives at all schools which will improve pupil outcomes and progression	Sept 2017	All schools to have been visited A school's improvement targets and action plans to have been agreed and presented at the LGB Report on school to school support with impact validated by Head and LGB Chair	
Enable Local Governing Bodies to provide input into the development of the FAoS strategic vision and develop their networking and collaboration opportunities to secure priority outcomes	Autumn 2016	Development of the Annual Conference and Chairs meetings. Evidence of LGB contributions to delivery of FAoS strategic vision via school improvement plans.	
Develop governance support and a programme of training for directors and LGB governors	July 2017	Academy clerking provision secured supported by an in house CPD programme. FAoS Induction scheme and termly seminar programme introduced	

Strategic Vision 5 – Build a viable and sustainable long term strategy for Faringdon Academy of Schools			
STRATEGIC PRIORITIES	Target Date	KEY PERFORMANCE INDICATORS (What do we need to see this year to know that we are on track)	
Implement the Academy Master Plan	Sept 2021	Have built or being built additional accommodation needed for 2018 Identification of any school place pressures and additional staff needs required in 2017/18 and 2018/19	
Grow FAoS to develop a financially sustainable which provides FCC with the educational peer challenge and school to school support currently benefiting our Primary phase schools	Sept 2017	Developed sponsorship opportunities which contribute to financial stability, reputation and CPD opportunities. Expansion of the MAT with an appropriate Secondary phase schools to secure required peer benefits Sig off the Hub model which will be used to facilitate academy expansion Engagement with primary schools within local area	

Faringdon Academy of Schools

Trustees' Report (continued)

Strategies and Activities – During AY1617, our strategic priorities have remained unchanged and a summary of activity against these priorities is outlined below:

Strategic Priority Number 1 (School Improvement) – Faringdon Academy of Schools has a strong School Improvement Team consisting of a Director of School Improvement (2 day contract) as well as three colleagues (one day contracts), two who have a primary focus and one whom is mainly secondary based. One of the primary colleagues is an Ofsted Inspector. The Director of School Improvement, is a trained Ofsted Lead Inspector for both Primary and Secondary. It is the intention of the MAT to increase the Director of School Improvement to become a full time role from September 2017.

In this reporting period, the team have focused on raising student outcomes as well as the long term intention of helping each school increase or maintain their Ofsted rating. Every school in the academy trust has received an internal health check; some of these visits looked generally across all aspects of the school, whilst other visits focused on specific areas. The aim of these health checks is to support the school's leadership team in their drive for school improvement, and also to help them prepare for an Ofsted inspection. On each of the health checks there is also another academy Headteacher in attendance, this has been designed to be a professional development activity, but also to identify and discuss good practice.

During the academic year four of the schools had an Ofsted inspection. Two of the schools improved their grading, one moved from Requires Improvement to Good and one school moved from Good to Outstanding. Two other schools maintained their Good grading, but with the recognition that both schools are close to becoming Outstanding. Additionally, the Head Teacher of Buckland Primary School was accredited as a National Leader of Education.

Strategic Priority Number 2 (Demographic Growth) – We have continued to experience a demand for places at all of our schools and demographic growth within our communities looks set to continue for the foreseeable future. We continue to have an extremely positive relationship with Oxfordshire County Council's Schools Organisation & Planning Team and we work closely with them to identify the pinch points at each of our schools.

Following the extensive capital works at Faringdon Junior School, Watchfield Primary School and Longcot & Fernham Primary School during AY1516, this reporting year has been a relatively quiet period. That said, the Trust continued to evolve planning to expand John Blandy Primary School from 1-form entry to 1.5-form entry and Faringdon Community College from 7-form entry to 9-form entry. Both of these are significant capital projects drawing over £8M of investment from Oxfordshire County Council.

There remain a number of legacy issues with the capital works at Faringdon Junior School and this has resulted in a teaching block comprising 4 classrooms being designated as unsafe for occupation from September 17. This is currently a strategic risk for the Trust and we are working with Oxfordshire County Council to resolve these issues. The Trust has moved swiftly to deliver 4-temporary classrooms to ensure that there is no impact to education. The longer term solution will be reported in next year's report.

Following a number of challenges, Oxfordshire County Council working with Faringdon Academy of Schools elected not to contract with Carillion to build the new 3-storey teaching accommodation necessary to expand Faringdon Community College. This has delayed the completion of this project which was originally due for September 2017. A revised scheme has been developed using the ESFA Regional Framework and the new contract was awarded to Kier Construction in January 2017. Kier have developed an excellent scheme and work commenced as soon as planning permission was granted in September 2017. The £6.29M project is currently running to plan and is due to be completed in September 2018. This project will relieve the pressure on space at the College, though a further urgent project will be required to replace a number of temporary classrooms that are now well beyond economic use.

Faringdon Academy of Schools

Trustees' Report (continued)

The expansion of John Blandy Primary School did not occur during AY1617 due to delays and problems between Oxfordshire County Council and the Carillion partnership. The project was granted planning permission at the end of 2016 and the Trust is working closely with the Council to progress this scheme which should be delivered by September 2018.

Looking to the future, the Trust is seeking to develop plans to relocate Faringdon Infant School to a new site from September 2021 and to transform the school to become a 2-form entry primary school. We are also working with Oxfordshire County Council to develop a plan to provide additional primary school places within Shrivenham.

Responding to demographic changes within the local community will remain a strategic priority and a key risk for the Academy the foreseeable future.

Strategic Priority Number 3 (Academy Expansion) – In February 2017, the Executive Head Teacher and Business & Finance Director met with the Deputy Regional Schools Commissioner to provide an update on the progress of our multi-academy trust. Once again, the RSC's team outlined the DfE policy which made it clear that successful trusts are encouraged to expand and expected to play a stronger part in supporting less successful schools in our region. During the Spring Term, senior leaders from our Trust engaged in informal discussions with the Eynsham Partnership Academy (EPA) with a view to a potential merger.

EPA comprises one secondary school and 6 primary schools. At respective Board meetings on 30th March 2017, both Boards voted to enter formal discussions to explore the option to merge and on 26th April, both Boards issued a Joint Statement to stakeholders together with an outline programme of the decision timetable. A Steering Group comprising senior leaders and trustees from both Trusts, was formed to work through an agreed list of due-diligence items. At the time of writing this report, discussions are ongoing and our expectation is that a decision on whether to proceed to a formal consultation will be taken before the end of December 2017. The earliest possible merger date would be 1st June 2018.

Academy expansion will remain a strategic priority for AY1718.

Public Benefit

The trustees of Faringdon Academy of Schools confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act 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 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 2600 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 Defence Academy, 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.

Faringdon Academy of Schools

Trustees' Report (continued)

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. The Academy continues to host a Saturday School, held at the Community College to utilise the outstanding facilities and this is accessible by all pupils at our academy schools. Saturday School offers diverse activities from technology clubs, web design, drama, cooking, music, art and first aid workshops. This initiative is funded via a small grant from central academy funds and contributions from those attending.

Despite the withdrawal of ESFA summer school funding, Faringdon Community College continued with the initiative in July 2017. The aim of summer school is to smooth the transition of pupils from year 6 into year 7, to build their confidence and to familiarise them with their new school prior to starting in September. Summer school focused on fun activities from across the curriculum. Funding for this initiative came from parent contributions and from pupil premium grants for eligible families.

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 for each academy school from an educational perspective.

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

Ofsted rating: Grade 1 (March 2008)

Key Stage 4: GCSE Results 2017

- Progress 8: - 0.11 in line with national averages
- Progress 8 FSM6 - 0.53
- Attainment 8: 4.9 (rank top 30% of schools).
- Percentage achieving English and Maths (grade 4+) 64%
- Percentage achieving English and Maths (grade 5+) 47%
- Percentage of entries achieving 9-7 (including A*/A) 27%.
- Percentage of entries achieving 9-4 (including A*/C) 70%
- Ebacc: 24%.

Summary: Attainment continues to be high. The challenge for the school is to improve the progress made by disadvantaged pupils.

A Level 2017

- Percentage passes at A*/A 27%.
- Percentage passes at A*/B 57%.
- Percentage passes at A*/E 99%.
- Percentage of pupils who achieved a minimum of AAB passes was 15%.
- Percentage who achieved places at Russell Group Universities 40%.

Summary: A pleasing set of results that were a fair reflection on the ability of the year group.

Faringdon Academy of Schools
Trustees' Report (continued)

Primary School Summary

End of Key Stage Performance 2016-17 - Please note, all EY, KS1 and Writing scores are teacher assessments. The remainder of the KS2 scores are test outcomes as are the phonics screening scores.

School & Ofsted rating		Attainment (% reaching the expected standard or above)				Progress +/- score (Value added score from KS1-2 from Raise)				
		Reading	Writing	SPAG	Maths	Reading	Writing	Maths	Phonics Y1 %	EY % GLD
FJS	KS2	75%	90%	92%	97%	-0.1	+1.12	+1.58		
(Grade 2 2013)	Commentary: Very pleased with the overall results as they were the highest set of scores the school has achieved. Special Educational Needs (SEN) pupils achieved well in all subjects except reading. Our reading progress score was low as we had a number of boys with SEN and low prior attainment (LPA) that were unable to make age related expectations.									
Buckland	KS2	79%	100%	100%	100%	1.0	2.3	4.5		
	KS1	100%	67%	87%	93%				100%	75%
(Grade 1 2016)	Commentary: Writing in Key Stage 1 for LPA pupils is a focus for 2017-18. Differences diminished between LPA and peers but not yet making expected level. Higher attainment at Key Stage 2 was pleasing with maths 50%, writing 29%, reading 43% and grammar, punctuation and spelling 57%.									
Shrivenham	KS2	75%	88%	84%	75%	-1.7	-0.8	-2.3		
	KS1	85%	65%	66%	93%				79%	76%
(Grade 2 2017)	Commentary: Writing continues to be a focus for 2017-18 across the school. Although the majority of subjects met or exceeded the expected standard, the % of higher ability pupils (HAP) meeting greater depth was below national averages in Key Stage 2. Challenge for HAP is a priority. Year 1 had a tricky start to the year and this resulted in phonics being slightly off national averages.									
John Blandy	KS2	84%	68%	79%	74%	2.5	1.4	-0.3		
	KS1	73%	74%	63%	70%				86%	86%
(Grade 2 2016)	Commentary: We are very pleased with the end of key stage results this year, following a less pleasing picture in 2016. The Key Stage 2 cohort was made up of 19 children, 12 of which were boys and 4 with significant SEN. We are thrilled they matched the national averages across the board. Key Stage 1 children performed well in their SATs and in the phonics check- writing was stronger this year but a focus on spelling, punctuation and grammar is planned for the coming year. We had 31 children in our Reception cohort, and they started the year lower than average. We put in early intervention in the form of an additional adult with focussed responsibilities, and it certainly paid off- with all but the LPA group making a good level of development, and putting the school well above national and local authority averages.									

Faringdon Academy of Schools
Trustees' Report (continued)

School & Ofsted rating	Attainment (% reaching the expected standard or above)					Progress +/- score (Value added score from KS1-2 from Raise)				
		Reading	Writing	SPAG	Maths	Reading	Writing	Maths	Phonics Y1 %	EY % GLD
Longcot & Fernham (Grade 1 2009)	KS2	88%	82%	94%	88%	+1.6	-0.9	-1.9		
	KS1	90%	75%	75%	80%				95%	85%
	Commentary: KS2 In Reading two pupils achieved working towards, both scoring 99 so missing expected level by 1 mark. Fifteen pupils achieved expected level and higher. Two pupils achieved greater depth with 4 pupils scoring 108/109. Writing this year was moderated by County. Three pupils did not achieve the expected level, 14 pupils achieved expected level and higher and 41% of pupils achieved greater depth. In spelling, punctuation and grammar 16 pupils achieved expected level and three pupils achieved greater depth. In maths 15 pupils achieved expected level and 3 pupils achieved greater depth. KS1 In reading 18 pupils achieved expected level and 8 pupils achieved greater depth. In writing 19 pupils achieved expected level with two thirds of the boys achieving greater depth. In spelling, punctuation and grammar 15 pupils achieved expected level and higher. In maths 19 pupils achieved expected level and higher with 5 pupils achieving greater depth.									
Watchfield (Grade 2 2016)	KS2	71%	79%	71%	83%	-1.6	-0.4	0.1		
	KS1	49%	41%	Not done as test was optional	61%				93%	69%
	Commentary: This year we had significant successes across the board. Our good level of development score and phonics are an improvement on the previous year as is our Key Stage 2 percentages. At KS2 our combined reading, writing and maths percentage is significantly above the national average again. We continue to see extremely high mobility with all cohorts and throughout the year. Despite this, we are very proud of how well the children have done and look forward to continued improvements.									
FIS (Grade 2 2013)	KS1	66%	62%	60%	64%				71%	68%
	Commentary: End of Key Stage data and good level of development (GLD) continues to follow rising data trend. GLD in particular has risen by 10% annually for the last 3 years. End of KS1 results are beginning to draw in line with national data and the number of children reaching greater depth in reading (20%) and Maths (20%) were pleasing. The schools internal data analysis shows that value added from low starting points on entry to end of early years foundation stage (EYFS), and then from end of EYFS to end of key stage one shows that most children make more than expected progress in their time at FIS.									

Faringdon Academy of Schools

Trustees' Report (continued)

Key Performance Indicators

The Board of Trustees approved an overall Academy budget for the period 1st September 2016 to 31st August 2017. During this period, our total General Annual Grant was £11.022M. Furthermore:

- The Academy predicted a total revenue income of £12.658M and we received £12.832M² or 101%.
- The Academy predicted staffing costs at £10.385M and we actually spent £10.628M or 102%.
- The Academy predicted total revenue expenditure at £12.894M and we actually achieved £13.012M³ or 101%.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the medium term⁴. 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.

Financial Review

The financial position remains a key concern for trustees and it is articulated as our top risk. Whilst costs continue to grow, particularly staff costs, our income has been flat and looks set to reduce with the removal of the Education Services Grant starting in AY17/18; this represents a loss of over £202K by September 18. Widely reported increases to employer's contribution to the Teachers' Pension Scheme from April 2019 and the uncertainty of unfunded public sector pay rises add further pressure to rising staff costs. We predict that the percentage of total income spent on staff costs will continue to rise over the next 3 to 4 years and this will place considerable pressure on other areas of the budget.

Trustees are concerned that the proposed introduction on the National Funding Formula from September 2018 will have a significant impact on the financial position of the Trust. The proposed base level funding does not provide the necessary uplift to meet our rising staff costs without detrimental impact on staff structures and the curriculum. Furthermore, as an academy experiencing continued growth in pupil numbers, the time lag in funding for these pupils when combined with current funding levels will have a negative impact on the overall quality of our outputs in the coming years. Trustees have raised their concerns directly with our local MP and the Executive Head Teacher has raised the matter with our Regional Schools Commissioner.

In December 2016, the Trust submitted 6 bids to the Capital Improvement Fund (CIF) for priority repair and maintenance work across a number of our schools; the bid totalled £1.1M. In March 2017, we were advised that 3 of the 6 projects had been successful and we were subsequently awarded £711K of capital funding. This was the second successful year of grant funding; over the last 2-years, we have received ~£1.3M of grant funding for urgent repair projects. Nonetheless, whilst extremely welcome, our recent property surveys indicate that we have £3.3M of urgent works required over the next 5-years. Furthermore, at the time of writing, we are investigating the impact of a major structural failure in a 4-classroom teaching block at Faringdon Junior School. The latter carries a considerable financial risk and we are pursuing this matter with Oxfordshire County Council and the Education, Skills and Funding Agency and we will report further in next years' report.

² Excludes Special Purpose income (largely parental income for trips)

³ Excludes depreciation, FRS102 pension costs and Special Purpose expenditure.

⁴ Hitherto we have reported 'for the foreseeable future'. The Board is confident that it has sufficient resources for the next 3-years which we consider to be the medium term. Our ability to remain a going concern beyond this point will be determined by the outcome of the National Funding Formula and specifically an increase in our base level funding.

Faringdon Academy of Schools

Trustees' Report (continued)

Fund balances

The total fund balances of the Academy at 31st August 2017, as detailed in Note 17 to the financial statements, amounted to £17.500M. Excluding the fixed asset fund (representing the net book value of fixed assets) of £20.196M and the pension deficit fund of £4.452M, revenue and capital reserves amounted to £1.755M and are summarised as follows:

Analysis of academies by fund balance				
Fund balances at 31 August were allocated as follows:				
		2017	2016	
Revenue reserves		£	£	
Faringdon Community College		465,444	527,204	
Faringdon Junior School		142,512	151,967	
Faringdon Infant School		125,664	166,186	
Buckland CofE Primary School		167,580	155,955	
John Blandy Primary School		(126,709)	(146,577)	
Longcot and Fernham CofE Primary School		126,023	137,246	
Shrivenham CofE Controlled School		7,714	11,482	
Watchfield Primary School		99,912	134,549	
Central services - main funds		279,780	332,729	
Total before fixed assets and pension reserve		1,287,920	1,470,741	
Unspent capital funds		467,273	138,659	
Fixed asset fund (representing net book value of fixed assets)		20,196,548	20,944,621	
Pension reserve		(4,452,000)	(5,219,000)	
Total funds		17,499,702	17,335,021	

Reserves Policy

Despite growing financial pressure on revenue funding, the Trust has retained a credible reserve position made up of individual school reserves and an element of central reserve that has accrued since expansion in November 2013. Individual academy school reserves comprise a significant element of funding that was transferred to the trust from Oxfordshire County Council on conversion. The central reserve was established to enable the trust to respond to emergency premises matters that individual schools could not address. The central academy office maintains high-level property surveys of all 8 sites to identify the key issues that need to be addressed over the next 5-years; these surveys identify a requirement for ~£3.3M of routine works service. At present, the Academy is unable to meet this requirement within existing funding levels and we are required to prioritise projects and apply for CIF grants to make-up the shortfall.

Faringdon Academy of Schools

Trustees' Report (continued)

Nonetheless, a central academy reserve is required in order to meet in-year emergencies as they arise. The property surveys for all 8 schools will be updated in detail by December 2017 and the original 3 schools (FCC, FIS and FJS) were revised in January 2017. An ongoing concern is the declining condition of 12 temporary classrooms at FCC that are nearly 30-years old and beyond economic repair. Four of these temporary classrooms will be removed as part of the current scheme to increase the College's capacity; however, that still leaves 8 classrooms that need to be replaced in the short term future.

In 2015, the Academy Resources Committee completed a review of Academy reserves in order to develop a Reserves Policy. This work was further informed by the latest guidance from the ESFA regarding multi-academy trust reserves and clear indication that there is **an expectation that Trustees are expected to pool reserves to use them where required**. As a minimum, the Trusts seeks to maintain a revenue reserve balance equivalent to at least one-month's salary for the entire trust.

This leads to the conclusion that an individual academy school surplus reserve may not be wholly available to that school at a given time. To ensure that the academy has an accurate understanding of reserves, the Academy Business & Finance Director maintains a detailed 5-year plan which shows the position for each school and the overall position for the academy. We have developed some assumptions, approved by the Academy Resources Committee, to ensure that the academy trust retains a sufficient reserve to support its outputs. The plan enables individual academy schools to propose expenditure against their surplus balances to deliver school improvement plans, however it acknowledges that **Trustees may be required to prioritise expenditure to ensure the academy always retains a sufficient reserve.**

Over the next 3-years, our planning identifies that due to rising staff costs and reducing funding levels, the Trust reserves are due to drop from £1.259M (AY1617) to ~£0.680M by AY1920.

On 31 August 2017 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	839,850
Restricted Capital Funds - General	10,961
Restricted Capital Funds – Projects	456,273
Restricted General Funds	<u>448,070</u>
Reserves at 31 August 2017	1,755,154

As in previous reports, we have stated that the LGPS deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. However, in AY1516 our FRS102 report highlighted an increase in the deficit from £2.885M in August 2015 to £5.219M in August 2016 and simply as a result of a change to financial assumptions. Trustees were pleased to note that the deficit as reported by the FRS102 report in August 2017 has reduced to £4.452M. Nonetheless, Trustees remain concerned about the size of the deficit and the long term implications that this might have on the Trust. We will continue to monitor this position closely during future periods.

The restricted funds will be spent in accordance with the terms of the particular funds.

Faringdon Academy of Schools

Trustees' Report (continued)

Investment Policy

Investments will be made only in accordance with written procedures approved by the Board of Trustees. At present, all funds held by the Academy as at the 31 August 2017 were in an interest bearing account with Lloyds Banking Group. The Academy Resources Committee has continued to debate options to invest money and the Academy Business & Finance Director has had further discussions with our relationship manager at Lloyds Bank. As in recent years, given the lack of certainty of future grant funding, enduring pressure on individual school budgets, the scale of new capital projects due to be delivered in the next 2-3 years and the scope of the forward maintenance plan, it is considered that we do not have sufficient funds to lock into an investment policy at this time. This position will continue to be reviewed by Trustees again during AY1718.

Principal Risks and Uncertainties

The trustees conducted a full review of the strategic risk management policy and the risk register during the Autumn Term. The revised Plan was approved and reissued to trustees on 7th October 2016. The risk register is a standing agenda item on the Academy Resources Committee meeting and all major risks are discussed at Board meetings. 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.

The Academy Strategic Plan outlines the academies operating procedures together with our means of identifying, analysing, managing, implementing strategies and reviewing risks. The Board of Trustees 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 Trustees 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 Trustees, Head Teachers and members of Academy Leadership Teams are responsible for highlighting any key risks that they 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 Trustees, 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.

Faringdon Academy of Schools

Trustees' Report (continued)

- **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 Trustees. The Risk Management Strategy and the Risk Register must be reviewed annually by the Board of Trustees. Both the Risk Strategy and Risk Register are available on the Academy website to enable all Trustees to be familiar with strategic risks.

The Academy Risk Register is an iterative document and it was subjected to a full review and reissue by the Board in October 2016. The Academy Business & Finance Director maintains the Risk Register and the key risks that have been identified are owned by either the Board or delegated to the appropriate Academy Committee. From 1st September 2016 to 31st August 2017, the Academy's top 3 risks, were:

(Strategic Risk) - Potential failure of Academy Board to secure sufficient funds to deliver strategic objectives. Forecast funding levels continue to present the highest risk to the future of the Trust. Previous reports have highlighted our concerns associated with our ability to keep pace with rising staff costs and reductions in real term income. Once again, staff costs across the Academy increased by £538K during AY1617. The loss of the Education Services Grant, £202K in AY1617, reducing to a protection payment of £89K in AY1718 and zero by AY1819 is particularly challenging. The introduction of the National Funding Formula from Sep 18 does not appear to deliver the increase in funding that we anticipated. At present our 5-year plan indicates that the Trust will face unsustainable in-year deficits from AY1920. The Chair of Trustees has written to our local MP and the Executive Head Teacher has pressed this matter with the Regional Schools Commissioner; we will continue to raise this matter at the highest level at every opportunity.

The Academy Resources Committee receives this matter as a standing agenda item at every meeting and we are working with head teachers and local governing bodies to ensure that we manage in-year budgets as effectively as possible. We have embarked on the AY1819 budget within this term in order to get an early understanding of the scale of the problem ahead of us. The Business & Finance Director is working with local Academy Trusts on a benchmarking exercise so that we can compare our key lines of income and expenditure against local schools. We anticipate that this will remain our highest risk for the foreseeable future.

(Strategic Risk) - Potential failure of Academy Board to develop a sustainable organisational structure for the benefit of all schools in the Trust. Linked to the risk above, the Trust is seeking to expand in order to be able to deliver a more efficient organisational structure. We anticipate that an enlarged trust will deliver efficiencies in central costs and economies of scale, thereby reducing each academy school's annual contributions. We also seek a peer challenge for our sole secondary school, which currently does not receive the same opportunities to share support and best practice as the primary schools. A potential merger with the Eynsham Partnership Academy would deliver against both of these matters and conversations between respective Boards are on-going. If the merger with EPA did not proceed, the Trust would need to seek other opportunities.

(Operational risk) Potential failure of Academy Schools to recruit and retain sufficient, capable and motivated staff. Recruiting and retaining high quality teaching staff is becoming increasingly difficult. The reputation of all of our schools is dependent of high quality staff delivering outstanding education. The Trust 5-year financial plan highlights significant pressure from September 2019 as the percentage of total staff expenditure against total income continues to rise. This risk is compounded by unfunded pay rises agreed by the School Teacher Review Body.

Plans for Future Period

For AY1718, the Trust has committed to a further major investment in the School Improvement Team by moving the Director of School Improvement to a full time contract. This decision was supported by the Academy Resources Committee and approved by the Board of Trustees in May 17. Despite the extremely challenging financial climate, this signals the intent of Trustees to press ahead with our approach to school improvement and our total commitment to delivering on our strategic objectives. The focus for school improvement in AY1718 will be to ensure that remaining schools waiting for an Ofsted inspection secure at least a Good grading and to continue to evaluate and develop the culture and ethos in each school so that this helps to drive school improvement and thus improve student outcomes.

In September 17, construction started on a new 3-story teaching block at Faringdon Community College to support the expansion from 7-form entry to 9-form entry over the next few years. The new block is due to be complete by the end of August 18 and the challenge will be to equip the block with all of the necessary ICT, furniture and resources to fully deliver the expansion project. We are also working with the local district council on plans to construct an All Weather Pitch at the College – this project is currently waiting for planning approval.

The expansion of John Blandy Primary School from 1-form entry to 1.5-form entry did not start during AY1617 due to contractual problems. This project is due to be delivered by Oxfordshire County Council and Trust staff are working closely with the local authority premises team to deliver this project during AY1718. The Trust is also actively engaged with the local authority to deliver an expanded primary provision at Shrivenham and by AY2122 the relocation of Faringdon Infant School to a new site to enable transition to a 2-form entry primary school.

However, our 2 major priorities for the short and medium term remain:

- Financial Stability – the Trust will continue to develop its 5-year budget planning process to enable schools and local governing bodies to plan ahead to meet the financial challenges that we will face over the next few years. We aim to start the budget process within the autumn term and to develop the detail through the spring term so that staffing challenges can be considered as early as possible in the process. We will seek to work collaboratively so that we can solve problems as a group and seek to share best practice across our schools. We will continue to reach beyond our boundaries to identify best practice from other Trusts within our region and nationally.
- Expansion – we will continue to seek out opportunities to expand our Trust in order to seek financial stability and to provide a peer challenge for Faringdon Community College. At present, we plan to continue our discussions with the Eynsham Partnership Academy.

Funds Held as Custodian Trustee on Behalf of Others

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Faringdon Academy of Schools
Trustees' Report (continued)

Auditor

Insofar as the trustees are aware:

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

Trustees agreed to reappoint Critchleys Audit LLP as the external auditors for the next reporting period.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 7th December 2017 and signed on the board's behalf by:



Liz Holmes
Chairperson of the Board of Trustees

Scope of Responsibility

As trustees we acknowledge we have overall accountability 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 Trustees has delegated the day-to-day responsibility to the Executive Head, as Accounting Officer, for ensuring financial controls conform to 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 Faringdon Academy of Schools and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended Out of a possible	
Bob Wintringham	5	7
Liz Holmes	7	7
Christine Price-Smith	7	7
David Wilson	5	7
Ian Wright	6	7
Jeremy Twynam	6	7
Paul Turner (Co-opted)	4	7
Rachel Kenyon	7	7
Richard Hancock	3	7
Jan Wiejak	7	7
Louise Warren	6	7
John Kirk	5	6
Nicola Ferguson	2	3

Resignations and Appointments during the year:

- Nicola Ferguson appointed as Trustee on 2nd March 2017
- John Kirk appointed as Trustee on 6th October 2016
- There were no resignations within 16/17

Further to the strategic risks outlined in the sections above, this has been a demanding period for the Board of Trustees and additional particular challenges have included:

- The ongoing discussions with Eynsham Partnership Academy with a view to a potential merger and expansion of the Trust.
- Ongoing oversight of the educational performance of all schools in the Trust.
- Recruitment of a number of senior leadership appointments across academy schools.
- Oversight and guidance to local governing bodies on the challenges presented by the most difficult financial climate for a generation.

Faringdon Academy of Schools Governance Statement (continued)

Governance Reviews

We have continued to evolve and mature our governance structure as the Trust develops. We have now been working with a common Scheme of Delegation, Strategic Plan and Risk Register for over 3 years, and AY1617 marked a period of embedding and growing alignment from all layers of governance.

From September 2016, we have employed all clerks centrally, line managed by the Academy Secretary. This has again generated a step change in quality of support to the Local Governing Bodies.

Financial performance is monitored at every school by monthly meetings between the head teacher and the lead local governor for finance together with the Academy Business & Finance Director (or deputy) and the appropriate finance officer. These meetings have increased the financial information available to head teachers and local governing bodies and provide better management information to inform decision making.

Trustees conducted their annual skills audit in the summer which confirmed that the Board has trustees with the appropriate knowledge and experience. This is supplemented by the weekly digest published by the National Governance Association (NGA) which is sent to all Trustees. In June 2017, Liz Holmes, Vice-Chair, was appointed as a National Leader of Governance.

We introduced an internal New Governors Induction course which all new governors, and 2nd term governors, are expected to attend. The impact of this is already being seen across the LGB's.

During this period we have been actively exploring expansion and this has given us the opportunity to challenge our current structures and ensure they are fit for purpose.

Committees

Academy Resources Committee - This is a committee of the main board of trustees. The main roles and responsibilities of this committee are outlined on page 5 of this report.

During this reporting period, the key issues for the academy resources committee were -

- Oversight of the financial performance of the trust and in particular scrutiny of individual schools that cause concerns. Specifically, the committee have maintained oversight of activity to reduce the planned in-year deficit at Faringdon Community College, Watchfield Primary, Faringdon Infant School and ongoing deficit at John Blandy Primary school.
- Implementation of recommendations raised by the internal and external audit processes.
- Approval of Academy budget for AY1718 and the revised 5-year financial plan.

Attendance at meetings in the year was as follows:

Trustee/Local Governor	Meetings attended	Out of a possible
Liz Holmes	5	6
David Wilson	3	6
Martin Westmoreland (local governor)	3	6
David Hancox (local governor)	6	6
Louise Warren	4	6
John Kirk	6	6

Appointments and Resignations during the year:

- Paul Turner and Jeremy Twynam were assigned to other committees September 2016
- John Kirk was assigned to this committee by the Board October 2016

Faringdon Academy of Schools Governance Statement (continued)

The Academy Audit Committee

Academy Audit Committee - The Faringdon Academy of Schools Audit Committee has now completed its 4th year; it was set up to review the effectiveness of the operation of the Academy's Process Owners systems, through scrutiny of its control of risk and delivery of statutory and legal obligations and the assessment of its internal controls. An Internal Auditor is in place to undertake visits to Academy Schools to provide the Audit Committee with independent insight into the operation of the financial management arrangements it has established and that are operated by officers working for the Academy trust.

Over the past year the Internal Auditor has undertaken the following:

- Review of allocation of central costs.
- Review of the finance manual.
- Review of the Academy's readiness for expansion.
- Review of the strategic plan.
- An update on the previous review of the Uganda trip.
- A report on Senior Leadership Team recruitment.

Additionally, within its meetings the audit committee has also debated and reviewed:

- The risk register
- Funding pressure and the National Funding Formula
- Parent pay
- The potential merger

Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Andrew Walsham	3	3
Andrew Row	2	3
Sara Hubbard	2	3
Paul Andrews	2	3

Appointments and Resignations during the year:

- Michael Brady resigned September 2016

Review of Value for Money

As accounting officer the Executive Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Improving Educational Outcomes** – In AY1617, two of our academy schools improved their Ofsted grading; John Blandy Primary school moved from Requires Improvement to Good and Buckland CofE Primary school moved from Good to Outstanding. Shrivenham and Watchfield Primary schools both maintained their Good grading, but with the recognition that both schools are close to becoming Outstanding. This represents a significant endorsement of the Trust school improvement model which now works with 3 Outstanding schools and 5 Good schools, each with Outstanding features.
- **Better Purchasing** – The Trust continues to strive for improved ways of procuring the plethora of services consumed by our 8 academy schools. Through the Oxfordshire Academies Business Managers Group, we seek to identify group projects where we can share the cost of major projects across a number of participating trusts. The group meet every 6-8 weeks to progress a range of procurement projects. However, during AY1617 one of our best procurement decisions came from an in-house project to deliver School Absence insurance for our 7 primary schools. Historically, all 7 primary schools purchased staff absence insurance from one of 2 different providers albeit the terms and conditions varied considerably across the 7 contracts. In AY1516, the Trust spent a total of £56K for all 7 schools and received less than £20K in return. There were also a number of claims that were refused on various grounds.

After further research from the central finance team, a decision was taken not to procure staff absence insurance in AY1617. Instead, each school made a contribution to the central budget equivalent to their insurance premium from the previous year and schools could apply to the central budget for absence cover as required; we delivered a common set of terms and conditions based on the most favourable policy held by the schools. We will run this scheme for 2-years to build a small reserve and then we will review the charging mechanism. However, schools have already benefitted as their cost has been frozen for 2-years and there is no quibbling when it comes to a payment. Moreover, the surplus generated in AY1617 has funded a change of supplier for an occupational health and employee assist programme for AY1718. Both of these were contracted following a joint procurement exercise with the Oxfordshire Academies Business Managers Group and both are services that schools traditionally have to pay for that are now covered within our primary staff absence pooling arrangement. The surplus has also been used to provide private counselling to staff members that have experienced a traumatic event in order to support and retain them in their employment – there has been no charge to schools for this service.

This is a great example of the collaborative benefits available to multi-academy trusts that are prepared to think innovatively about traditional services.

Improved Structures – During AY1617, the Trust continued to evolve structures to ensure that we provide value for money. The 2 notable projects conducted during this reporting period were: the move to hire our own clerking structure so that we could move away from the ad-hoc or local authority hired clerking services; and, a leadership review and TLR review at Faringdon Community College.

For the first time since conversion, we now recruit and train all of our own clerks and we are now able to deliver an enhanced capability to our Trustees and trust committees, including local governing bodies. The new service is specific to multi-academy trusts and has already greatly improved the consistency and the coherency of the clerking service thereby improving our overall governance capability.

Faringdon Academy of Schools Governance Statement (continued)

At Faringdon Community College we conducted a full leadership and TLR review in order to ensure that the FCC leadership team including the allocation of responsibilities and duties was effective and focused on teaching and learning to raise standards.

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 Faringdon Academy of Schools for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Academy Resources 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 trustees has considered the need for specific internal audit function and has decided to maintain the requirement for an audit committee. The composition and function of the audit committee is highlighted on page 27 of this report. The academy trust provides funding for an Internal Auditor for several days each year. The work of the Internal Auditor is determined by the priorities of the audit committee to ensure full independence.

The Internal Auditor provides a report following each targeted visit which is subsequently copied to the audit committee, the Academy Resources Committee and the Academy Business & Finance Director. The report highlights observations together with recommendations and requires a response from the Academy Business & Finance Director. At the end of each year, the Internal Audit reports are made available to the External Auditors and an annual report is provided to the Board of Trustees. The Chairperson of the Audit Committee attends the Board meeting in person to present his annual report and to agree the forward programme of inspection. The annual audit report for AY1617 was presented to the Board on 23rd November 2016. The key recommendations from the report were:

Faringdon Academy of Schools Governance Statement (continued)

- In respect of the strategic plan the minutes of Board committees should be improved to make it clear how trustees have raised questions and challenged the SLT in particular areas. In addition, comments recorded in the minutes should be more precise rather than just vague comments. This was particularly true in respect of the Performance and Standards committee.
- In respect of future expansion, FAoS should ensure that adequate due diligence is performed and considered in advance of any merger. The MAT should develop its own due diligence checklist to facilitate the process.
- In respect of SLT recruitment the MAT should formalise the SLT selection process across all FAoS schools to ensure that the process is really clear and that responsibilities are defined. Further the MAT should ensure that all SLT recruitment is the subject of a rigorous selection process to ensure both the selection of the best individual for the job and ensure the correct perception of the process across the MAT and in the minds of parents and the general public.

A programme of work has been developed for the next year to include reviews of:

- Review of census accuracy.
- Review of budget quality in context of the current climate.
- Review of expansion process, particularly concerning merger readiness and due diligence.
- Review of induction process for new trustees and senior staff.
- Review contracting and procurement controls to include common areas of fraud.

The academy trust can confirm that the internal audit committee has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

Review of Effectiveness

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

- the work of the internal audit committee and the reports from the Peer Reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- oversight by the Academy Resources Committee.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the internal audit committee and a plan to address observations and recommendations that have been highlighted and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7th December 2017 and signed on its behalf by:



Liz Holmes
Chairperson of the Board of Trustees



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 academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



David Wilson
Accounting Officer

7th December 2017

Faringdon Academy of Schools

Statement of Trustees' Responsibilities

The trustees (who act as governors 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7th December 2017 and signed on its behalf by:



Liz Holmes
Chairperson of the Board of Trustees

We have audited the financial statements of Faringdon Academy of Schools ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2016 to 2017 issued by the ESFA.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Faringdon Academy of Schools

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report has been prepared in accordance with applicable legal requirements.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 32), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford
Date: 18/12/17



Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

Faringdon Academy of Schools

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

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Faringdon Academy of Schools during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Board of Trustees and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Faringdon Academy of Schools and the ESFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Faringdon Academy of Schools' funding agreement with the Secretary of State for Education dated 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Faringdon Academy of Schools

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

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.
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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 18/12/17

Faringdon Academy of Schools
Statement of Financial Activities
For the year ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	-	57,101	779,940	837,041	4,200,622
Charitable activities						
Funding for the academy trust's educational operations	3	-	12,233,794	-	12,233,794	12,000,086
Other income for educational operations	4	980,180	-	-	980,180	1,058,184
Other trading activities	5	59,669	-	-	59,669	67,055
Investments	6	1,554	-	-	1,554	2,736
Total		1,041,403	12,290,895	779,940	14,112,238	17,328,683
Expenditure on:						
Charitable activities						
Academy trust educational operations	7,8	980,180	12,619,170	1,285,207	14,884,557	14,244,016
Total		980,180	12,619,170	1,285,207	14,884,557	14,244,016
Net income / (expenditure) before transfers		61,223	(328,275)	(505,267)	(772,319)	3,084,667
Transfers between funds	17	-	(85,769)	85,769	-	-
Net income / (expenditure) for the period		61,223	(414,044)	(419,498)	(772,319)	3,084,667
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,29	-	937,000	-	937,000	(2,344,000)
Net movement in funds		61,223	522,956	(419,498)	164,681	740,667
Reconciliation of Funds						
Funds brought forward at 1 September 2016		778,627	(4,526,886)	21,083,280	17,335,021	16,594,354
Funds carried forward at 31 August 2017		839,850	(4,003,930)	20,663,782	17,499,702	17,335,021

All of the Academy Trust's activities derive from continuing operations.

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 2017

Company number:
07977368

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	13		4,253		4,768
Tangible assets	14		20,192,295		20,939,853
Current assets					
Debtors	15	697,450		533,927	
Cash at bank and in hand		<u>2,282,055</u>		<u>2,517,324</u>	
		2,979,505		3,051,251	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(1,224,351)</u>		<u>(1,441,851)</u>	
Net current assets			1,755,154		1,609,400
Total assets less current liabilities			21,951,702		22,554,021
Net assets excluding pension liability			<u>21,951,702</u>		<u>22,554,021</u>
Defined benefit pension scheme liability	29		(4,452,000)		(5,219,000)
Total net assets			<u>17,499,702</u>		<u>17,335,021</u>
Funds of the academy trust:					
Restricted fixed asset funds	17		20,663,782		21,083,280
Restricted funds					
Restricted funds excluding pension liability	17	448,070		692,114	
Pension reserve	17	<u>(4,452,000)</u>		<u>(5,219,000)</u>	
			(4,003,930)		(4,526,886)
Total restricted funds			<u>16,659,852</u>		<u>16,556,394</u>
Unrestricted funds	17		839,850		778,627
Total funds			<u>17,499,702</u>		<u>17,335,021</u>

The financial statements on pages 37 to 60 were approved by the trustees and authorised for issue on 7 December 2017 and are signed on their behalf by


Liz Holmes
Chairperson of the Board of Trustees

Faringdon Academy of Schools
Statement of Cash Flows
For the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	(479,629)	181,706
Cash flows from investing activities	25	244,360	(4,027)
Cash flows from financing activities	24	-	-
Change in cash and cash equivalents in the reporting period		<u>(235,269)</u>	<u>177,679</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2016		2,517,324	2,339,645
Cash and cash equivalents at 31 August 2017	26	<u>2,282,055</u>	<u>2,517,324</u>

All of the Academy Trust's activities derive from continuing operations.

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Faringdon Academy of Schools meets the definition of a public benefit entity under FRS 102.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

Capital grants are recognised when there is entitlement 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

1 Statement of Accounting Policies (continued)

Income (continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets (excluding Transfers on conversion/into trust)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	10 years
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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 14 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off 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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1 Statement of Accounting Policies (continued)

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 15. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1 Statement of Accounting Policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 29).

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	69,046	69,046	67,677
Condition Improvement Fund	-	710,894	710,894	570,490
Other Government grants				
Local authority capital funding	-	-	-	3,489,000
	<u>-</u>	<u>779,940</u>	<u>779,940</u>	<u>4,127,167</u>
Donated fixed assets	-	-	-	-
Other donations	-	57,101	57,101	73,455
	<u>-</u>	<u>837,041</u>	<u>837,041</u>	<u>4,200,622</u>

The income from donations and capital grants was £837,041 (2016: £4,200,622) of which £Nil was unrestricted (2016: £Nil), £57,101 restricted (2016: £20,261) and £779,940 restricted fixed assets (2016: £4,180,361).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	11,021,578	11,021,578	10,707,617
Other DfE grants	-	918,008	918,008	918,019
	<u>-</u>	<u>11,939,586</u>	<u>11,939,586</u>	<u>11,625,636</u>
Other Government grants				
Early Years funding	-	171,096	171,096	172,836
Local authority revenue funding	-	123,112	123,112	184,101
Other grants	-	-	-	17,513
	<u>-</u>	<u>294,208</u>	<u>294,208</u>	<u>374,450</u>
	<u>-</u>	<u>12,233,794</u>	<u>12,233,794</u>	<u>12,000,086</u>

The funding for the academy's educational operations was £12,233,794 (2016: £12,000,086) of which £Nil was unrestricted (2016: £Nil), £12,233,794 restricted (2016: £12,000,086) and £Nil restricted fixed assets (2016: £Nil).

4 Other income for educational operations

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Trip and activity income	505,896	-	505,896	502,088
Catering income	362,293	-	362,293	331,631
Other income	111,991	-	111,991	224,465
	<u>980,180</u>	<u>-</u>	<u>980,180</u>	<u>1,058,184</u>

The other income for educational operations was £980,180 (2016: £1,058,184) of which £980,180 was unrestricted (2016: £1,058,184), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

5 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Hire of facilities	59,669	-	59,669	67,055
	<u>59,669</u>	<u>-</u>	<u>59,669</u>	<u>67,055</u>

The other trading activities income was £59,669 (2016: £67,055) of which £59,669 was unrestricted (2016: £67,055), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

6 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Short term deposits	1,554	-	1,554	2,736
	<u>1,554</u>	<u>-</u>	<u>1,554</u>	<u>2,736</u>

The investment income was £1,554 (2016: £2,736) of which £1,554 was unrestricted (2016: £2,736), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

7 Expenditure

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
Direct costs (note 8)	8,928,167	-	1,246,492	10,174,659	9,981,673
Allocated support costs (note 8)	1,699,698	677,764	2,332,436	4,709,898	4,262,343
	<u>10,627,865</u>	<u>677,764</u>	<u>3,578,928</u>	<u>14,884,557</u>	<u>14,244,016</u>
	<u>10,627,865</u>	<u>677,764</u>	<u>3,578,928</u>	<u>14,884,557</u>	<u>14,244,016</u>

The expenditure on academy's educational operations was £14,884,557 (2016: £14,244,016) of which £980,180 was unrestricted (2016: £1,108,398), £12,619,170 restricted (2016: £11,946,931) and £1,285,207 restricted fixed assets (2016: £1,188,687).

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating lease rentals	34,321	30,679
Depreciation	1,284,692	1,188,301
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	515	386
Fees payable to auditor for:		
Audit	14,225	16,275
Other services	8,960	16,375

8 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	10,174,659	9,981,673
Support costs - educational operations	4,709,898	4,262,343
	<u>14,884,557</u>	<u>14,244,016</u>

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Support staff costs	1,529,698	1,529,698	1,447,787
Depreciation	1,285,207	1,285,207	1,188,687
Technology costs	154,851	154,851	149,050
Premises costs	677,764	677,764	658,567
Other support costs	843,395	843,395	794,914
Governance costs	48,983	48,983	33,338
Other pension costs	463,000	463,000	186,000
Other finance costs (FRS102 pension)	(293,000)	(293,000)	(196,000)
	<u>4,709,898</u>	<u>4,709,898</u>	<u>4,262,343</u>

9 Staff costs during the period were:

	2017 £	2016 £
Staff costs for the period were:		
Wages and salaries	8,327,603	8,127,083
Social security costs	706,266	592,071
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,313,399	1,261,386
FRS102 Other pension and finance costs	170,000	(10,000)
Apprenticeship levy	9,022	-
	<u>10,526,290</u>	<u>9,970,540</u>
Agency supply teacher costs	68,415	97,626
Staff restructuring costs	33,160	21,433
	<u>10,627,865</u>	<u>10,089,599</u>
 Staff restructuring costs comprise:		
Redundancy payments	-	17,233
Severance payments	33,160	4,200
Other restructuring costs	-	-
	<u>33,160</u>	<u>21,433</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £100 (2016: £4,200. This represented a payment of £4,200).

The average number of persons employed by the academy during the period was as follows:

	2017 No.	2016 No.
Teachers	158	171
Administration and support	258	258
Management	26	22
	<u>442</u>	<u>451</u>

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

	2017 No.	2016 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	2	3
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1

The key management personnel of the academy trust comprise the trustees and the Academy and Finance Director as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £395,453 (2016: £329,503).

10 Central services

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

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

	2017	2016
	£	£
Buckland CofE Primary School	40,746	39,638
Faringdon Community College	405,972	382,428
Faringdon Junior School	96,696	85,364
Faringdon Infant School	98,785	82,682
John Blandy Primary School	68,400	54,010
Longcot and Fernham CofE Primary School	47,758	45,827
Shrivenham CofE Controlled School	63,444	60,605
Watchfield Primary School	112,220	98,789
	<u>934,021</u>	<u>849,343</u>

11 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts or employment.

	2017	2016
	£	£
D Wilson, FCC Headteacher, FAS Executive Headteacher and Trustee		
Remuneration	£65k-£70k	£100k-£105k
Employer's pension contributions	£10k-£15k	£15k-£20k
P Turner, FJS Headteacher and Trustee		
Remuneration	£5k-£10k	£15k-£20k
Employer's pension contributions	£0k-£5k	£0k-£5k
R Kenyon, Staff Governor and Trustee		
Remuneration	£40k-£45k	£45k-£50k
Employer's pension contributions	£5k-£10k	£5k-£10k
L Warren, BPS Headteacher and Trustee		
Remuneration	£55k-£60k	£35k-£40k
Employer's pension contributions	£5k-£10k	£5k-£10k

During the period ended 31 August 2017, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2016: £Nil).

12 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5m (2016: £5m) on any one claim and the cost for the period ended 31 August 2017 was £2,705 (2016: £2,867).

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

13 Intangible fixed assets

	Computer Software £	Total £
Cost		
As at 1 September 2016	5,154	5,154
Additions	-	-
As at 31 August 2017	5,154	5,154
Amortisation		
As at 1 September 2016	386	386
Charged in year	515	515
As at 31 August 2017	901	901
Carrying amount		
As at 31 August 2017	4,253	4,253
As at 1 September 2016	4,768	4,768

14 Tangible fixed assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
As at 1 September 2016	25,247,632	182,520	382,841	25,812,993
Transfer on conversion	-	-	-	-
Additions	443,089	46,255	47,790	537,134
As at 31 August 2017	25,690,721	228,775	430,631	26,350,127
Depreciation				
As at 1 September 2016	4,488,075	94,018	291,047	4,873,140
Charged in year	1,196,879	34,247	53,566	1,284,692
As at 31 August 2017	5,684,954	128,265	344,613	6,157,832
Net book values				
As at 31 August 2017	20,005,767	100,510	86,018	20,192,295
As at 1 September 2016	20,759,557	88,502	91,794	20,939,853

Leasehold land and buildings

The Academy took out 125 year leases over the land and buildings at the date of conversion of each school. In determining valuations for the leasehold property, the Trustees have referred to the valuations arranged by the EFA which were carried out on a desktop depreciated replacement cost basis. The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

Additions to land and buildings

Additions in the year represent capital works to existing buildings.

15 Debtors

	2017	2016
	£	£
Trade debtors	9,411	19,995
VAT recoverable	81,865	226,729
Prepayments and accrued income	606,076	287,105
Other debtors	98	98
	<u>697,450</u>	<u>533,927</u>

16 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	470,470	574,741
Other taxation and social security	175,972	170,704
Other creditors	168,306	149,948
Accruals and deferred income	409,603	546,458
	<u>1,224,351</u>	<u>1,441,851</u>

Deferred income

	2017	2016
	£	£
Deferred income at 1 September	314,676	368,049
Released from previous years	(314,676)	(368,049)
Resources deferred in the period	261,469	314,676
Deferred income at 31 August	<u>261,469</u>	<u>314,676</u>

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

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2017

17 Funds

	Balance at 1 Sept 2016 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	692,114	11,021,578	(11,179,853)	(85,769)	448,070
Pupil Premium funding	-	553,631	(553,631)	-	-
Other ESFA funding	-	364,377	(364,377)	-	-
Local authority revenue funding	-	123,112	(123,112)	-	-
Early Years funding	-	171,096	(171,096)	-	-
Other restricted funds	-	57,101	(57,101)	-	-
Pension reserve (note 29)	(5,219,000)	-	(170,000)	937,000	(4,452,000)
	<u>(4,526,886)</u>	<u>12,290,895</u>	<u>(12,619,170)</u>	<u>851,231</u>	<u>(4,003,930)</u>
Restricted fixed asset funds					
Devolved Formula Capital Funding	3,793	69,046	-	(61,878)	10,961
Condition Improvement Fund	134,866	710,894	-	(389,487)	456,273
Capital donations	-	-	-	-	-
LA capital funding	-	-	-	-	-
Intangible fixed asset fund (note 13)	4,768	-	(515)	-	4,253
Fixed asset fund (note 14)	20,939,853	-	(1,284,692)	537,134	20,192,295
	<u>21,083,280</u>	<u>779,940</u>	<u>(1,285,207)</u>	<u>85,769</u>	<u>20,663,782</u>
Total restricted funds	<u>16,556,394</u>	<u>13,070,835</u>	<u>(13,904,377)</u>	<u>937,000</u>	<u>16,659,852</u>
Unrestricted funds					
Unrestricted funds	778,627	1,041,403	(980,180)	-	839,850
Total unrestricted funds	<u>778,627</u>	<u>1,041,403</u>	<u>(980,180)</u>	<u>-</u>	<u>839,850</u>
Total funds	<u>17,335,021</u>	<u>14,112,238</u>	<u>(14,884,557)</u>	<u>937,000</u>	<u>17,499,702</u>

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 2017.

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	2017 £	2016 £
Revenue reserves		
Buckland CofE Primary School	167,580	155,955
Faringdon Community College	465,444	531,654
Faringdon Infant School	125,664	166,186
Faringdon Junior School	142,512	151,967
John Blandy Primary School	(126,709)	(146,577)
Longcot and Fernham CofE Primary School	126,023	137,246
Shrivenham CofE Controlled School	7,714	11,482
Watchfield Primary School	99,912	134,549
Central services	279,780	328,279
Total before fixed assets, capital reserves and pension reserve	<u>1,287,920</u>	<u>1,470,741</u>
Capital reserves - general	10,961	138,659
Capital reserves - projects	456,273	-
Intangible fixed asset fund (representing net book value of fixed assets - note 13)	4,253	4,768
Fixed asset fund (representing net book value of fixed assets - note 14)	20,192,295	20,939,853
Pension reserve	(4,452,000)	(5,219,000)
Total funds	<u>17,499,702</u>	<u>17,335,021</u>

17 Funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies (including all non staff direct costs)	Other costs (excluding depreciation)	Total 2017	Total 2016
	£	£	£	£	£	£
Buckland CofE Primary School	322,739	63,690	29,332	70,935	486,696	5,781,712
Faringdon Community College	3,933,813	544,409	829,583	579,221	5,887,026	1,285,935
Faringdon Infant School	884,767	121,607	47,318	169,481	1,223,173	1,255,802
Faringdon Junior School	888,755	119,385	102,449	188,686	1,299,275	446,386
John Blandy Primary School	581,720	55,741	29,402	91,035	757,898	797,171
Longcot and Fernham CofE Primary School	382,585	42,078	46,241	88,508	559,412	517,759
Shrivenham CofE Controlled School	580,418	51,338	52,560	107,150	791,466	752,197
Watchfield Primary School	1,075,111	80,547	82,465	164,080	1,402,203	1,400,260
Central services	278,259	450,903	27,144	265,895	1,022,201	828,107
	8,928,167	1,529,698	1,246,494	1,724,991	13,429,350	13,065,329
				Depreciation	1,285,207	1,188,687
				Other finance costs and pension costs	170,000	(10,000)
				Note 7	14,884,557	14,244,016

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Intangible fixed assets	-	-	4,253	4,253
Tangible fixed assets	-	-	20,192,295	20,192,295
Current assets	839,850	1,672,421	467,234	2,979,505
Current liabilities	-	(1,224,351)	-	(1,224,351)
Pension Scheme liability	-	(4,452,000)	-	(4,452,000)
Total net assets	839,850	(4,003,930)	20,663,782	17,499,702

19 Comparative Funds

	Balance at 1 Sept 2015 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	694,774	10,707,617	(10,644,201)	(66,076)	692,114
Pupil Premium funding	-	559,044	(559,044)	-	-
Other DfE funding	-	358,975	(358,975)	-	-
Local authority revenue funding	-	184,101	(184,101)	-	-
Early Years funding	-	172,836	(172,836)	-	-
Other restricted funds	-	37,774	(37,774)	-	-
Pension reserve (note 27)	(2,885,000)	-	10,000	(2,344,000)	(5,219,000)
	<u>(2,190,226)</u>	<u>12,020,347</u>	<u>(11,946,931)</u>	<u>(2,410,076)</u>	<u>(4,526,886)</u>
Restricted fixed asset funds					
Devolved Formula Capital Funding	71,243	67,677	-	(135,127)	3,793
LA Capital Funding	-	570,490	-	(435,624)	134,866
Condition Improvement Fund	-	53,194	-	(53,194)	-
Other Capital Funding	-	3,489,000	-	(3,489,000)	-
Fixed asset fund (note 14)	17,954,287	-	(1,188,687)	4,179,021	20,944,621
	<u>18,025,530</u>	<u>4,180,361</u>	<u>(1,188,687)</u>	<u>66,076</u>	<u>21,083,280</u>
Total restricted funds	<u>15,835,304</u>	<u>16,200,708</u>	<u>(13,135,618)</u>	<u>(2,344,000)</u>	<u>16,556,394</u>
Unrestricted funds					
Unrestricted funds	759,050	1,127,975	(1,108,398)	-	778,627
Total unrestricted funds	<u>759,050</u>	<u>1,127,975</u>	<u>(1,108,398)</u>	<u>-</u>	<u>778,627</u>
Total funds	<u>16,594,354</u>	<u>17,328,683</u>	<u>(14,244,016)</u>	<u>(2,344,000)</u>	<u>17,335,021</u>

20 Comparative analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	4,768	4,768
Tangible fixed assets	-	-	20,939,853	20,939,853
Current assets	778,627	2,013,238	259,386	3,051,251
Current liabilities	-	(1,321,124)	(120,727)	(1,441,851)
Pension Scheme liability	-	(5,219,000)	-	(5,219,000)
Total net assets	<u>778,627</u>	<u>(4,526,886)</u>	<u>21,083,280</u>	<u>17,335,021</u>

21 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	<u>466,603</u>	<u>139,115</u>

22 Commitments under operating leases

Operating leases

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

	2017 £	2016 £
Amounts due within one year	25,163	25,972
Amounts due between one and five years	52,512	53,896
Amounts due after five years	-	-
	<u>77,675</u>	<u>79,868</u>

23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(772,319)	3,084,667
Adjusted for:		
Amortisation (note 13)	515	386
Depreciation (note 14)	1,284,692	1,188,301
Capital grants from DfE and other capital income	(779,940)	(638,167)
Fixed asset donations	-	(3,489,000)
Other capital income	-	(45,091)
Interest receivable (note 6)	(1,554)	(2,736)
Defined benefit pension scheme cost less contributions payable (note 29)	463,000	186,000
Defined benefit pension scheme finance cost (note 29)	(293,000)	(196,000)
(Increase)/decrease in debtors	(163,523)	(121,807)
Increase/(decrease) in creditors	(217,500)	215,153
Net cash (used in)/provided by operating activities	<u>(479,629)</u>	<u>181,706</u>

24 Cash flows from financing activities

	2017 £	2016 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>

25 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	1,554	2,736
Purchase of intangible fixed assets	-	(5,154)
Purchase of tangible fixed assets	(537,134)	(684,867)
Capital grants from DfE/ESFA	779,940	638,167
Capital funding received from sponsors and others	-	45,091
Net cash provided by/(used in) investing activities	<u>244,360</u>	<u>(4,027)</u>

26 Analysis of changes in net funds

	At Sept 2016 £	Cashflows £	At 31 August 2017 £
Cash at bank and in hand	2,517,324	(235,269)	2,282,055
Notice deposits (less than 3 months)	-	-	-
	<u>2,517,324</u>	<u>(235,269)</u>	<u>2,282,055</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 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 Oxfordshire County Council. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £160,021 were payable to the schemes at 31 August 2017 (2016: £155,131) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.

29 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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 results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

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

The pension costs paid to TPS in the period amounted to £901,680 (2016: £896,929).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed schedule include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, 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 since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

29 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £528,000 (2016: £477,000), of which employer's contributions totalled £399,000 (2016: £360,000) and employees' contributions totalled £129,000 (2016: £117,000). The agreed contribution rates for future years are 15.3% for employers and 5.5-12.5% for employees until 31 March 2020. In addition, employer top-up contributions of £83,000, £85,000 and £87,000 are due for the year ended 31 March 2018, 2019 and 2020 respectively. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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 2017	At 31 August 2016
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	23.3
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	25.7	25.6
Females	27.9	28.1

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	8,658,000	8,486,000
Discount rate -0.1%	9,071,000	8,856,000
Mortality assumption - 1 year increase	9,155,000	8,896,000
Mortality assumption - 1 year decrease	8,578,000	8,448,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,721,000	2,256,000
Gilts	656,000	436,000
Other bonds	213,000	123,000
Property	287,000	247,000
Cash	170,000	121,000
LLPs	143,000	125,000
Diversified growth fund	216,000	142,000
Alternative assets	4,000	-
Total market value of assets	4,410,000	3,450,000
Present value of scheme liabilities		
- Funded	(8,862,000)	(8,669,000)
Surplus/(deficit) in the scheme	(4,452,000)	(5,219,000)

The actual return on scheme assets was £486,000 (2016: £419,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Service cost	862,000	546,000
Net interest on the defined liability (asset)	110,000	108,000
Administration expenses	1,000	2,000
Total amount recognised in the SOFA	973,000	656,000

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

	2017 £	2016 £
At 1 September	8,669,000	5,500,000
Current service cost	862,000	546,000
Interest cost	192,000	221,000
Employee contributions	129,000	117,000
Actuarial (gain)/loss	(989,000)	2,344,000
Estimated benefits paid net of transfers in	(1,000)	(59,000)
At 31 August	8,862,000	8,669,000

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September	3,450,000	2,615,000
Interest income	82,000	113,000
Return on plan assets (excluding net interest on the net defined pension liability)	404,000	306,000
Other actuarial gains/(losses)	(52,000)	-
Administration expenses	(1,000)	(2,000)
Employer contributions	399,000	360,000
Employee contributions	129,000	117,000
Estimated benefits paid plus unfunded net of transfers in	(1,000)	(59,000)
At 31 August	4,410,000	3,450,000

Reconciliation of opening and closing deficit				
	2017		2016	
	£	£	£	£
Pension deficit at 1 September		(5,219,000)		(2,885,000)
Current service cost	(862,000)		(546,000)	
Employer contributions	399,000		360,000	
Additional pension cost		(463,000)		(186,000)
Other finance costs		293,000		196,000
Actuarial gains/(losses)		937,000		(2,344,000)
Pension deficit at 31 August		(4,452,000)		(5,219,000)

30 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

C Stark (spouse of D Wilson, Trustee/Director, Executive Headteacher and Accounting Officer) is employed by the Trust as a teacher, having previously been employed by the predecessor local authority maintained school. C Stark's remuneration during the year was £19,367 (2016: £18,935) and employer pension contributions amounted to £3,178 (2016: £3,121). At the balance sheet date, £Nil (2016: £Nil) was due to C Stark.

J Kenyon (daughter of R Kenyon, Trustee/Director) was employed by the Trust as a supply teacher. J Kenyon's remuneration during the year was £270 (2016: £1,675.03) and employer pension contributions amounted to £Nil (2016: £Nil). At the balance sheet date, £Nil (2016: £Nil) was due to J Kenyon.

31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2017 the trust received £7,955 (2016: £7,005) and disbursed £5,885 (2016: £6,907) from the fund. An amount of £7,133 (2016: £5,063) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to ESFA.