

Registered number: 07955870

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

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**SIR THOMAS FREMANTLE SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ GOVERNORS AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**Governors**

Brian Knaves (resigned 8 March 2015)  
Darren Lyon\*, Headmaster and Accounting Officer  
Glenn Smith\*, Chair  
Chris Brown  
Jill Bailey  
Jacqueline Dove  
John Chilver\*  
Paul Brown\*  
Richard Clark  
Simon Gibbs  
Martin Osborne  
Helen Cole, Staff Trustee

\* member of the finance committee

**Company registered number**

07955870

**Principal and registered office**

Park Road, Winslow, Buckinghamshire, MK18 3DL

**Company secretary**

Glenn Smith

**Headmaster**

Darren Lyon

**Senior management team**

Neale Pledger, Deputy Headmaster  
Rene Houpe, Business Manager

**Independent auditor**

James Cowper Kreston, Mill House, Overbridge Square, Hambridge Lane, Newbury, Berkshire, RG14 5UX

**Bankers**

Lloyds TSB, 19 Market Square, Buckingham, Buckinghamshire, MK18 1NP

**Solicitors**

Michelmores LLP, 48 Chancery Lane, London, WC2A 1JF

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Sir Thomas Fremantle School (the academy) for the year ended 31 August 2015. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy, which was incorporated on 20th of February 2013 and opened as an Academy on 5th of September 2013, 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.

The Governors act as the Trustees for the charitable activities of the Academy and are also the directors of the Charitable Company for the purposes of company law.

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

### **Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

### **Governors' Indemnities**

The Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Governors arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £2,000,000.

### **Principal Activities**

The principal activity of the Academy is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.

### **Method of Recruitment and Appointment or Election of Governors**

On 1st of September 2013, the Trustees appointed all those Governors that served the pre-opening process of the school to be Governors of the Free School.

The Academy shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- up to 9 Governors who are appointed by the Members;
- up to 2 Parent Governors who are elected by the parents of registered pupils at the Academy;
- up to 1 Staff Governors appointed by the Members (provided that the total number of Governors, including the Headmaster, who are employees of the Academy, does not exceed one third of the total number of Governors);
- the Headmaster who is treated for all purposes as being an ex-officio Governor.

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

Governors are appointed for a 4 year period, except that this time limit does not apply to the Headmaster. Subject to remaining eligible to be a particular type of Governor, any Governors can be re-appointed or re-elected.

When appointing new Governors, the Governing Body will give consideration to the skills and experience mix of existing Governors in order to ensure the Governing Body has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Governors training day organised each year which includes training sessions to keep the Governors updated on relevant developments impacting on their roles and responsibilities. New Governors have the opportunity to undertake National Governor Association training and all Governors receive regular National Governor Association updates.

**Organisational Structure**

The Governing Body normally at least once each term as a full Governing body and additionally as the various sub-committees. The Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Governing Body and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Governing Body as follows:

- Finance and Personnel
- Buildings and Grounds
- Staff and Student Welfare
- Teaching and Learning

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Governing Body:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and / or Vice Chair;
- to appoint and / or consider the performance management of the Headmaster; and
- to appoint the Company Secretary.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making the major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Governors have devolved the day-to-day management of the Academy to the Headmaster and the Senior Leadership Team ('SLT'). The SLT comprises the Headmaster, Deputy Headmaster, Business Manager and SENCo. The SLT implement the policies laid down by the Governors and report back to them on performance.

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

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**Risk Management**

The Governors have implemented a system to assess risks that the Academy faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objects of the Academy, as set out in its Articles of Association, are 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 a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Winslow and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances 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.

The aims of the Academy during the period ended 31 August 2015 are summarised below:

- To ensure that the school continues to attract with a viable number of students.
- To establish the school as 'school of choice' amongst the local community.
- To ensure that the school continues to attract appropriately qualified and highly competent staff.
- To ensure that the temporary site & buildings are appropriate for the developing needs of the school.
- To ensure that the resources are in place to teach a broad and balanced curriculum.
- To ensure that the future plans for the School and Trust are supported through the design and build of a high quality new building and facility.
- To establish the CCF (RAF) in readiness for September 2015.

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

**Objectives, Strategies and Activities**

The key priorities for the period are contained in the Academy's Development Plan which is available from the Headmaster.

The main activities of the Academy for the year ended 31 August 2015 were as follows:

- To further develop a climate of outstanding teaching and learning in our school.
- To continue to develop outstanding achievement and attainment for the students of our school.
- To continue to develop outstanding leadership practice across all aspects of the school and Trust.
- To ensure that we maintain an environment with outstanding behaviour and safety for all.
- To ensure that students actively participate across all three strands of the STFS curriculum.

Further detail is contained within the school development plan.

**Public Benefit**

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in the Winslow and the surrounding area, offering a broad curriculum.

The Academy also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is in its third period of operation since conversion on 5th of September 2013.

The total number of pupils in the period ended 31 August 2015 was 205, but this has increased to 283 at the October 2015 census date due to the continued demand for places at the Academy.

Year 7	82
Year 8	81
Year 9	81
Year 10	39

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

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**FOR THE YEAR ENDED 31 AUGUST 2015**

The particular achievements and performance of the Academy during the period ended 31 August 2015 were as follows:

- The Academy continues to be significantly over-subscribed and with waiting lists in all year groups.
- The Academy was rated Good with Outstanding features in the Ofsted inspection of May 2015.
- The Academy is fully staffed with appropriately qualified specialist teaching staff in all key areas.
- The additional refurbishment to the school building was completed and on time.
- The installation of the new temporary classroom was completed on time.
- The Academy has achieved the Inclusion Quality Mark until 2018.
- Preparation was completed to allow the new Combined Cadet Force (RAF) to open on time in September 2015.

### **Going Concern**

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

### **Strategic report**

The Academy has continued to work on the priorities set out in the School Improvement Plan approved by the Governing Body. Notable achievements this year were OFSTED inspection outcome and the pupil recruitment data.

Environmental factors have continued to be further enhanced by the new Science Laboratory installed and delivered during August 2015 as well as the new classrooms refurbished during June 2015. The plans for the new school are progressing at a relatively steady pace and we hope that building on the new site will start early in the new year.

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow, interest rate risk and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

### **Key Performance Indicators**

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2015, the balance of the GAG Restricted Fund was £86,131, which is after a transfer of £1,629 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers during the year were 205 which is an increase of over 100% from the previous year.

As a result, the ratio of GAG funding per pupil was £3,760 for the period.



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**GOVERNORS' REPORT (continued)**  
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Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 109%, while the percentage of staff costs to total costs was 60%.

**FINANCIAL REVIEW**

The majority of the Academy's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2015, the total expenditure of £1,404,079 was covered by the recurrent grant funding from the DfE, together with other incoming resources. The excess of incoming resources over total expenditure for the period was £490,187.

The net book value of fixed assets at 31 August 2015 were £740,810, which includes depreciation charges for the period of £108,300.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2015 were £856,952 which comprised of the following:

Restricted Funds	£104,396
Restricted Fixed Asset Fund	£752,556
Unrestricted Funds	£nil

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, Headmaster, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

**Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Governors and include the financial risks to the Academy. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the Academy has adequate insurance cover.

Whilst the Academy is currently over subscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

The Governors examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Governors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

#### Financial

The Academy has considerable reliance on continued Government funding through the EFA. In the period, approximately 93% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

#### Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks.

#### Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

#### Safeguarding and child protection

The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

#### Staffing

The success of the Academy is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

#### Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

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

**Reserves Policy**

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be of a level to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves is £856,952, of which £nil is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

Although the Academy does not have a set level of required reserves, it continually reviews the feasibility to cover any contingency, by a regular review of the cash flow against the working budget which is monitored by the Accounting Officer, Business Manager and Governors at the regular Finance and Personnel sub-committee meetings. There is also a contingency amount built into the budget for extra provision.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

**PLANS FOR FUTURE PERIODS**

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Ensure that the school takes all appropriate measures to aid completion of the new site.
- Continue to recruit the maximum number of students up to the published admissions number (PAN).
- Ensure that the quality of all new staff remains of the very highest quality.
- To continue to work closely with local School-Centred Initial Teacher Training (SCITT) providers to ensure that the school supports high quality training of new staff.
- Further develop our Continuing Professional Development (CPD) programme to ensure that STFS staff develop to their full potential.
- To ensure that the three curriculum areas of core, extended and community are embedded.
- Establish ourselves as the school of first choice for local parents.
- Work with staff, parents and governors to create and develop the school's post 16 education offer.
- To develop our work with local groups and businesses to support the local community and provides opportunities for voluntary and paid experiences for students in due course.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Governors do not act as Custodian Trustees of any other charity.

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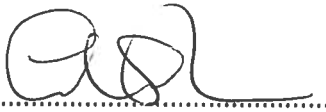
**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

This report was approved by order of the board of trustees on 14/12/15 and signed on the board's behalf by:



.....  
**Glenn Smith**  
**Chair of Governors**

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Headmaster, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sir Thomas Fremantle School 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 Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Brian Knaves	0	3
Darren Lyon, Headmaster and Accounting Officer	4	4
Glenn Smith, Chair	4	4
Chris Brown	3	4
Jill Bailey	4	4
Jacqueline Dove	4	4
John Chilver	3	4
Paul Brown	3	4
Richard Clark	3	4
Simon Gibbs	4	4
Martin Osborne	3	4
Helen Cole, Staff Trustee	4	4

The Finance and Personnel Committee is a sub-Committee of the Governing Body. Its purpose is to provide guidance and assistance to the Governing Body on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Glenn Smith	3	3
Darren Lyon	3	3
John Chilver	3	3
Paul Brown	3	3

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Headmaster 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:

- the economic, efficient and effective use of all resources to improve educational results;
- the avoidance of waste and extravagance;
- the prudent and economical administration of our academy trust;
- the establishment and maintenance of financial governance, including robust controls on expenditure, keeping and reporting of up to date financial records, continuous financial monitoring and reporting to all concerned parties;
- value for money in all financial transactions.

We use a system where a member of the Senior Management Team must authorise each and every order and payment. One member of staff raises an order on our accounting software, the subject leader authorises the order and a member of SLT signs off the payment once approved. This increased level of oversight ensures a reduced level of possible of error, etc. taking place;

Currently, each department operates on a 'zero budget' basis meaning that ALL proposed spending across all subject and wider curriculum areas are treated in the same way. Experience shows that where staff teams are given specific budgets, for some this falls short of requirement whilst for others it can encourage unnecessary spending as year-end approaches. As a growing school, we are aware that there are inevitable one-off capital expenses within most departments and we are careful to ensure that these are purchased at the most beneficial cost.

Strict levels of authorisation are in place for the approval of orders. Only a member of our senior leadership team may authorise individual orders over £1,000, and only the Headmaster has authority for those over £1,000 and up to £9,999. All orders of £10,000 and above are subject to a formal tendering process encompassing UK and EU legislation.

**Better purchasing**

We are not afraid to move away from established suppliers with whom our academy may have traded previously in order to gain better value for money.

Recent examples would include the purchase of furniture, ICT hardware and security access systems.

A formal tendering process is used for all projects of £10,000 and above. In the financial year ending 31/08/2015 examples included the award of the school's IT Support contract. Tenders are not automatically awarded to the cheapest provider. They are given using a percentage scoring system based upon availability, suitable references and price, and may include penalties for late delivery.

The school made a significant investment in 3D technology during the last financial year which has been continued through this financial year, both through equipment purchased and through our courses development and teaching arrangement with Black County Atelier (BCA) with whom we are developing a strong working relationship. This has already led to the school piloting and now nationally accredited qualification and as a reference site for other schools investigating use of the technology.

We buy into relevant traded services provided by our local authority where their expertise and 'bulk-buying powers' ensure high service delivery at attractive cost. This has included legal services, SEN services and ICT (provision of fibre optic broadband). This satisfies our requirements using economies of scale in an effective manner.

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**GOVERNANCE STATEMENT (continued)**

**Improving educational results**

Our Academy Trust focuses upon the wide range of needs of our students in providing smaller classes, one-to-one or small group support where applicable, increasing the effectiveness and accountability of learning support staff.

Targeted funds, for example SEN and pupil premium are used solely to improve performance, attendance and behaviour by those students identified to receive funding via those sources. Our own analysis shows that outcomes for key groups of students supported by additional external funding is strong.

The number of occasions when it is necessary to engage the services of supply teachers provided through external agencies has been minimal through support from current staff and use of our HLTA. Experience shows that supply staff are more expensive than using our own network of staff for covering teaching absences.

Due to good future proofing we are able to ensure that absences can be covered from within our existing staff team.

Support staff absences are not ordinarily covered using extra staff from outside of our Academy. A formal process of monitoring staff absence is in place and implemented by the Headmaster and Business Manager in order to achieve continued improvements in attendance and reduced levels of absenteeism. It is our belief and experience that where staff welfare, including a focus on work-life balance, is taken seriously by senior staff and Governors, absence is much reduced.

As a growing school, we are aware of the need for a minimum of 4 additional teaching staff annually. Recruitment has focused on ensuring that new staff are 'best fit' for the school, meaning that many offer a strong second subject specialism, are well qualified and are flexible in their approach.

As an active member of the Denbigh Teaching School Alliance, we benefit from external support through inter-school faculty liaison meetings, shared resources and access to trainee teachers. Last year, this directly led to the successful recruitment of two staff members. We are also now working with the Royal Latin SCITT and have taken on two trainees.

A great deal of time has been focused on our most challenging area, which is the volume of space in and around our temporary site. The decision to increase overall PAN from 60 to 80 per year has led to a need for additional classroom space and this has been negotiated in depth with the Local Authority from whom we lease space. Whilst this has led to some friction this year, the agreement reached will mean that sufficient space is available to the school for 2014-15 and 2015-16 up until we relocate to our new site.

Use of specialist peripatetic music staff and specialist sports coaches on Wednesdays rather than increasing teacher numbers has ensured that students are able to access additional specialist support at a much reduced cost for the school.

**Better income generation**

The starting point for income generation remains a focus on providing a school where students progress, are cared for and enjoy their experiences and are happy, along with parents, to recommend our school to others. This has once again led to the school being over-subscribed.

Additional opportunities to generate additional income are always welcomed and investigated. As we lease the site ourselves, opportunities have so far been limited. We are aware that once complete, our new build will offer significant opportunities for additional income generation.

**Risk management – fixed assets**

Our academy has extensive insurance cover, covering all assets and many risks.

The Business Manager and myself also meet on a weekly basis to discuss current issues and plan future strategies. Where appropriate, this includes other senior staff and the site manager.

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Risk management – current assets**

Detailed budget reports are received and considered by the Academy's Governors and senior leadership team at regular timetabled meetings. Weekly meetings take place between the Headmaster and Business Manager where updates and current issues are discussed prior to those meetings.

Statutory returns are made on time, avoiding financial and extra administrative penalties.

Data is continually checked to ensure the academy is correctly funded.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Sir Thomas Fremantle School for the year 1 September 2014 to 31 August 2015 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and personnel 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 a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed James Cowper Kreston, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a tri-annual basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.



**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

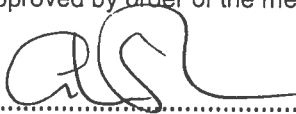
**REVIEW OF EFFECTIVENESS**

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

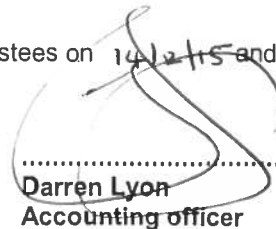
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14/2/15 and signed on its behalf, by:



.....  
**Glenn Smith**  
**Chair of Governors**



.....  
**Darren Lyon**  
**Accounting officer**

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Sir Thomas Fremantle School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.

  
.....  
**Darren Lyon**  
**Accounting officer**

Date: 14-12-15

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The Governors (who act as governors of Sir Thomas Fremantle School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14/12/15 and signed on its behalf by:



.....  
**Glenn Smith**  
**Chair of Governors**

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR THOMAS FREMANTLE SCHOOL**

We have audited the financial statements of Sir Thomas Fremantle School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR THOMAS FREMANTLE SCHOOL**

**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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Michael Farwell MA FCA DChA (Senior statutory auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

Date:

16/12/2015

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS  
FREMANLE SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Thomas Fremantle School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sir Thomas Fremantle School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sir Thomas Fremantle School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sir Thomas Fremantle School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SIR THOMAS FREMANTLE SCHOOL'S ACCOUNTING OFFICER  
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Sir Thomas Fremantle School's funding agreement with the Secretary of State for Education dated 13 August 2013, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS  
FREMANLE SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Farwell

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

Date:

16/12/2015

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	150	-	-	150	318
Incoming resources from charitable activities	3	73,782	1,114,376	705,958	1,894,116	989,327
<b>TOTAL INCOMING RESOURCES</b>		<u>73,932</u>	<u>1,114,376</u>	<u>705,958</u>	<u>1,894,266</u>	<u>989,645</u>
<b>RESOURCES EXPENDED</b>						
Charitable activities	4	76,080	1,135,941	181,397	1,393,418	948,080
Governance costs	5	-	10,661	-	10,661	7,685
<b>TOTAL RESOURCES EXPENDED</b>	6	<u>76,080</u>	<u>1,146,602</u>	<u>181,397</u>	<u>1,404,079</u>	<u>955,765</u>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		(2,148)	(32,226)	524,561	490,187	33,880
Transfers between Funds	15	-	(1,629)	1,629	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<u>(2,148)</u>	<u>(33,855)</u>	<u>526,190</u>	<u>490,187</u>	<u>33,880</u>
<i>Total funds at 1 September 2014</i>		<u>2,148</u>	<u>138,251</u>	<u>226,366</u>	<u>366,765</u>	<u>332,885</u>
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<u><u>-</u></u>	<u><u>104,396</u></u>	<u><u>752,556</u></u>	<u><u>856,952</u></u>	<u><u>366,765</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 38 form part of these financial statements.




**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07955870**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	11		740,810		221,375
<b>CURRENT ASSETS</b>					
Stocks	12	2,504		2,874	
Debtors	13	427,664		165,114	
Cash at bank and in hand		120,278		99,844	
		<u>550,446</u>		<u>267,832</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(434,304)</u>		<u>(122,442)</u>	
<b>NET CURRENT ASSETS</b>			<u>116,142</u>		<u>145,390</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>856,952</u></u>		<u><u>366,765</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	15	104,396		138,251	
Restricted fixed asset funds	15	752,556		226,366	
Total restricted funds			<u>856,952</u>		<u>364,617</u>
Unrestricted funds	15		-		<u>2,148</u>
<b>TOTAL FUNDS</b>			<u><u>856,952</u></u>		<u><u>366,765</u></u>

The financial statements were approved by the Governors, and authorised for issue, on and are signed on their behalf, by:

  
.....  
**Glenn Smith**  
**Chair of Governors**

The notes on pages 25 to 38 form part of these financial statements.

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	17	339,078	55,569
Capital expenditure and financial investment	18	(318,644)	(124,825)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>20,434</b>	<b>(69,256)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	20,434	(69,256)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>20,434</b>	<b>(69,256)</b>
Net funds at 1 September 2014	99,844	169,100
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>120,278</b>	<b>99,844</b>

The notes on pages 25 to 38 form part of these financial statements.

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £1 per member of the academy.

**1.3 Fund accounting**

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

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 and include grants from the Department for Education.

**1.4 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.5 Resources expended**

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

**1.6 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line
Improvement to property	-	33% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33% Straight line

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**SIR THOMAS FREMANTLE SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.10 Taxation**

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

**1.11 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the academy 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.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
Donations	<u>150</u>	<u>-</u>	<u>150</u>	<u>318</u>

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

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

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational operations (see below)	-	1,719,367	1,719,367	881,410
Local authority	-	47,947	47,947	30,156
Other income from educational activities	73,782	53,020	126,802	77,761
	<u>73,782</u>	<u>1,820,334</u>	<u>1,894,116</u>	<u>989,327</u>

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	770,738	770,738	417,909
Capital grants	-	705,958	705,958	170,010
Other DfE/EFA grants	-	242,671	242,671	293,491
	<u>-</u>	<u>1,719,367</u>	<u>1,719,367</u>	<u>881,410</u>

**SIR THOMAS FREMANTLE SCHOOL**  
(A company limited by guarantee)

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

**4. CHARITABLE ACTIVITIES**

	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	635,632	413,285
National insurance	40,768	35,718
Pension cost	71,967	46,662
Depreciation	108,300	84,856
Technology costs	-	6,026
Educational supplies	37,056	54,468
Staff development	11,302	4,831
Educational consultancy	19,169	1,140
Other direct costs	88,962	54,823
	<b>1,013,156</b>	<i>701,809</i>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	87,009	71,902
National insurance	5,295	4,086
Technology costs	90,690	5,494
Recruitment and support	(25)	4,547
Maintenance of premises	-	4,034
Maintenance of equipment	11,001	23,107
Cleaning	16,887	8,056
Rent and rates	25,865	12,674
Light and heat	-	2,375
Insurance	13,749	11,935
Security	1,045	(74)
Transport	59,975	26,599
Catering	16,058	9,178
Bank charges	851	339
Travel and subsistence	612	401
Operating leases	14,415	19,481
Other support costs	36,835	42,137
	<b>380,262</b>	<i>246,271</i>
	<b>1,393,418</b>	<i>948,080</i>

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**5. GOVERNANCE COSTS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Auditors' remuneration	-	6,250	6,250	5,000
Auditors' remuneration - non audit costs	-	3,392	3,392	1,850
Other costs	-	1,019	1,019	835
	<u>-</u>	<u>10,661</u>	<u>10,661</u>	<u>7,685</u>

**6. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	<i>Total 2014 £</i>
Direct costs	748,367	-	264,789	1,013,156	701,809
Support costs	92,304	57,546	230,412	380,262	246,271
<b>Charitable activities</b>	<u>840,671</u>	<u>57,546</u>	<u>495,201</u>	<u>1,393,418</u>	<u>948,080</u>
<b>Governance</b>	<u>-</u>	<u>-</u>	<u>10,661</u>	<u>10,661</u>	<u>7,685</u>
	<u>840,671</u>	<u>57,546</u>	<u>505,862</u>	<u>1,404,079</u>	<u>955,765</u>

**7. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	108,300	84,856
Auditors' remuneration	6,250	5,000
Auditors' remuneration - non-audit	3,392	1,850
Operating leases	24,442	20,661
	<u>142,384</u>	<u>112,367</u>



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**8. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	722,641	485,187
Social security costs	46,063	39,804
Other pension costs	71,967	46,662
	<u>840,671</u>	<u>571,653</u>

**b. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	13	8
Administration and support	6	5
Management	4	3
	<u>23</u>	<u>16</u>

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £9,724 (2014: £8,728).

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**9. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Darren Lyon, Headmaster and Accounting Officer		
Remuneration	<b>70,000-75,000</b>	<i>70,000-75,000</i>
Employer's pension contributions	<b>5,000-10,000</b>	<i>5,000-10,000</i>
Helen Cole, Staff Trustee		
Remuneration	<b>25,000-30,000</b>	<i>25,000-30,000</i>
Employer's pension contributions	<b>0-5,000</b>	<i>0-5,000</i>

During the year, no Governors received any reimbursement of expenses (2014 - £28).

Other related party transactions involving the Governors are set out in note 24.

**10. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,060 (2014 - £1,060). The cost of this insurance is included in the total insurance cost.

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**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2014	-	84,810	37,907	183,514	306,231
Additions	569,364	15,895	2,926	39,550	627,735
At 31 August 2015	<u>569,364</u>	<u>100,705</u>	<u>40,833</u>	<u>223,064</u>	<u>933,966</u>
<b>Depreciation</b>					
At 1 September 2014	-	27,112	5,628	52,116	84,856
Charge for the year	-	31,926	7,868	68,506	108,300
At 31 August 2015	<u>-</u>	<u>59,038</u>	<u>13,496</u>	<u>120,622</u>	<u>193,156</u>
<b>Net book value</b>					
At 31 August 2015	<u>569,364</u>	<u>41,667</u>	<u>27,337</u>	<u>102,442</u>	<u>740,810</u>
At 31 August 2014	<u>-</u>	<u>57,698</u>	<u>32,279</u>	<u>131,398</u>	<u>221,375</u>

The academy's transactions relating to land and buildings included preconstruction costs of £569,364 for the building of a new school for Sir Thomas Fremantle School. The additions were funded by the EFA/DfE.

**12. STOCKS**

	2015 £	2014 £
Uniforms	<u>2,504</u>	<u>2,874</u>

**13. DEBTORS**

	2015 £	2014 £
Other debtors	49,342	86,274
Prepayments and accrued income	378,322	78,840
	<u>427,664</u>	<u>165,114</u>

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**14. CREDITORS:**  
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	66,391	102,715
Other taxation and social security	16,113	6,836
Other creditors	10,519	7,891
Accruals	341,281	5,000
	434,304	122,442
	434,304	122,442

**15. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
<b>Unrestricted funds</b>					
General funds	2,148	73,932	(76,080)	-	-
<b>Restricted funds</b>					
General Annual Grant (GAG)	138,251	770,738	(821,229)	(1,629)	86,131
Other DfE/EFA grants	-	242,671	(242,671)	-	-
Local Authority	-	47,947	(47,947)	-	-
Other	-	53,020	(34,755)	-	18,265
	138,251	1,114,376	(1,146,602)	(1,629)	104,396
<b>Restricted fixed asset funds</b>					
Donations	8,000	-	(2,000)	-	6,000
DfE/EFA capital grants	218,366	705,958	(178,786)	(4,991)	740,547
GAG and other funds	-	-	(611)	6,620	6,009
	226,366	705,958	(181,397)	1,629	752,556
Total restricted funds	364,617	1,820,334	(1,327,999)	-	856,952
Total of funds	366,765	1,894,266	(1,404,079)	-	856,952

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**15. STATEMENT OF FUNDS (continued)**

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

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other Dfe/EFA grants represent start-up grants to be used towards the costs of the increasing school years, as well as pupil premium and insurance income to be used towards disadvantaged students and insurance.

Local Authority grants represent money given to the Academy through grants. This year the grants included income for children who are hard to place i.e children who would otherwise be likely to be refused admission to a suitable school.

**Fixed asset funds**

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA capital grants included Devolved Formula Capital funding and amounts received from the Academies Capital Maintenance Fund. An element of the capital funding was unspent at the year end.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	2,148	73,932	(76,080)	-	-
Restricted funds	138,251	1,114,376	(1,146,602)	(1,629)	104,396
Restricted fixed asset funds	226,366	705,958	(181,397)	1,629	752,556
	<u>366,765</u>	<u>1,894,266</u>	<u>(1,404,079)</u>	<u>-</u>	<u>856,952</u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	740,810	740,810	221,375
Current assets	-	538,700	11,746	550,446	267,832
Creditors due within one year	-	(434,304)	-	(434,304)	(122,442)
	<u>-</u>	<u>104,396</u>	<u>752,556</u>	<u>856,952</u>	<u>366,765</u>

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**17. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	490,187	33,880
Depreciation of tangible fixed assets	108,300	84,856
Decrease in stocks	370	2,001
Increase in debtors	(262,550)	(39,927)
Increase/(decrease) in creditors	2,771	(25,241)
	<b>339,078</b>	<b>55,569</b>
	<b>339,078</b>	<b>55,569</b>

**18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(318,644)	(124,825)
	<b>(318,644)</b>	<b>(124,825)</b>
	<b>(318,644)</b>	<b>(124,825)</b>

**19. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	99,844	20,434	-	120,278
	<b>99,844</b>	<b>20,434</b>	<b>-</b>	<b>120,278</b>
	<b>99,844</b>	<b>20,434</b>	<b>-</b>	<b>120,278</b>

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**20. PENSION COMMITMENTS**

The academy's employees belong to one principal pension schemes, the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff. This is a defined benefit scheme.

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

Contributions amounting to £8,721 were payable to the scheme at 31 August 2015 (2014 - 6,039) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The pension costs paid to TPS in the period amounted to £71,967 (2014: £46,662).

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

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**20. PENSION COMMITMENTS (continued)**

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

**21. OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	1,750	-	-	-
Between 2 and 5 years	-	3,500	19,042	19,042
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**22. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account.

**23. CONTROLLING PARTY**

The ultimate controlling party is that of its Governors as detailed on page 1 of the financial statements.