

Registered number: 07955870

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

The members are the governors named below.

**Governors**

Darren Lyon, Headmaster and Accounting Officer (resigned 31 August 2018)  
Neale Pledger, Headmaster and Accounting Officer (appointed 1 September 2018)  
Glenn Smith, Chair until 31 August 2018  
Chris Brown  
Jill Bailey, Vice Chair  
John Chilver  
Paul Brown, Chair from 1 September 2018  
Richard Clark  
Martin Osborne  
Matthew Owens (appointed 6 December 2017)  
Emma Bramley (appointed 6 December 2017)

**Company registered number**  
07955870

**Company name**  
Sir Thomas Fremantle School

**Principal and registered office**  
Buckingham Road, Winslow, Buckinghamshire, MK18 3GH

**Company secretary**  
Glenn Smith

**Headmaster**  
Darren Lyon (until 31 August 2018)  
Neale Pledger (from 1 September 2018)

**Senior management team**  
Neale Pledger, Assistant Head (until 31 August 2018)  
Leah Martindale, Assistant Head (from 1 September 2018)  
Rene Houpe, Business Manager (until 31 December 2017)  
Emma Windsor, Business Manager (from 1 January 2018)

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

**Bankers**  
Lloyds Bank Plc, 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 2018**

The Governors present their annual report together with the audited financial statements of Sir Thomas Fremantle School ('the Academy' or 'the charitable company') for the period ended 31 August 2018.

**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 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 £2,000,000, 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 omissions 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.

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 Governor 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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 meets 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 3 Committees of the Governing Body as follows:

- Finance and Buildings (combined from two previous sub-committees, Finance and Personnel, and 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 Head teacher 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.

**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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

**Arrangements for setting pay and remuneration of key management personnel**

Performance management is carried out by members of the Senior Leadership Team, Directors of Studies, and subject leaders. The performance management of the Deputy Headmaster and School Business Manager are carried out by the Headmaster. The Headmaster's performance management is carried out by members of the Finance sub-committee with objectives linked to the school development. All teaching staff have three performance targets, two which relate to the Teachers' Standards, and one which is linked to Continuing Professional Development. Performance reviews follow the school's performance management policy and pay, and additional allowance recommendations are made in line with this and the school's pay policy. The school continues to award pay in line with national pay scales.

**Trade union facility time**

The Academy does not have any employees who are relevant union officials and no time has been spent on paid union activities in the year.

**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.

**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 2018 are summarised below:

- To ensure that the school continues to be the school of choice for local families.
- To continue to offer a safe, challenging and inspiring environment to our students and to our staff.
- To ensure the highest quality of teaching and learning across the school.
- To pursue the highest possible academic attainment and progress at GCSE.
- To ensure that the school continues to attract high quality, well qualified and suitably experienced staff.
- To ensure the resources are in place to teach a broad and balanced curriculum.
- To continue to develop the range of extra-curricular opportunities available to students.
- To develop the school's role in supporting the training of teachers through local SCITT providers.
- To maintain and develop the school's place as a valued partner within the Milton Keynes and Buckingham SCITTs.

**Objectives, Strategies and Activities**

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

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The main activities of the Academy for the year ended 31 August 2018 were as follows:

Leadership and Management

In response to our Ofsted report in the summer of 2015, the school leadership team developed a new senior middle leadership role of Director of Studies. The aim was to distribute leadership and management responsibility and allow the senior middle leaders to develop further.

As part of this development, the subject responsibilities are now organised into key themes:

**DISCOVER**

Humanities

*History, Geography, Philosophy and Ethics, Law, Citizenship*

**EXPLORE**

Science, Mathematics, Innovation, Design and Research

*Sciences, Mathematics, 3D Design, Computer Science, Health & Social Care*

**INSPIRE**

*PSHCE, Enrichment, Careers, PE & Games, Dance*

**COMMUNICATE**

Languages, Literature, and Expression and specifically include English, MFL, Music and Art.

The Directors of Studies take a lead on support for NQTs, new staff, discussion and co-ordination of curriculum development (especially with regard to our post 16 offer), coaching and sharing good practice. They also support staff (where required) to ensure that progress data is understood and used in a supportive, efficient, productive, consistent and developmental way.

Director Studies assist with identifying and supporting mentor groups and working with teaching staff to identify key students and then support them to do their best. The four Directors of Studies, along with the senior tutor, meet with the SLT as an 'Extended Leadership Team' or ELT, on a weekly basis.

In addition, a Senior Tutor has taken a lead on the tutor programme delivered by form tutors during the daily registration session and also overseeing the House System.

Student Achievement

**Year 11 GCSE Results**

**Headline figures**

	<b>School</b>	<b>National</b>
Progress 8 score	+0.15	0.00
Grade 4 in English and Mathematics	81%	63%
Grade 5 in English and Mathematics	56%	39%
EBacc at Grade 4	49%	22%
EBacc at Grade 5	33%	20%

**Additional Detail**

Particular high performance was seen in Law, French, Sciences, Geography and Manufacturing. Our English and Maths outcomes place us in the top 3% nationally.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Year 11/12 Tutors**

From September 2017, the form groups were made up of students in Year 11 and 12. The thinking behind this is that we feel that they may benefit from a slightly different approach during the tutor and PSHCE sessions. It will also allow us the time to work closely with a group who may need extra support in their GCSE year and allow targeted intervention.

2016-17 was the first year where the school secured a full set of GCSE results although with only 38 students, it represented slightly under half of the school's other year groups. As the first full year, it is of particular significance.

Teaching and Learning

The standard of teaching and learning at STFS has from the start been seen as a real strength and the school continues to see this as a key priority. We continue to operate a genuine open door policy and provide time and opportunity for collaboration and review of teachers by their colleagues. Staff training days continue to be led by our own staff and allow opportunity to share a range of good practice.

We continue to develop our role as key partner within the SCITT teacher training partnerships by offering a safe but challenging environment in which teacher trainees could flourish and develop their skills as teachers. Additionally, our own teaching staff are constantly challenged to provide enjoyable, engaging and challenging lessons in which all students can develop a love for learning and make visible progress.

The school continues to work with Buckinghamshire Learning Trust (BLT) and the Headmaster has continued his work supporting International Schools through a contract with BLT.

Behaviour and Safety

The school has worked hard to maintain its reputation as a school where behaviour and safety are exemplary and seen as such by all members of our school community. The school has retained its focus on safe use of the internet and social media and has worked with a number of outside agencies to ensure that students and parents are aware of the dangers presented to young people. Within school, the focus still remains on maintaining a high level but self-regulating standard of behaviour where adherence is seen as for the common benefit rather than in response to sanction.

Sixth Form

Sixth form opened in 2017 with initially 40 pupils on role and has expanded in September 2018 to include an additional 61 students.

**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.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The total number of students in the year ended 31 August 2018 was 452, but this again increased to 513 at the October 2018 census due to the continued demand for places at the Academy. Additional students (over the PAN for each group of 80) have largely been admitted through successful appeals, through Local Authority SEN (D) direction or new students moving into the immediate area.

Year	Numbers
7	85
8	86
9	82
10	83
11	78
12	38
Total	452

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.

The particular achievements and performance of the Academy during the period ended 31 August 2018 were as follows:

- The school continued to be oversubscribed and with a waiting list in every year group.
- The school continues to attract high quality applicants to all teaching and non-teaching roles.
- The school received the Young Carers Gold Award in January 2018.
- The Combined Cadet Force (CCF) RAF continues to grow.
- The school is a valued partner working with three separate SCITT partnerships.

**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 School Improvement Plan approved by the Governing Body. Notable achievements this year were exam results / key stage results / pupil attendance / pupil recruitment data.

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.

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**GOVERNORS' REPORT (continued)**  
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**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.

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 at the most recent census were 513 which is an increase of over 12% from the previous census.

As a result, the ratio of GAG funding per pupil was £4,527 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 101.1% while the percentage of staff costs to total costs was 64.5%.

**FINANCIAL REVIEW**

**Financial Review**

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 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 2018, the total expenditure of £3,208,058 was covered by the recurrent grant funding from the DfE, together with other incoming resources.

The net book value of fixed assets at 31 August 2018 were £13,315,055, which includes depreciation charges for the period of £316,352.

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 2018 was £13,174,539 which comprised of the following:

Restricted Funds (excluding Pension Liability) (£174,650)  
Restricted Pension Liability Fund (£75,000)  
Restricted Fixed Asset Fund £13,315,055  
Unrestricted Funds £109,034

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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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 oversubscribed, 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.

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 ESFA. In the period, approximately 89% 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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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.

**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 cash reserves should be held 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 (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £13,249,539, of which £109,034 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 Buildings subcommittee 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:

- Continue to recruit the maximum number of students up to the PAN
- Ensure that the quality of new staff remains high
- 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

**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 2018**

**AUDITOR**

In so far as the Governors are aware:

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

The Governors report, incorporating a strategic report has been approved by order of the Board of Governors on  
.....15 December 2018..... and signed on its behalf by:



.....  
**Paul Brown**  
**Chair of Governors**

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As governors, 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 Governors 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 Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 3 times during the period from incorporation. Attendance during the period from incorporation at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Jill Bailey	5	5
Emma Bramley	2	2
Chris Brown	4	5
Paul Brown	5	5
John Chilver	4	5
Richard Clark	4	5
Martin Osborne, Chair from 1 September 2018	4	5
Matthew Owens	2	2
Glenn Smith	5	5
Darren Lyon	5	5

The Finance 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 ESFA, 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 of the Finance Committee during the period was as follows:

Governor	Meetings attended	Out of a possible
Jill Bailey	1	3
Chris Brown	3	3
Paul Brown	3	3
John Chilver	3	3
Richard Clark	1	3
Glenn Smith	2	3
Darren Lyon	3	3

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**GOVERNANCE STATEMENT (continued)**

**GOVERNANCE REVIEWS**

**Review of Value for Money**

As Accounting Officer, the Headmaster has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy 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 lead authorises the order and a member of SLT signs off the payment once approved. This increased level of oversight ensures a reduced level of possibility 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.

A formal tendering process is used for all projects of £10,000 and above. 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 two financial years 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.

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

**GOVERNANCE STATEMENT (continued)**

**Improving educational results:**

Our academy trust focusses 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 myself and the 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 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.

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.

**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's 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 period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.



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

**GOVERNANCE STATEMENT (continued)**

**CAPACITY TO HANDLE RISK**

The Board of Governors 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 Governors 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 period from incorporation to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**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 Governors;
- regular reviews by the finance and general purposes 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed 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 an annual basis, the external auditor reports to the Board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.


**REVIEW OF EFFECTIVENESS**

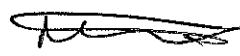
As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the period from incorporation the review has been informed by:

- 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 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 Governors on 15 December 2018 and signed on their behalf, by:

  
.....  
**Paul Brown**  
Chair of Governors

  
.....  
**Neale Pledger**  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of the Sir Thomas Fremantle School I have considered my responsibility to notify the Academy's Governing Body, including all Committees', 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 2017.

I confirm that I and the Academy's Governing Body, including all Committees' 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 2017.

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. All reasonable enquiries have been made and to the best of my knowledge as the current head I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....  
**Neale Pledger**  
**Accounting Officer**

15 December 2018

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

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors (who act as Trustees of Sir Thomas Fremantle School and are also 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 applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education Funding Agency.

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that grants received from ESFA/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 Board of Governors on 15 December 2018 and signed on its behalf by:



.....  
Paul Brown  
Chair of Governors

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

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

**OPINION**

We have audited the financial statements of Sir Thomas Fremantle School for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS OF 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 United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company 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 Governors 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 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. 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

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

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

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 Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

**RESPONSIBILITIES OF GOVERNORS**

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S 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 an Auditor's report 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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

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

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

**USE OF OUR REPORT**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*MNFarewell*

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:

*18/12/2018*

**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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA 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 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 Sir Thomas Fremantle School and the ESFA, 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 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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's income and expenditure.

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.

**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 AND SKILLS FUNDING AGENCY (continued)**

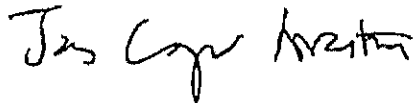
Specific work undertaken to draw to our conclusion includes:

- 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

Date:

18/12/2018



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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	174,148	174,148	7,921,190
Charitable activities	3	21,768	2,572,618	-	2,594,386	2,239,175
Other trading activities	4	30,638	-	-	30,638	-
Investments	5	156	33	-	189	425
<b>TOTAL INCOME</b>		<b>52,562</b>	<b>2,572,651</b>	<b>174,148</b>	<b>2,799,361</b>	<b>10,160,790</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		3,352	2,880,221	324,485	3,208,058	2,306,142
<b>TOTAL EXPENDITURE</b>	6	<b>3,352</b>	<b>2,880,221</b>	<b>324,485</b>	<b>3,208,058</b>	<b>2,306,142</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	49,210	(307,570)	(150,337)	(408,697)	7,854,648
		-	(121,687)	121,687	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		49,210	(429,257)	(28,650)	(408,697)	7,854,648
Actuarial gains/(losses) on defined benefit pension schemes	21	-	53,000	-	53,000	(32,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>49,210</b>	<b>(376,257)</b>	<b>(28,650)</b>	<b>(355,697)</b>	<b>7,822,648</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		59,824	126,707	13,343,705	13,530,236	5,707,588
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>109,034</b>	<b>(249,550)</b>	<b>13,315,055</b>	<b>13,174,539</b>	<b>13,530,236</b>

The notes on pages 26 to 45 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		13,315,055		13,343,705
<b>CURRENT ASSETS</b>					
Stocks	14	4,765		2,504	
Debtors	15	73,412		64,298	
Cash at bank and in hand		48,000		554,685	
			126,177		621,487
<b>CREDITORS: amounts falling due within one year</b>	16	(191,693)		(367,956)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(65,516)		253,531
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,249,539		13,597,236
Defined benefit pension scheme liability	21		(75,000)		(67,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			13,174,539		13,530,236
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	(174,550)		193,707	
Restricted fixed asset funds	17	13,315,055		13,343,705	
Restricted income funds excluding pension liability		13,140,505		13,537,412	
Pension reserve		(75,000)		(67,000)	
Total restricted income funds			13,065,505		13,470,412
Unrestricted income funds	17		109,034		59,824
<b>TOTAL FUNDS</b>			13,174,539		13,530,236

The financial statements on pages 23 to 45 were approved by the Governors, and authorised for issue, on 15 December 2018 and are signed on their behalf, by:

.....  
  
**Paul Brown**  
**Chair of Governors**

The notes on pages 26 to 45 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<u>(369,663)</u>	<u>293,818</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		189	425
Purchase of tangible fixed assets		(295,836)	(7,905,389)
Capital grants from DfE		158,625	7,885,342
<b>Net cash used in investing activities</b>		<u>(137,022)</u>	<u>(19,622)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(506,685)</u>	<u>274,196</u>
Cash and cash equivalents brought forward		554,685	280,489
<b>Cash and cash equivalents carried forward</b>	20	<u><u>48,000</u></u>	<u><u>554,685</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. 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.

**1.1 Basis of preparation of financial statements**

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 the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sir Thomas Fremantle School constitutes a public benefit entity as defined by FRS 102.

**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 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 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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 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.

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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.5 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 charitable activities and governance costs are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

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**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line
Furniture and fixtures	-	20% Straight line
Plant and equipment	-	20% Straight line
Computer equipment	-	33% Straight line

Tangible fixed assets will only be depreciated once they are completed and brought into use.

**1.7 Operating leases**

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

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Liabilities**

Liabilities and provisions 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 settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.12 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.

**1.13 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 incorporating income and expenditure account 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 recognised gains and losses.

**1.14 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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**1. ACCOUNTING POLICIES (continued)**

**1.15 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 estimates 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 21, 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 2018. 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:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.



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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	-	-	-	35,848
Capital Grants	-	-	174,148	174,148	7,885,342
	<u>-</u>	<u>-</u>	<u>174,148</u>	<u>174,148</u>	<u>7,921,190</u>
Total 2017	<u>-</u>	<u>35,848</u>	<u>7,885,342</u>	<u>7,921,190</u>	

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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational operations (see below)	-	2,260,437	2,260,437	2,015,053
Local authority	-	64,116	64,116	53,515
Other income from educational activities	21,768	248,065	269,833	170,607
	<u>21,768</u>	<u>2,572,618</u>	<u>2,594,386</u>	<u>2,239,175</u>
Total 2017	<u>158,113</u>	<u>2,081,062</u>	<u>2,239,175</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,046,106	2,046,106	1,647,884
Other DfE/ESFA grants	-	214,331	214,331	367,169
	<u>-</u>	<u>2,260,437</u>	<u>2,260,437</u>	<u>2,015,053</u>
Total 2017	<u>-</u>	<u>2,015,053</u>	<u>2,015,053</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	30,638	-	30,638	-

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	156	33	189	425
Total 2017	<u>156</u>	<u>269</u>	<u>425</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	1,861,750	-	628,252	2,490,002	1,701,613
Support costs	206,558	132,638	378,860	718,056	604,529
	<u>2,068,308</u>	<u>132,638</u>	<u>1,007,112</u>	<u>3,208,058</u>	<u>2,306,142</u>
Total 2017	<u>1,502,927</u>	<u>174,255</u>	<u>628,960</u>	<u>2,306,142</u>	

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	2,490,002	718,056	3,208,058	2,306,142
Total 2017	<u>1,701,613</u>	<u>604,529</u>	<u>2,306,142</u>	

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**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	Total 2018 £	Total 2017 £
Staff costs	206,558	170,906
Technology costs	53,320	51,004
Recruitment and support	11,071	2,744
Maintenance of premises	11,601	3,342
Maintenance of equipment	10,636	11,719
Cleaning	30,615	20,156
Rent and rates	6,890	104,867
Light and heat	51,841	26,395
Insurance	20,646	14,136
Security	11,045	5,359
Transport	108,399	95,399
Catering	41,472	22,715
Bank charges	129	267
Travel and subsistence	2,260	1,008
Operating leases	20,972	17,353
Auditor's remuneration - audit	9,000	8,150
Auditor's remuneration - non audit	650	550
Other governance costs	1,220	650
Other support costs	119,731	47,809
	<b>718,056</b>	<b>604,529</b>
At 31 August 2017	<b>604,529</b>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	316,352	107,620
Auditor's remuneration - audit	9,000	8,150
Auditor's remuneration - other services	650	550
	<b>326,002</b>	<b>116,320</b>

**9. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an Audit fee of £6,650 (2017 - £6,250), and non-audit services of £1,490 (2017 - £3,392).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,675,069	1,204,273
Social security costs	154,887	114,668
Operating costs of defined benefit pension schemes	238,352	183,986
	<b>2,068,308</b>	<b>1,502,927</b>
	<b>2,068,308</b>	<b>1,502,927</b>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	35	26
Administration and support	33	19
Management	4	5
	<b>72</b>	<b>50</b>
	<b>72</b>	<b>50</b>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	32	25
Administration and support	21	17
Management	4	5
	<b>57</b>	<b>47</b>
	<b>57</b>	<b>47</b>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff members amounted to £25,486 (2017: £24,200).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise of the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management for their services to the Academy Trust was £256,497 (2017: £235,223).

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**11. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2018	2017
		£	£
Darren Lyon, Headmaster and	Remuneration	90,000-95,000	80,000-85,000
Accounting Officer	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

**12. GOVERNORS' 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,165 (2017 - £1,060).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. TANGIBLE FIXED ASSETS**

	Freehold land and property £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	13,258,828	48,877	-	380,287	13,687,992
Additions	135,202	8,719	1,253	150,662	295,836
Disposals	(2,890)	(21,030)	-	-	(23,920)
At 31 August 2018	<u>13,391,140</u>	<u>36,566</u>	<u>1,253</u>	<u>530,949</u>	<u>13,959,908</u>
<b>Depreciation</b>					
At 1 September 2017	55,097	31,651	-	257,539	344,287
Charge for the year	223,322	7,103	251	85,676	316,352
On disposals	(14)	(15,772)	-	-	(15,786)
At 31 August 2018	<u>278,405</u>	<u>22,982</u>	<u>251</u>	<u>343,215</u>	<u>644,853</u>
<b>Net book value</b>					
At 31 August 2018	<u>13,112,735</u>	<u>13,584</u>	<u>1,002</u>	<u>187,734</u>	<u>13,315,055</u>
At 31 August 2017	<u>13,203,731</u>	<u>17,226</u>	<u>-</u>	<u>122,748</u>	<u>13,343,705</u>

Included in freehold land and property is £2,225,000 (2017: £2,225,000) of land which is not depreciated.

**14. STOCKS**

	2018 £	2017 £
Uniforms	<u>4,765</u>	<u>2,504</u>

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	14,560	1,259
Other debtors	33,965	-
Prepayments and accrued income	24,887	63,039
	<u>73,412</u>	<u>64,298</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	111,552	129,457
Other taxation and social security	37,897	166,204
Other creditors	30,505	42,397
Accruals	11,739	29,898
	<b>191,693</b>	<b>367,956</b>

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	59,824	52,562	(3,352)	-	-	109,034
	<b>59,824</b>	<b>52,562</b>	<b>(3,352)</b>	<b>-</b>	<b>-</b>	<b>109,034</b>
<b>Restricted funds</b>						
General Annual Grant	114,392	2,046,106	(2,220,262)	(121,687)	-	(181,451)
Other DfE/ESFA grants	54,145	214,331	(268,476)	-	-	-
Local Authority	-	64,116	(64,116)	-	-	-
Other	25,170	248,098	(266,367)	-	-	6,901
Pension reserve	(67,000)	-	(61,000)	-	53,000	(75,000)
	<b>126,707</b>	<b>2,572,651</b>	<b>(2,880,221)</b>	<b>(121,687)</b>	<b>53,000</b>	<b>(249,550)</b>
<b>Restricted fixed asset funds</b>						
Donations	2,000	-	(2,000)	-	-	-
DfE/ESFA capital grants	13,335,064	174,148	(318,608)	121,687	-	13,312,291
GAG and other funds	6,641	-	(3,877)	-	-	2,764
	<b>13,343,705</b>	<b>174,148</b>	<b>(324,485)</b>	<b>121,687</b>	<b>-</b>	<b>13,315,055</b>
Total restricted funds	<b>13,470,412</b>	<b>2,746,799</b>	<b>(3,204,706)</b>	<b>-</b>	<b>53,000</b>	<b>13,065,505</b>
Total of funds	<b>13,530,236</b>	<b>2,799,361</b>	<b>(3,208,058)</b>	<b>-</b>	<b>53,000</b>	<b>13,174,539</b>

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 and Skills 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 2018.



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

Other DfE/ESFA 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 ESFA.

DfE/ESFA capital grants included Devolved Formula Capital funding and amounts received from the Academies Capital Maintenance Fund.

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	13,320	158,269	(111,765)	-	-	59,824
<b>Restricted funds</b>						
General Annual Grant	91,219	1,647,883	(1,624,154)	(556)	-	114,392
Other DfE/ESFA grants	24,445	350,744	(321,044)	-	-	54,145
Local Authority	-	53,515	(53,515)	-	-	-
Other	23,985	65,037	(63,852)	-	-	25,170
Pension reserve	(19,000)	-	(16,000)	-	(32,000)	(67,000)
	<u>120,649</u>	<u>2,117,179</u>	<u>(2,078,565)</u>	<u>(556)</u>	<u>(32,000)</u>	<u>126,707</u>
<b>Restricted fixed asset funds</b>						
Donations	4,000	-	(2,000)	-	-	2,000
DfE/ESFA capital grants	5,560,388	7,885,342	(110,666)	-	-	13,335,064
GAG and other funds	9,231	-	(3,146)	556	-	6,641
	<u>5,573,619</u>	<u>7,885,342</u>	<u>(115,812)</u>	<u>556</u>	<u>-</u>	<u>13,343,705</u>
Total restricted funds	<u>5,694,268</u>	<u>10,002,521</u>	<u>(2,194,377)</u>	<u>-</u>	<u>(32,000)</u>	<u>13,470,412</u>
Total of funds	<u>5,707,588</u>	<u>10,160,790</u>	<u>(2,306,142)</u>	<u>-</u>	<u>(32,000)</u>	<u>13,530,236</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	13,320	158,269	(111,765)	-	-	59,824
	-	52,562	(3,352)	-	-	49,210
<b>Restricted funds</b>						
General Annual Grant	91,219	3,693,989	(3,844,416)	(122,243)	-	(181,451)
Other DfE/ESFA grants	24,445	565,075	(589,520)	-	-	-
Local Authority	-	117,631	(117,631)	-	-	-
Other	23,985	313,135	(330,219)	-	-	6,901
Pension reserve	(19,000)	-	(77,000)	-	21,000	(75,000)
	120,649	4,689,830	(4,958,786)	(122,243)	21,000	(249,550)
<b>Restricted fixed asset funds</b>						
Donations	4,000	-	(4,000)	-	-	-
DfE/ESFA capital grants	5,560,388	8,059,490	(429,274)	121,687	-	13,312,291
GAG and other funds	9,231	-	(7,023)	556	-	2,764
	5,573,619	8,059,490	(440,297)	122,243	-	13,315,055
	5,694,268	12,749,320	(5,399,083)	-	21,000	13,065,505
<b>Total of funds</b>	<b>5,707,588</b>	<b>12,960,151</b>	<b>(5,514,200)</b>	<b>-</b>	<b>21,000</b>	<b>13,174,539</b>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,315,055	13,315,055
Current assets	109,034	17,143	-	126,177
Creditors due within one year	-	(191,693)	-	(191,693)
Provisions for liabilities and charges	-	(75,000)	-	(75,000)
	109,034	(249,550)	13,315,055	13,174,539

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	13,343,705	13,343,705
Current assets	59,824	561,663	-	621,487
Creditors due within one year	-	(367,956)	-	(367,956)
Provisions for liabilities and charges	-	(67,000)	-	(67,000)
	<u>59,824</u>	<u>126,707</u>	<u>13,343,705</u>	<u>13,530,236</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(408,697)	7,854,648
<b>Adjustment for:</b>		
Depreciation charges	316,352	107,620
Dividends, interest and rents from investments	(189)	(425)
Loss on the sale of fixed assets	8,134	8,194
Increase in stock	(2,261)	-
Increase in debtors	(9,114)	623,733
Decrease in creditors	(176,263)	(430,610)
Capital grants from DfE and other capital income	(158,625)	(7,885,342)
Defined benefit pension scheme cost less contributions payable	61,000	16,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(369,663)</u>	<u>293,818</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash at bank and in hand	48,000	554,685
<b>Total</b>	<u>48,000</u>	<u>554,685</u>

**21. PENSION COMMITMENTS**

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

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**21. PENSION COMMITMENTS (continued)**

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 £30,505 were payable to the schemes at 31 August 2018 (2017 - £21,584) 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**

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.
- 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%.

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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £186,308 (2017 - £146,757).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

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**21. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £65,452 (2017 - £38,889), of which employer's contributions totalled £52,004 (2017 - £31,578) and employees' contributions totalled £13,449 (2017 - £7,311). The agreed contribution rates for future years are 11.6% for employers and 5.5-8.5% for employees.

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:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24	23.9
Females	26.1	26
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	72,000	39,000
Gilts	17,000	8,000
Corporate bonds	17,000	9,000
Other	18,000	14,000
Other	-	-
<b>Total market value of assets</b>	<b>124,000</b>	<b>70,000</b>

The actual return on scheme assets was £124,000 (2017 - £70,000).

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**21. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(111,000)	(48,000)
Interest income	3,000	1,000
Interest cost	(4,000)	(1,000)
	<u>          </u>	<u>          </u>
Total	<u>(112,000)</u>	<u>(48,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	137,000	51,000
Current service cost	111,000	48,000
Interest cost	4,000	1,000
Employee contributions	-	7,000
Actuarial (gains)/losses	(53,000)	30,000
	<u>          </u>	<u>          </u>
Closing defined benefit obligation	<u>199,000</u>	<u>137,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	70,000	32,000
Return on plan assets	3,000	1,000
Actuarial (losses)/gains	-	(2,000)
Employer contributions	51,000	32,000
Employee contributions	-	7,000
	<u>          </u>	<u>          </u>
Closing fair value of scheme assets	<u>124,000</u>	<u>70,000</u>

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	11,085	-
Between 1 and 5 years	19,003	14,371
	<u>          </u>	<u>          </u>
Total	<u>30,088</u>	<u>14,371</u>

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**23. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**24. CONTROLLING PARTY**

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