

Faringdon Academy of Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

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

Period of account: 1 September 2017 – 31 August 2018

Faringdon Academy of Schools

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Faringdon Academy of Schools
Reference and Administrative Details

Members

Bob Wintringham
Liz Holmes
Anthony Cook
Oxford Diocese Board of
Education

Trustees

Liz Holmes (Chairperson) *
John Kirk (Vice Chairperson) (Resigned from 1st
February 2018) *
David Wilson (Executive Head Teacher) * resigned
as Executive Head Teacher 31st August 2018
Bob Wintringham (Vice Chair)
Rachel Kenyon
Ian Wright
Christine Price-Smith
Rev Richard Hancock (Resigned from 17th July
2018)
Jeremy Twynam
Louise Warren *
Jan Wijek (Resigned from 31st July 2018)
Nicola Ferguson (Resigned from 19th June 2018)
Paul Turner (co-opted trustee)
Anthony Cook* (from 15th March 2018)

* members of the Academy Resources
Committee

Clerk

Siobhan Vinall

Faringdon Academy of Schools
Reference and Administrative Details (continued)

Senior Leadership Team

Executive Head	David Wilson (until 31 st August 2018)
Chief Executive Officer	Duncan Millard (from 1 st September 2018)
Academy Business and Finance Director	John Banbrook (until 31 st July 2018)
Chief Operations Officer	Anne Lynn (from 1 st August 2018)
Director of School Improvement	Duncan Millard (until 31 st August 2018) Louise Warren (from 1 st September 2018)
Head of Buckland CoE Primary	Louise Warren
Head of Faringdon Community College	Colin Proffitt
Head of Faringdon Infant School	Sally Robins (from 1 st September 2017)
Head of Faringdon Junior School	Sharon Farrell (from 1 st September 2017)
Head of John Blandy Primary	Clare Sylvester (0.6 FTE) Sarah Thompson (0.5 FTE)
Head of Longcot & Fernham CoE Primary	Clare Mellor
Head of Shrivenham CoE Primary	Judith Scutt
Head of Watchfield Primary	John Quinn
Company Name	Faringdon Academy of Schools
Principal and Registered Office	Fernham Road Faringdon Oxon SN7 7LB
Company Registration Number	07977368 (England and Wales)
Independent Auditor	Critchleys LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Lloyds Bank Plc 8 Market Place Faringdon, Oxfordshire SN7 7HN
Solicitors	Stone King LLP 13 Queen Square Bath, BA 2HJ

Faringdon Academy of Schools Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust comprises 8 academy schools:

Academy School	Capacity as listed in Funding Agreement	Pupils on Roll (Oct 17 census)
Faringdon Community College	1169 (including 175 6 th form)	1188 (1025 Y7-Y11 + 163 6 th form)
Faringdon Infant School	242 (216 3-7yrs and 26 nursery)	251 + 21 nursery
Faringdon Junior School	250	325
Buckland VC Church of England Primary School	116 (105 4-11yrs and 11 nursery)	107 + 5 nursery
John Blandy Primary School	210	186
Longcot & Fernham VC Church of England Primary School	119	130
Shrivenham VC Church of England Primary School	210	181
Watchfield Primary School	446 (420 3-11yrs and 26 nursery)	348 + 31 nursery
Total	2762	2716 + 57 (FTE) nursery

Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Faringdon Academy of Schools Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees

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

- 3 – Trustees appointed by the Oxfordshire Diocese Board of Education.
- 8– Trustees appointed by Members.
- 1 – Executive Head Teacher.
- 1- Co-opted Trustee.

Members may appoint up to 8 trustees, but the total number of trustees who are employees of the academy trust (including the Executive Head Teacher) must not exceed one third of the total number of trustees.

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

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

Faringdon Academy of Schools Trustees' Report (continued)

that we will seek to promote further as we develop.

Organisational Structure

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

The Board of Trustees took a decision to change the post titles of the Business and Finance Director to Chief Operations Officer (COO) and the Executive Head Teacher to Chief Executive Officer (CEO) from 1st August 2018 and 1st September 2018 respectively.

The financial reporting structure is illustrated below:

The Board of Trustees

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

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

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

The Faringdon Academy of Schools Resources Committee

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

- Providing guidance and direction for the annual budget process.
- Agreeing a mechanism for accounting for central academy services and setting the annual contribution from each school.
- The review and authorisation of the annual budget of each school and any subsequent revised budgets submitted in January of each school year.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies.
- Authorising the award of contracts and leases over £25,000 per year.
- Authorising changes to the central academy personnel establishment.
- Reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Trustees meeting.

Additionally, during this reporting period, the Resources Committee established mechanisms to monitor application of Pay Policy across the Academy. The Committee is directly supported by the finance lead from each local governing body. Local Governing Bodies are responsible for their delegated budgets and, supported

Faringdon Academy of Schools Trustees' Report (continued)

by the academy central finance team, they conduct regular monitoring of actual expenditure and income against school budgets.

The Executive Head Teacher (CEO from 1st September 2018) – Accounting Officer

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

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

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

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

The Academy Business & Finance Director (COO from 1st August 2018)

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

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

Other Staff

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

Faringdon Academy of Schools Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

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

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

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

The Academy Resources Committee hold the delegated responsibility for reviewing and authorising the salary range which can be offered for most senior appointments across the trust and recommend salary ranges for the approval by the board in the case of the Executive Headteacher, Academy Business and Finance Director and Director of School Improvement, additionally they also approved the salary points for the Chief Executive Officer and Director of Education from 1st September 2018 and the Chief Operations Officer from 1st August 2018. It is through this committee that the Trust ensures consistency of practice and prevention of salary creep.

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

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

**Faringdon Academy of Schools
Trustees' Report (continued)**

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
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Related Parties and other Connected Charities and Organisations

The Academy Trust is not part of a wider network such as a soft federation. For further details of related parties and transactions during the year, see notes 12 and 29 of the financial statements.

Objectives and Activities

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

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- i. Academies other than those designated Church of England, whether with or without a designated religious character; and*
- ii. Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any reasonable directives issued by the Diocesan Board of Education,*

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

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

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

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

**Faringdon Academy of Schools
Trustees' Report (continued)**

Objectives, Strategies and Activities (including Performance and KPI's)

Strategic Priority – Our aim is for all our schools to be Outstanding					
Key Performance Indicators (What do we need to see this year to know that we are on track)	Target Date	Evidence	Monitoring Committee	Operational Lead	Outcome
All pupils to attend a good or outstanding schools as judged by Ofsted.	Sept 2017	A school's SEF to include actions and timescales required to achieve this outcome. Annual agenda item for ALT. Annual report from Exec Head to P&S	P&S and ALT	Director of Academy Improvement	<i>Achieved – July 2017</i>
All pupils to attend an outstanding schools as judged by Ofsted or the School Improvement Team.	July 2022	A school's SEF to include actions and timescales required to achieve this outcome. Annual agenda item for ALT. Annual report from Director of Academy Improvement to P&S	P&S and ALT	Director of Academy Improvement	<i>Sept 17 – 3 schools outstanding by Ofsted</i>
EYFS: 100%* to achieve a "Good level of development". KS1: 100%* of students to achieve age related expectation at end of Year 2. KS2: Progress (scaled score) for all pupils* for combined Reading and Maths to be positive Progress for PPG pupils for combined Reading and Maths to be positive (for groups >5) Progress for SEND pupils for combined Reading and Maths to be positive (for groups >5)	Sept 2018	Key stage targets set by each school to be reported on in the Autumn term. EH report to FAoS P&S on each school against target.	P&S LGBs	Exec Head	<i>Awaiting 2016/17 data</i>

**Faringdon Academy of Schools
Trustees' Report (continued)**

<p>KS4: Progress 8 (P8) for all pupils* to be positive</p> <p>P8 for all pupils ranked in the top 30% of schools</p> <p>P8 for all PPG pupils to be positive</p> <p>P8 for all SEND pupils to be positive</p> <p>KS5: A Level Performance analysis (ALPs) ranking of Grade 3 (ALPs) or better.</p> <p><i>*All % targets are by exception e.g. named students (perhaps some on SEN register for LD etc.) agreed by EH or DAI.</i></p>					
<p>Quality of teaching and learning: 100% by typicality, in each school to be good or better, with exception of NQT's</p>	<p>July 2018</p>	<p>Ofsted ready assessments to be reported on termly.</p> <p>Support and action plans generated where required.</p> <p>Copies of all Healthchecks to be sent to P&S</p> <p>LGB Governors receiving and using reports to challenge and support head-teachers.</p> <p>Annual statement of position produced in July.</p>	<p>P&S</p>	<p>Director of Academy Improvement</p>	
<p>Attendance of 97% or better in all primary schools and 95% or better in secondary school</p>	<p>Sept 2018</p>	<p>Monitored termly by EH and DAI</p> <p>Attendance levels which fall below expected level for reasons other than illness to be identified</p> <p>Annual report from schools to P&S via Exec Head</p>	<p>P&S LGBs</p>	<p>Exec Head</p>	

**Faringdon Academy of Schools
Trustees' Report (continued)**

Strategic Priority – We want to achieve seamless progression across all key stages

Key Performance Indicators (What do we need to see this year to know that we are on track)	Target Date	Evidence	Monitoring Committee	Operational Lead	Outcome
Each school to embed a broad and balanced curriculum which motivates and engages.	Sept 2017 onwards	ALT monitor curriculum offer. Academy Improvement Team report via Academy Healthchecks. Input from Student and Parental voice.	P&S	Director Academy Improvement Academy Improvement Team (SIT) ALT	

Strategic Priority – Ensure educational excellence in a safe, creative and ethical environment within a vibrant community dimension

Key Performance Indicators (What do we need to see this year to know that we are on track)	Target Date	Evidence	Monitoring Committee	Operational Lead	Outcome
Establish and implement a programme which brings all the schools in the MAT together to participate in activities which also provide opportunities for engagement with the local community	July 2018	Schedule of interschool activities Evidence activities and engagement through Photographs and reports in school newsletters, school website, Academy newsletter	PR&C	ALT with Community Co-ordinator.	<i>Achieved July 2017</i>
Pupil well-being	July 2018	School voice survey Pupil council survey Academy Health Checks Annual report to PR+C	PR&C	Community Co-ordinator	
Staff well-being	July 2018	A staff voice survey Annual report to PR+C	PR&C	Community Co-ordinator	

**Faringdon Academy of Schools
Trustees' Report (continued)**

Strategic Priority – Ensure the Academy adds value to member schools					
Key Performance Indicators (What do we need to see this year to know that we are on track)	Target Date	Evidence	Monitoring Committee	Operational Lead	Outcome
<i>Develop and implement an Academy wide middle and future leaders course</i>	<i>Sept 2017</i>	<i>Programme published and circulated to all staff</i> <i>Candidates for the programme are identified and participating in 2016/17 and for 2017/18</i>	<i>ARC</i>	<i>Exec Head with Director Academy Improvement</i>	<i>Completed and Implemented</i>
School Improvement Team to identify actions and activities at all schools which will improve pupil outcomes and progression	Sept 2018	All schools to have been visited A school's improvement targets and action plans to have been agreed and presented at the LGB Report on school to school support with impact validated by Head and LGB Chair	Board P&S	Director AI and ALT	<i>All schools visited</i> <i>Health checks shared with Schools and LGB</i>
Enable Local Governing Bodies to provide input into the development of the FAoS strategic vision and develop their networking and collaboration opportunities to secure priority outcomes	Autumn 2016	Development of the Annual Conference and Chairs meetings. Evidence of LGB contributions to delivery of FAoS strategic vision via school improvement plans.	Board Board	Chair of Board ALT with LGB Chairs	<i>October 2017 – Governance Seminar ran</i>
<i>Develop governance support and a programme of training for directors and LGB governors</i>	<i>July 2017</i>	<i>Academy clerking provision secured supported by an in house CPD programme.</i> <i>FAoS Induction scheme and termly seminar programme introduced</i>	<i>ACG (Academy Chairs Group)</i>	<i>Chair</i>	<i>Implemented</i> <i>Jan 16 first governors induction course ran</i> <i>All clerks employed centrally</i>

**Faringdon Academy of Schools
Trustees' Report (continued)**

Strategic Priority – Build a viable and sustainable long term strategy for Faringdon Academy of Schools					
Key Performance Indicators (What do we need to see this year to know that we are on track)	Target Date	Evidence	Monitoring Committee	Operational Lead	Outcome
Revalidate the key recommendations from the FAoS Strategy Plan Review previously approved by the Board in Sep 2015.	Jul 2018	Agree an updated infrastructure strategy for all FAoS Schools in partnership with the Schools Organisation & Planning Team and Strategy Team from OCC. Approved (revised) recommendations to the Board via the S&FM Cttee	S&F PR&C and ARC	Exec Head with Business and Finance Director	Business & finance Director has engaged OCC to review the 2015 recommendations. Meeting due Feb 18
Increase the capacity of FCC from 7FE to 9FE	Sep 18	Completion and occupation of the new build Strategy for the replacement of the 8 remaining temporary classrooms at FCC	S&FM	Business & Finance Director	As at 18 th Jan 18, Project is currently on target for new build to be completed by end Aug 18.
Grow FAoS to develop a financially sustainable trust which provides FCC with the educational peer challenge and school to school support currently benefiting our Primary phase schools	Sept 2018	Developed sponsorship or S2S support opportunities which contribute to the financial stability, reputation and CPD opportunities. Expansion of the MAT with appropriate Secondary phase schools to secure required peer benefits Sign off the Hub model which will be used to facilitate academy expansion Engagement with schools within local area	Academy Expansion Steering Group	Exec Head with Chair of the Board, Director B&F and Director SIT	Merger talks with EPA continue. Shadow Board to be formed and meet on 23 rd Jan 18. Consultation due to begin on 1 st Feb. Jan 18 – consultation halted

Faringdon Academy of Schools

Trustees' Report (continued)

Strategies and Activities – During AY17-18, our top 3 strategic priorities have remained unchanged and a summary of activity against these priorities is outlined below:

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

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

During the academic year, two of the schools had an Ofsted inspection. Both schools maintained their Good grading.

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

During this reporting year Faringdon Community College has had extensive capital works in the form of a new 3 storey, 25 classroom block, drawing over £5M of investment from Oxfordshire County Council, enabling the school to move from a 7-form entry to 9-form entry, though a further urgent project will be required to replace a number of temporary classrooms that are now well beyond economic use.

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

The expansion of John Blandy Primary School from a 1-form entry to a 1.5-form entry did not occur during AY1718 due to delays and problems between Oxfordshire County Council and the Carillion partnership. The project was granted planning permission at the end of 2016 and Keir have now been awarded the contract for the capital project. The Trust is working closely with the Council to progress this scheme which should start in November 2018 to be delivered by September 2019.

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

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

Faringdon Academy of Schools

Trustees' Report (continued)

Strategic Priority Number 3 (Academy Expansion) – Over the course of 2018 our multi-academy trust continued to explore opportunities to expand through a merger as the RSC's team continued to outline the DfE view which made it clear that successful trusts should look to expand and were expected to play a stronger part in supporting less successful schools in our region. During the Spring Term, senior leaders from our Trust engaged in informal discussions with the Eynsham Partnership Academy (EPA) with a view to a potential merger.

Our trust continues to recognise the benefits expansion of the trust could bring in the areas of professional development, collaboration across phases, operational consolidation and organisational stability.

The challenges surrounding the merger of equally strong trusts where there is no obvious lead partner has led our board to the conclusion that at this time our attention should be on raising our profile within the Regional School Commissioners Office and developing cross trust collaboration opportunities and organic growth which may come into existence as a result of exploration of appropriate multi and single trust federation models.

Academy expansion will remain a strategic priority for AY1819.

Public Benefit

The trustees of Faringdon Academy of Schools confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Faringdon Academy of Schools comprises a mixed comprehensive secondary school with a successful 6th Form, a Junior School and an Infant School, 3 Church of England Primary Schools and 2 Primary Schools. Together they offer an excellent educational environment for over 2600 pupils. Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated pupils, very supportive parents and a highly committed Academy Board with a strong connection with the local community. All of our schools have high quality pastoral care systems.

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

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

Enabled by our close partnership and community connections, all pupils within member schools are able to participate in a wide variety of sports, clubs, trips and activities. The Academy Trust continues to host a Saturday School, held at the Community College to utilise the outstanding facilities and this is accessible by all pupils at our academy schools. Saturday School offers diverse activities from technology clubs, web design, drama, cooking, music, art and first aid workshops. This initiative is funded via a small grant from central academy funds and contributions from those attending.

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

Faringdon Academy of Schools Trustees' Report (continued)

Equal Opportunities and Employee Consultation

Faringdon Academy of Schools prides itself on being an equal opportunities employer and is committed to providing equality and social inclusion for all. The trust operates a policy whose aim is to ensure that unlawful or otherwise unjustifiable discrimination does not take place in any aspect of our operations, especially in the recruitment, training, career development and promotion opportunities for all staff.

The trust engages through various mediums with all its staff throughout the year through regular bulletins, briefings, workshops and training. On a more formal basis, the Trust has not diverged from the core employment terms or conditions agreed with recognised unions for all schools in Oxfordshire and continues to engage with employees through those union channels wherever needed and appropriate as part of the wider Oxfordshire schools' community which includes both other academy and local authority maintained schools in the county.

Strategic Report

Achievements and Performance (including Key Performance Indicators)

Performance and Key Performance Indicators relate to specific Strategic Priorities which are detailed in the Objectives, Strategies and Activities section.

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

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

Ofsted rating: Grade 1 (March 2008)

Key Stage 4: GCSE Results 2018

- Progress 8: 0.17 shows significant improvement from last year
- Progress 8 FSM6 - 0.47 showing an increase from last year
- Attainment 8: 5.3 (rank top 30% of schools).
- Percentage achieving English and Maths (grade 4+) 74%
- Percentage achieving English and Maths (grade 5+) 52%
- Percentage of entries achieving 5 grade 9-7 (including A*/A) 24%.
- Percentage of entries achieving 5 grade 9-4 (including A*/C) 82%
- Ebacc: 32%.

Summary: A pleasing year for the school who performed well above national standards and significantly increased their progress score. The challenge for the school continues to be to improve the progress made by disadvantaged pupils and to challenge the HA students in particular.

A Level 2018

- Percentage passes at A*/A 18%.
- Percentage passes at A*/B 48.5%.
- Percentage passes at A*/E 98%.
- Percentage of whole cohort who achieved places at Russell Group Universities 29%.
- % of Russell Group out of those going to university 45%
- % of students who went to university = 64%

Summary: KS5 curriculum changes planned for 2019

Faringdon Academy of Schools

Trustees' Report (continued)

Primary School Summary

End of Key Stage Performance 2017-18 - Please note, all EY, KS1 and Writing scores are teacher assessments. The remainder of the KS2 scores are test outcomes as are the phonics screening scores.

School & Ofsted rating		Attainment (% reaching the expected standard or above)				Progress +/- score (Value added score from KS1-2 from Raise)			Phonics Y1 %	EY % GLD
		Reading	Writing	SPAG	Maths	Reading	Writing	Maths		
FJS	KS2	70%	76%	79%	69%	-0.8	0.7	-0.1		
(Good March 2018)	Commentary: There has been a focus on rebalancing the curriculum and ensuring access to broad and rich experiences, alongside work on the core subjects and preparing for tests. This follows the appointment of a new Head and a concern about a narrowing of the curriculum in 2016-17.									
Buckland	KS2	100%	100%	100%	100%	3.4	2.0	2.2		
(Outstanding Nov 2016)	KS1	87%	80%	80%	87%				93%	78%
	Commentary: Very pleasing results overall. Data analysis shows need to scrutinise individual performance of HA carefully as a minority can be masked in cohort score. This applies to a minority but the school are aware of its importance.									
Shrivenham	KS2	76%	80%	84%	76%	0.7	-1.0	-0.4		
(Good Jan 2017)	KS1	85%	81%	60%	77%				82%	66%
	Commentary: Pleasing results at greater depth in KS1 and 2 which has been a challenge for the school. Tracking progress in each area important as combined R, W, M was 64% and progress was disappointing.									
John Blandy	KS2	87%	83%	78%	87%	2.1	1.8	3.3		
(Good Nov 2016)	KS1	69%	66%	53%	62%				84%	77%
	Commentary: Very pleasing greater depth results in KS2 as a result of challenging teaching. Excellent progress scores. KS1 an area of focus for 2018-19 with support from Academy Improvement Team to develop quality of teaching and learning.									
Longcot & Fernham	KS2	100%	100%	94%	100%	4.2	4.0	2.3		
(Grade 1 2009)	KS1	95%	90%	85%	100%				95%	100%
	Commentary: Exceptional EYFS results. Very pleasing progress scores with R and W being in the top 5% nationally.									

**Faringdon Academy of Schools
Trustees' Report (continued)**

School & Ofsted rating		Attainment (% reaching the expected standard or above)				Progress +/- score (Value added score from KS1-2 from Raise)			Phonics Y1 %	EY % GLD
		Reading	Writing	SPAG	Maths	Reading	Writing	Maths		
Watchfield	KS2	75%	79%	75%	75%	1.4	0.4	1.1		
(Good Oct 2016)	KS1	65%	61%	Not done as test was optional	71%				55%	67%
	<p>Commentary: Phonics without EAL children was 75% and GLD without EAL was 79%. School has vision that data must be strong including EAL. They continue to see extremely high mobility with all cohorts at the end of and throughout the year. Phonics continues to be an area for development.</p>									
FIS	KS1	70%	55%	44%	59%				81%	68%
(Good Feb 2018)	<p>Commentary: GLD has been maintained which is pleasing following significant increases over the last 3 years. Phonics very pleasing following introduction of Read, Write, Inc strategy. Head to support colleague at Watchfield (above). Writing and maths a focus for 2018-19. New Deputy in post and Y1 has been strengthened, following the appointment of two new teachers, where we have seen a dip take place over the last two years.</p>									

Going Concern

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

Financial Review

The Trusts financial position remains a key concern for trustees and it is still articulated as the trusts top risk. Whilst costs continue to grow, in particular both support and teaching staff costs, our income remains flat and has actually reduced during 17/18 with the removal of the Education Services Grant. Announcement of the new teachers pay award with some relief for 18/19 is welcome, along with the delay in the implementation of the increase in employer's contribution to the Teachers' Pension Scheme from April to September 2019.

Trustees remain concerned that the introduction of the National Funding Formula from September 2018 will have a significant impact on the financial position of the Trust. The base level funding does not provide the necessary uplift to meet our rising staff costs, with very little staff movement over the trust, the trust has an experienced and more costly workforce. In addition as a Trust experiencing continued growth in pupil numbers, the time lag in funding for these pupils when combined with current funding levels will have a negative impact on the overall quality of our outputs in the coming years.

Faringdon Academy of Schools Trustees' Report (continued)

In December 2017, the Trust submitted 5 bids to the Capital Improvement Fund (CIF) for priority repair and maintenance work across a number of schools; the bids totalled £1.106M. In March 2018 we were advised that 1 of the 5 projects had been successful and we were subsequently awarded £249K of capital funding. This was the third successful year of grant funding; over the last 3-years we have received £1.549M of grant funding for urgent repair projects. Nonetheless, our recent property surveys that we have conducted across all Trust schools has indicated that we have £2.790M of urgent works required over the next 5 years.

Furthermore investigations into a major structural failure in a 4-classroom block at Faringdon Junior School which occurred in September 2017 remains on going. This remains a concern to Trustees and carries considerable financial risk with costs amounting to £121K during 17/18. The trust continues to pursue the matter with Oxfordshire County Council.

Fund balances

The total fund balances of the Academy at 31st August 2018, as detailed in Note 18 to the financial statements, amounted to £22.023M. Excluding the fixed asset fund and intangible fixed asset fund (representing the net book value of fixed assets and intangible fixed assets) of £24.494M and the pension fund of -£3.853M, revenue and capital reserves amounted to £1.382M and are summarised as follows:

Analysis of academies by fund balance			
Fund balances at 31 August were allocated as follows:			
		2018	2017
		£'000	£'000
Revenue reserves			
Faringdon Community College		445	466
Faringdon Junior School		185	143
Faringdon Infant School		127	126
Buckland CofE Primary School		148	166
John Blandy Primary School		(108)	(127)
Longcot and Fernham CofE Primary School		121	126
Shrivenham CofE Controlled School		42	8
Watchfield Primary School		153	100
Faringdon Junior School – Block B		(121)	-
Central services - main funds		148	280
Total before fixed assets and pension reserve		1,140	1,288
Unspent capital funds		242	468
Intangible Fixed asset fund (representing net book value of intangible assets)		3	
Fixed asset fund (representing net book value of fixed assets)		24,491	20,196
Pension reserve		(3,853)	(4,452)
Total funds		22,023	17,500

Faringdon Academy of Schools Trustees' Report (continued)

Reserves Policy

Despite growing financial pressure on revenue funding, the Trust has retained a credible reserve position made up of individual school reserves and an element of central reserve that has accrued since expansion in November 2013. Individual academy school reserves comprise a significant element of funding that was transferred to the trust from Oxfordshire County Council on conversion. The central reserve was established to enable the trust to respond to emergency premises matters that individual schools could not address. The central academy office maintains high-level property surveys of all 8 sites to identify the key issues that need to be addressed over the next 3-years; these surveys identify a requirement for £2.790M of routine works service. At present, the Academy is unable to meet this requirement within existing funding levels and we are required to prioritise projects and apply for CIF grants to make-up the shortfall.

Nonetheless, a central academy reserve is required in order to meet in-year emergencies as they arise. The property surveys for all 8 schools were updated by December 2017. An ongoing concern is the declining condition of 8 temporary classrooms at FCC that are nearly 30-years old and beyond economic repair.

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

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

Over the next 3-years, our planning identifies that due to rising staff costs and reducing funding levels, the Trust reserves are due to drop from £1.259M (AY1617) to £0.592M by AY2021.

On 31 August 2018 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£'000
Unrestricted General Funds	841
Restricted Capital Funds	242
Restricted General Funds	<u>299</u>
Reserves at 31 August 2017	1,382

As in previous reports, we have stated that the LGPS deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. However, in AY1516 our FRS102 report highlighted an increase in the deficit from £2.885M in August 2015 to £5.219M in August 2016 and simply as a result of a change to financial assumptions. Trustees were pleased to note that the deficit as reported by the FRS102 report in August 2018 has reduced to £3.853M. Nonetheless, Trustees remain concerned about the size of the deficit and the long term implications that this might have on the Trust. We will continue to monitor this position closely during future periods.

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

Faringdon Academy of Schools

Trustees' Report (continued)

Investment Policy

Investments will be made only in accordance with written procedures approved by the Board of Trustees. All funds held by the Academy as at 31 August 2018 were in an interest bearing account with Lloyds Banking Group. The Academy Resources Committee has continued to debate options to invest money and the Academy Business & Finance Director has had further discussions with our relationship manager at Lloyds Bank. As in recent years, given the lack of certainty of future grant funding, enduring pressure on individual school budgets, the scale of new capital projects due to be delivered in the next 2-3 years and the scope of the forward maintenance plan, it is considered that we do not have sufficient funds to lock into an investment policy at this time. This position will continue to be reviewed by Trustees again during AY1819.

Principal Risks and Uncertainties

The trustees conducted a full review of the strategic risk management policy and the risk register during the Autumn Term. The revised Plan was approved and reissued to trustees in March 2018. The risk register is a standing agenda item on the Academy Resources Committee meeting and all major risks are discussed at Board meetings. At an operational level, the internal control systems and the exposure to risks are considered on a regular basis by the Executive Head Teacher and the Academy Leadership Team.

The Academy Strategic Plan outlines the academies operating procedures together with our means of identifying, analysing, managing, implementing strategies and reviewing risks. The Board of Trustees has made a considered choice about its desired risk profile, taking account of its legal obligations, its strategic objectives and public expectations of what it should deliver.

The Board of Trustees define risk as:

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

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

- **Step 1 – Risk Identification** - In simple terms, risk identification aims to recognise what could go wrong, and how. It begins with the annual review of strategic objectives and the subsequent work conducted by the 4 Academy sub-committees (Resources, Safety & Facilities Management, Performance & Standards and PR & Community). However, all Trustees, Head Teachers and members of Academy Leadership Teams are responsible for highlighting any key risks that they identify. Strategic risks should be passed to the Academy Business & Finance Director to collate in the Academy Risk Register for further analysis.
- **Step 2 – Risk Analysis** – Risk analysis seeks to understand the likelihood of the activity or event occurring, the potential severity of the outcome, and to ascertain who owns each risk. The Academy has developed a risk matrix, showing likelihood versus impact, to determine the risk of any single event occurring.
- **Step 3 – Risk Management** - Having identified and assessed the likely risks, the Board of Trustees, Academy sub-committees and/or Academy Leadership Team develop measures to reduce their likelihood and impact, mitigate unfavourable outcomes, and exploit opportunities that may arise. Risks are prioritised, so that attention can be focused on mitigating the most severe first.
- **Step 4 – Review** – This process is an iterative process. The Risk Register is maintained by the Academy Central Office, owned by the Academy Business & Finance Director; it is reviewed regularly by the Academy Leadership Team and Executive Head Teacher who is responsible for raising strategic risks to the Board of Trustees. The Risk Management Strategy and the Risk Register must be reviewed annually by the Board of Trustees. Both the Risk Strategy and Risk Register are available on the Academy website to enable all Trustees to be familiar with strategic risks.

Faringdon Academy of Schools Trustees' Report (continued)

The Academy Risk Register is an iterative document and it was subjected to a full review and reissue by the Board in March 2017. The Academy Business & Finance Director maintains the Risk Register and the key risks that have been identified are owned by either the Board or delegated to the appropriate Academy Committee. From 1st September 2017 to 31st August 2018, the Academy's top 3 risks, were:

(Strategic Risk) - Potential failure of Academy Board to secure sufficient funds to deliver strategic objectives. Forecast funding levels continue to present the highest risk to the future of the Trust. Previous reports have highlighted our concerns associated with our ability to keep pace with rising staff costs and reductions in real term income. Once again, staff costs across the Academy increased by £148K during AY1718. The loss of the Education Services Grant, £202K in AY1617, reducing to a protection payment of £89K in AY1718 and zero by AY1819 is particularly challenging. The introduction of the National Funding Formula from Sep 18 does not appear to deliver the increase in funding that we anticipated. At present our 5-year plan indicates that the Trust will face unsustainable in-year deficits from AY2021.

The Academy Resources Committee receives this matter as a standing agenda item at every meeting and we are working with head teachers and local governing bodies to ensure that we manage in-year budgets as effectively as possible. We have embarked on the AY1920 budget within this term in order to get an early understanding of the scale of the problem ahead of us. The Chief Operations Officer is working with local Academy Trusts on a benchmarking exercise so that we can compare our key lines of income and expenditure against local schools. We anticipate that this will remain our highest risk for the foreseeable future.

(Strategic Risk) - Potential failure of Academy Board to develop a sustainable organisational structure for the benefit of all schools in the Trust. Linked to the risk above, the Trust is seeking to expand in order to be able to deliver a more efficient organisational structure. We anticipate that an enlarged trust will deliver efficiencies in central costs and economies of scale, thereby reducing each academy school's annual contributions. We also seek a peer challenge for our sole secondary school, which currently does not receive the same opportunities to share support and best practice as the primary schools. Following the closure of talks with Eynsham Partnership Academy the Trust is seeking other opportunities.

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

Fundraising

Faringdon Academy of Schools Trust does not actively enter into fundraising by means of actively pursuing individuals. We do not work with or oversee any commercial/professional fundraisers to fundraise on our behalf and there conforming to standards does not apply.

No monitoring of activities was undertaken, for the year ending 31st August 2018 we are unaware of any complaints that have been received and should anyone have any complaints they should follow the school complaints procedure clearly displayed on our website.

Each of our schools may, as part of social public benefit organise small fundraising events. This is done by voluntary donations through families and staff associated with the school, for example non-uniform days or sponsored walks.

Plans for Future Periods

For AY18-19 the Trust has appointed a full time CEO, COO and 2 day a week Director of Education. This decision was supported by the Academy Resources Committee and approved by the Board of Trustees in May 2018. Despite the extremely challenging financial climate, this signals the intent of Trustees to press ahead with our approach to school improvement and our total commitment to delivering on our strategic objectives. The focus for school improvement in AY1819 will be to support leadership teams in their drive towards outstanding status, further develop our broad and rich curricular and to continue to evaluate and develop the culture and ethos in each school so that this helps to drive school improvement and thus improve student outcomes.

Following the successful completion of the new 3-story teaching block at Faringdon Community College to support the expansion from 7-form entry to 9-form entry, the trust is currently working on 2 further projects for the College which include working with the local district council on plans to construct an All Weather Pitch which is currently under threat due to delays in the approval process and applying through the CIF to replace 8 temporary classrooms following a recent condition survey which has highlighted major concerns about their continuing use.

The expansion of John Blandy Primary School from 1-form entry to 1.5-form entry did not start during AY1718 due to contractual problems. This project being delivered by Oxfordshire County Council is due to commence in November 2018 to be in place for 19/20.

The Trust is also actively engaged with the local authority regarding an expanded primary provision at Shrivenham and by AY2122 the relocation of Faringdon Infant School to a new site to enable transition to a 2-form entry primary school.

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

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

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on the board's behalf by:



Liz Holmes

Chairperson of the Board of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head, 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 Faringdon Academy of Schools and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Bob Wintringham	6	8
Liz Holmes	8	8
Christine Price-Smith	6	8
David Wilson	7	8
Ian Wright	6	8
Jeremy Twynam	7	8
Paul Turner (Co-opted)	7	8
Rachel Kenyon	6	8
Richard Hancock	2	8
Jan Wiejak	6	8
Louise Warren	6	8
John Kirk	5	5
Nicola Ferguson	5	7
Anthony Cook	2	2

Resignations and Appointments during the year:

- Nicola Ferguson resigned as Trustee on 19th June 2018
- John Kirk resigned as Trustee on 1st February 2018
- Jan Wiejak resigned as Trustee on 31st July 2018
- Richard Hancock resigned as Trustee on 17th July 2018
- David Wilson resigned as Executive Head, and therefore his place on the Board, on the 31st August 2018
- Anthony Cook was appointed as a Trustee on 15th March 2018

Faringdon Academy of Schools

Governance Statement (continued)

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

- The revision of the trusts expansion strategy to provide a new direction and focus for engagement when Eynsham Partership and our trust brought to a close possible merger discussions.
- Ongoing oversight of the educational performance of all schools in the Trust. In particular the capacity of the Secondary School to respond to the GCSE changes and pupil outcomes in some specific subject areas.
- Oversight and guidance to local governing bodies on the challenges presented by the most difficult financial climate for a generation.

Governance Reviews

We have continued to evolve and mature our governance structure as the Trust develops. We have embedded a common Scheme of Delegation, Strategic Plan and Risk Register, and this year rolled out a schedule of activities for local governing bodies to enable them to provide timely reports to the board. AY17/18 marked a period where the value of local governance was enhanced and strengthened through the alignment of various layers of governance.

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

In response to the ever-increasing financial challenges facing the trust each Academy was asked to work towards setting their 2017/18 budget within the funds delegated to them. To facilitate this the trust introduced a trust wide meeting of involving Headteachers, Local Governor Finance leads and Chairs of Local Governing Body meeting.

Trustees conducted their annual skills audit in the summer which confirmed that the Board has trustees with the appropriate knowledge and experience. This is supplemented by the weekly digest published by the National Governance Association (NGA) which is sent to all Trustees. The internal New Governors Induction course was successfully embedded this year and expanded to include refresher opportunities for any established governors. The impact of this continues to be seen across the LGB's.

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

The trust has also embarked upon a series of internal reviews of governance across the school Local Governing Bodies, with action plans developed as a result of the reviews in order to address any recommendations. To date Shrivenham Primary School and Faringdon Junior School have participated in reviews with the other trust schools following in 18/19.

Faringdon Academy of Schools Governance Statement (continued)

Committees

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

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

- Oversight of the financial performance of the trust and in particular scrutiny of individual schools that cause concerns. Specifically, the committee have maintained oversight of activity to reduce the planned in-year deficit at Faringdon Community College, and Faringdon Infant School and ongoing deficit at John Blandy Primary school.
- Implementation of recommendations raised by the internal and external audit processes.
- Approval of Academy budget for AY1819 and the revised 5-year financial plan.

Attendance at meetings in the year was as follows:

Trustee/Local Governor	Meetings attended	Out of a possible
Liz Holmes	5	5
David Wilson	4	5
Martin Westmoreland (local governor)	3	5
David Hancox (local governor)	5	5
Louise Warren	4	5
John Kirk	2	2
Anthony Cook	1	1

Appointments and Resignations during the year:

- Anthony Cook appointed to committee from the June meeting
- John Kirk resigned from the Board February 2018
- David Wilson, Executive Head Teacher resigned from the committee from August 2018.

Academy Audit Committee - The Faringdon Academy of Schools Audit Committee has now completed its 5th year; it was set up to review the effectiveness of the operation of the Academy's Process Owners systems, through scrutiny of its control of risk and delivery of statutory and legal obligations and the assessment of its internal controls. An Internal Auditor is in place to undertake visits to Academy Schools to provide the Audit Committee with independent insight into the operation of the financial management arrangements it has established and that are operated by officers working for the Academy trust. The committee membership is made up of non-trustees and therefore is completely independent.

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

- Review of Census Accuracy,
- Review Budget Quality in context of the current climate,
- Review of Expansion process, particularly concerning merger readiness and due diligence,
- Review of Induction Process for new Trustees and Senior Staff,
- Review Contracting and Procurement controls with reference to fraud and cashless sites.

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

- The risk register
- Funding pressure and the National Funding Formula
- Leadership Recruitment and the potential merger

Faringdon Academy of Schools Governance Statement (continued)

Attendance at meetings in the year was as follows:

Committee Member	Meetings attended	Out of a possible
Andrew Row	2	3
Sara Hubbard	0	3
Paul Andrews	2	3
Jason Power	0	3
Alex Peal	3	3
David Farquhar	1	1

Appointments and Resignations during the year:

- Alex Peal appointed to the committee September 2017
- Andy Walsham resigned from the committee 13th June 2017
- Jason Power joined the committee June 2017
- David Farquhar joined the committee in July 2018

Review of Value for Money

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

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

- **Improving Educational Outcomes** – In AY1718 Faringdon Infant and Faringdon Junior schools both maintained their Good grading. This represents an endorsement of the Trust school improvement model which now works with 3 Outstanding schools and 5 Good schools, each with Outstanding features.
- **Better Purchasing** – The Trust continues to strive for improved ways of procuring the plethora of services consumed by our 8 academy schools. Through the Oxfordshire Academies Business Managers Group, we seek to identify group projects where we can share the cost of major projects across a number of participating trusts. The group meet every 6-8 weeks to progress a range of procurement projects.

The in-house staff absence scheme for our 7 primary schools, is going from strength to strength. It was introduced during AY1617 and has now completed its second full year. Historically, all 7 primary schools purchased staff absence insurance from one of 2 different providers albeit the terms and conditions varied considerably across the 7 contracts. In AY1516, the Trust spent a total of £56K for all 7 schools and received less than £20K in return. There were also a number of claims that were refused on various grounds.

A decision was taken not to procure staff absence insurance in AY1617, instead each school made a contribution to the central budget equivalent to their insurance premium from the previous year and schools could apply to the central budget for absence cover as required; we delivered a common set of terms and conditions based on the most favourable policy held by the schools. Schools have benefitted as their cost has been frozen for 2-years and out of £186K collected since the scheme started £115K has been paid out; moreover, the surplus generated has funded a change of supplier for an occupational health and employee assist programme. The surplus has also been used to provide private counselling to staff members that have experienced a traumatic event in order to support and retain them in their employment – there has been no charge to schools for this service.

Faringdon Academy of Schools

Governance Statement (continued)

- **Improved Structures** – Following the resignation of the Director of Business and Finance and the retirement of the Trusts Executive Head the Trust continues to evolve the central structure to ensure that it provides value for money. The appointing of interim positions for the latter part of 17/18 and into 18/19 will allow the Trust to revisit the structures in place.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in (Faringdon Academy of Schools) for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees has considered the need for specific internal audit function and has decided to maintain the requirement for an audit committee and appoint Whitley Stimpson Ltd as internal auditor. The composition and function of the audit committee is highlighted on pages 28 and 29 of this report. The academy trust provides funding for an Internal Auditor for several days each year. The work of the Internal Auditor is determined by the priorities of the audit committee to ensure full independence.

Faringdon Academy of Schools

Governance Statement (continued)

The Internal Auditor provides a report following each targeted visit which is subsequently copied to the audit committee, the Academy Resources Committee and the Academy Business & Finance Director. The report highlights observations together with recommendations and requires a response from the Academy Business & Finance Director. At the end of each year, the Internal Audit reports are made available to the External Auditors and an annual report is provided to the Board of Trustees. The Chairperson of the Audit Committee attends the Board meeting in person to present his annual report and to agree the forward programme of inspection. The annual audit report for AY1718 was presented to the Board on 23rd November 2017. The key recommendations from the report were:

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

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

- Review of Fraud
- Review of GDPR processes
- Review of Safeguarding (concerning emergency response / business continuity)
- Review of Strategic Plan (concerning succession planning due to personnel changes)
- Review of Strategies for Governance (concerning how LGB / committees hold schools to account)
- Review of Academy Central Structure and Effectiveness.

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

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:



Liz Holmes
Chairperson of the Board of Trustees



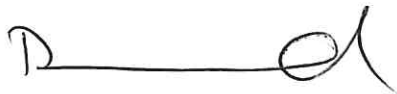
Duncan Millard
Accounting Officer

Faringdon Academy of Schools
Statement on Regularity, Propriety and Compliance

As accounting officer of Faringdon Academy of Schools I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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.



Duncan Millard
Accounting Officer

6 December 2018

Faringdon Academy of Schools

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:



Liz Holmes

Chairperson of the Board of Trustees

Opinion on financial statements

We have audited the financial statements of Faringdon Academy of Schools ('the academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 34), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Faringdon Academy of Schools

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

Use of our report

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

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford



Date:

18/12/18

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

Faringdon Academy of Schools

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

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Faringdon Academy of Schools during the period 1 September 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.

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

The accounting officer is responsible, under the requirements of Faringdon Academy of Schools's funding agreement with the Secretary of State for Education dated 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2017, 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 period 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Faringdon Academy of Schools

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

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

Critchleys Audit LLP

Critchleys Audit LLP
Reporting Accountant
Oxford

Date:

18/12/18

Faringdon Academy of Schools
Statement of Financial Activities
For the year ended 31 August 2018
(including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	2	3	18	5,440	5,461	837
Charitable activities						
Funding for the academy trust's educational operations	3	-	12,521	-	12,521	12,234
Other income for educational operations	4	877	-	-	877	980
Other trading activities	5	59	-	-	59	60
Investments	6	1	-	-	1	2
Total		940	12,539	5,440	18,919	14,113
Expenditure on:						
Charitable activities						
Academy trust educational operations	7,9	939	13,324	1,432	15,695	15,289
Total		939	13,324	1,432	15,695	15,289
Net income / (expenditure) before transfers		1	(785)	4,008	3,224	(1,176)
Transfers between funds	18	-	(64)	64	-	-
Net income / (expenditure) for the period		1	(849)	4,072	3,224	(1,176)
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,28	-	1,299	-	1,299	1,341
Net movement in funds		1	450	4,072	4,523	165
Reconciliation of Funds						
Funds brought forward at 1 September 2017		840	(4,004)	20,664	17,500	17,335
Funds carried forward at 31 August 2018		841	(3,554)	24,736	22,023	17,500

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

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

Faringdon Academy of Schools
Balance Sheet
As at 31 August 2018

Company number:
07977368

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible assets	14		3		4
Tangible assets	15		24,491		20,192
Current assets					
Debtors	16	398		697	
Cash at bank and in hand		2,066		2,283	
		<u>2,464</u>		<u>2,980</u>	
Liabilities					
Creditors: Amounts falling due within one year	17	<u>(1,082)</u>		<u>(1,224)</u>	
Net current assets			<u>1,382</u>		<u>1,756</u>
Total assets less current liabilities			<u>25,876</u>		<u>21,952</u>
Net assets excluding pension liability			<u>25,876</u>		<u>21,952</u>
Defined benefit pension scheme liability	28		(3,853)		(4,452)
Total net assets			<u><u>22,023</u></u>		<u><u>17,500</u></u>
Funds of the academy trust:					
Restricted fixed asset funds	18		24,736		20,664
Restricted funds					
Restricted funds excluding pension liability	18	299		448	
Pension reserve	18	<u>(3,853)</u>		<u>(4,452)</u>	
			<u>(3,554)</u>		<u>(4,004)</u>
Total restricted funds			<u>21,182</u>		<u>16,660</u>
Unrestricted funds	18		841		840
Total funds			<u><u>22,023</u></u>		<u><u>17,500</u></u>

The financial statements on pages 40 to 66 were approved by the trustees and authorised for issue on 6 December 2018 and are signed on their behalf by


Liz Holmes
Chairperson of the Board of Trustees

Faringdon Academy of Schools
Statement of Cash Flows
For the year ended 31 August 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	72	(479)
Cash flows from investing activities			
	24	(289)	245
Cash flows from financing activities			
	23	-	-
Change in cash and cash equivalents in the reporting period		<u>(217)</u>	<u>(234)</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017		2,283	2,517
Cash and cash equivalents at 31 August 2018	25	<u><u>2,066</u></u>	<u><u>2,283</u></u>

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

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going Concern

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

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

1 Statement of Accounting Policies (continued)

Income (continued)

Donated goods, facilities and services

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

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

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

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	10 years
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1 Statement of Accounting Policies (continued)

Tangible Fixed Assets

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

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Liabilities

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

Provisions

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

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

1 Statement of Accounting Policies (continued)

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1 Statement of Accounting Policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 28).

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA capital grants				
Devolved formula capital grant	-	70	70	69
Condition Improvement Fund	-	245	245	711
Other Government grants				
Local authority capital funding	-	107	107	-
	<u>-</u>	<u>422</u>	<u>422</u>	<u>780</u>
Donated fixed assets	-	5,018	5,018	-
Capital donations	-	-	-	-
Other donations	3	18	21	57
	<u>3</u>	<u>5,458</u>	<u>5,461</u>	<u>837</u>

The income from donations and capital grants was £5,461k (2017: £837k) of which £3k was unrestricted (2017: £Nil), £18k restricted (2017: £57k) and £5,440k restricted fixed assets (2017: £780k).

3 Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	11,164	11,164	11,022
Other DfE Group grants	-	938	938	907
National College grants	-	16	16	11
	<u>-</u>	<u>12,118</u>	<u>12,118</u>	<u>11,940</u>
Other Government grants				
Early Years funding	-	179	179	171
Local authority revenue funding	-	224	224	123
Other grants	-	-	-	-
	<u>-</u>	<u>403</u>	<u>403</u>	<u>294</u>
	<u>-</u>	<u>12,521</u>	<u>12,521</u>	<u>12,234</u>

The funding for the academy's educational operations was £12,521k (2017: £12,234k) of which £Nil was unrestricted (2017: £Nil), £12,521k restricted (2017: £12,234k) and £Nil restricted fixed assets (2017: £Nil).

4 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Trip and activity income	430	-	430	506
Catering income	355	-	355	362
Other income	92	-	92	112
	<u>877</u>	<u>-</u>	<u>877</u>	<u>980</u>

The other income for educational operations was £877k (2017: £980k) of which £877k was unrestricted (2017: £980k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

5 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	59	-	59	60
Other income	-	-	-	-
	<u>59</u>	<u>-</u>	<u>59</u>	<u>60</u>

The other trading activities income was £59k (2017: £60k) of which £59k was unrestricted (2017: £60k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

6 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

The investment income was £1k (2017: £2k) of which £1k was unrestricted (2017: £2k), £Nil restricted (2017: £Nil) and £Nil restricted fixed assets (2017: £Nil).

7 Expenditure

	Staff Costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises Costs £'000	Other Costs £'000		
Academy's educational operations					
Direct costs (note 9)	9,124	-	987	10,111	10,175
Allocated support costs (note 9)	2,279	672	2,633	5,584	5,114
	<u>11,403</u>	<u>672</u>	<u>3,620</u>	<u>15,695</u>	<u>15,289</u>
	<u>11,403</u>	<u>672</u>	<u>3,620</u>	<u>15,695</u>	<u>15,289</u>

The expenditure on academy's educational operations was £15,695k (2017: £15,289k) of which £939k was unrestricted (2017: £980k), £13,324k restricted (2017: £13,023k) and £1,432k restricted fixed assets (2017: £1,286k).

The 2017 allocated support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

Net income/(expenditure) for the period includes:

	2018 £'000	2017 £'000
Operating lease rentals	30	34
Depreciation	1,257	1,285
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	1	1
Fees payable to auditor for:		
Audit	16	14
Other services	14	9
	<u>14</u>	<u>9</u>

9 Charitable activities

	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	10,111	10,175
Support costs - educational operations	5,584	5,114
	<u>15,695</u>	<u>15,289</u>

Analysis of support costs

	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Support staff costs	1,579	1,579	1,530
Depreciation and Amortisation	1,258	1,258	1,285
Impairment	174	174	-
Technology costs	214	214	155
Premises costs	672	672	678
Other support costs	934	934	843
Governance costs	53	53	49
Other pension costs	576	576	463
Other finance costs (FRS102 pension)	124	124	111
	<u>5,584</u>	<u>5,584</u>	<u>5,114</u>

The 2017 support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

10 Staff costs during the period were:

	2018 £'000	2017 £'000
Staff costs for the period were:		
Wages and salaries	8,462	8,328
Social security costs	720	706
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,376	1,313
FRS102 Other pension and finance costs	700	574
Apprenticeship levy	27	9
	<u>11,285</u>	<u>10,930</u>
Agency supply teacher costs	116	69
Staff restructuring costs	2	33
	<u>11,403</u>	<u>11,032</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	2	33
Other restructuring costs	-	-
	<u>2</u>	<u>33</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £2k (2017: £Nil). Individually, the payment was: £2k made on 31 December 2017.

The 2017 staff costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

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

	2018 No.	2017 No.
Teachers	153	158
Administration and support	251	258
Management	28	26
	<u>432</u>	<u>442</u>

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

	2018 No.	2017 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£100,001 - £110,000	-	-
	<u>-</u>	<u>-</u>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 & 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £387k (2017: £395k).

11 Central services

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

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

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

The actual amounts charged during the period were as follows:

	2018 £'000	2017 £'000
Buckland CofE Primary School	47	41
Faringdon Community College	438	406
Faringdon Junior School	102	97
Faringdon Infant School	119	99
John Blandy Primary School	79	68
Longcot and Fernham CofE Primary School	55	48
Shrivenham CofE Controlled School	74	63
Watchfield Primary School	122	112
	<u>1,036</u>	<u>934</u>

12 Related Party Transactions - Trustees' remuneration and expenses

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

	2018 £	2017 £
D Wilson, FCC Headteacher, FAS Executive Headteacher and Trustee		
Remuneration	£60k-£65k	£65k-£70k
Employer's pension contributions	£10k-£15k	£10k-£15k
P Turner, Teacher (between January and April 2017) and Trustee		
Remuneration	-	£5k-£10k
Employer's pension contributions	-	£0k-£5k
R Kenyon, Staff Governor and Trustee		
Remuneration	£40k-£45k	£40k-£45k
Employer's pension contributions	£5k-£10k	£5k-£10k
L Warren, BPS Headteacher and Trustee		
Remuneration	£55k-£60k	£55k-£60k
Employer's pension contributions	£5k-£10k	£5k-£10k

During the period ended 31 August 2018, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2017: £Nil).

13 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5m (2017: £5m).

The cost of this insurance is included in the total insurance cost but has not been separately identified.

14 Intangible fixed assets

	Computer Software £'000	Total £'000
Cost		
As at 1 September 2017	5	5
Additions	-	-
As at 31 August 2018	<u>5</u>	<u>5</u>
Amortisation		
As at 1 September 2017	1	1
Charged in year	1	1
As at 31 August 2018	<u>2</u>	<u>2</u>
Carrying amount		
As at 31 August 2018	<u>3</u>	<u>3</u>
As at 1 September 2017	<u>4</u>	<u>4</u>

15 Tangible fixed assets

	Leasehold Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
As at 1 September 2017	25,691	229	430	26,350
Transfer on conversion	-	-	-	-
Additions	5,235	329	166	5,730
Impairment	(201)	-	-	(201)
As at 31 August 2018	<u>30,725</u>	<u>558</u>	<u>596</u>	<u>31,879</u>
Depreciation				
As at 1 September 2017	5,685	128	345	6,158
Charged in year	1,170	36	51	1,257
Impairment	(27)	-	-	(27)
As at 31 August 2018	<u>6,828</u>	<u>164</u>	<u>396</u>	<u>7,388</u>
Net book values				
As at 31 August 2018	<u>23,897</u>	<u>394</u>	<u>200</u>	<u>24,491</u>
As at 1 September 2017	<u>20,006</u>	<u>101</u>	<u>85</u>	<u>20,192</u>

Leasehold land and buildings

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

Additions to land and buildings

Additions in the year represent capital works to existing buildings.

Impairment to Faringdon Junior School Buildings

During the year, part of the buildings at Faringdon Junior School were not in use due to subsidence therefore the buildings have been impaired by £174k. This is a cost of £201k and accumulated depreciation of £27k. The assessment for this impairment was based on square footage of the existing site.

16 Debtors

	2018 £'000	2017 £'000
Trade debtors	7	9
VAT recoverable	144	82
Prepayments and accrued income	247	606
Other debtors	-	-
	<u>398</u>	<u>697</u>

17 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	324	470
Other taxation and social security	177	176
Other creditors	172	168
Accruals and deferred income	409	410
	<u>1,082</u>	<u>1,224</u>

Deferred income

	2018 £'000	2017 £'000
Deferred income at 1 September	261	315
Released from previous years	(261)	(315)
Resources deferred in the period	365	261
Deferred income at 31 August	<u>365</u>	<u>261</u>

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

18 Funds

	Balance at 1 Sept 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	448	11,164	(11,249)	(64)	299
Pupil Premium funding	-	522	(522)	-	-
Other ESFA funding	-	432	(432)	-	-
Local authority revenue funding	-	224	(224)	-	-
Early Years funding	-	179	(179)	-	-
Other restricted funds	-	18	(18)	-	-
Pension reserve (note 28)	(4,452)	-	(700)	1,299	(3,853)
	<u>(4,004)</u>	<u>12,539</u>	<u>(13,324)</u>	<u>1,235</u>	<u>(3,554)</u>
Restricted fixed asset funds					
Devolved Formula Capital Funding	11	70	-	(71)	10
Condition Improvement Fund	457	245	-	(470)	232
Capital donations	-	5,018	-	(5,018)	-
LA capital funding	-	107	-	(107)	-
Intangible fixed asset fund (note 14)	4	-	(1)	-	3
Fixed asset fund (note 15)	20,192	-	(1,431)	5,730	24,491
	<u>20,664</u>	<u>5,440</u>	<u>(1,432)</u>	<u>64</u>	<u>24,736</u>
Total restricted funds	<u>16,660</u>	<u>17,979</u>	<u>(14,756)</u>	<u>1,299</u>	<u>21,182</u>
Unrestricted funds					
Unrestricted funds	840	940	(939)	-	841
Total unrestricted funds	<u>840</u>	<u>940</u>	<u>(939)</u>	<u>-</u>	<u>841</u>
Total funds	<u>17,500</u>	<u>18,919</u>	<u>(15,695)</u>	<u>1,299</u>	<u>22,023</u>

The General Annual Grant 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 trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2018.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Other ESFA funding represents other forms of funding received from the Department for Education.

Local authority revenue funding represents various grant funding provided by Local Authorities.

Early Years funding represents funding provided by Local Authorities for use with children aged 3-4.

Other restricted funds represent amounts given to the academy for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Capital Improvement Funding represents funding provided by the Department for Education to be used for specific capital projects in line with the funding application.

Capital donations represents amounts given to the academy for specific capital purposes.

Local Authority capital funding represents various capital funding provided by Local Authorities.

The Intangible asset fund recognises the net book value of intangible assets transferred to the trust on conversion and additions since conversion.

The Fixed Asset fund recognises the net book value of tangible fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

Faringdon Academy of Schools
Notes to the financial statements
For the year ended 31 August 2018

18 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Revenue reserves		
Buckland CofE Primary School	148	166
Faringdon Community College	445	466
Faringdon Infant School	127	126
Faringdon Junior School	185	143
John Blandy Primary School	(108)	(127)
Longcot and Fernham CofE Primary School	121	126
Shrivenham CofE Controlled School	42	8
Watchfield Primary School	153	100
Faringdon Junior School - Block B	(121)	-
Central services	148	280
Total before fixed assets, capital reserves and pension reserve	<u>1,140</u>	<u>1,288</u>
Capital reserves - general	10	11
Capital reserves - projects	232	457
Intangible fixed asset fund (representing net book value of intangible assets - note 14)	3	4
Fixed asset fund (representing net book value of fixed assets - note 15)	24,491	20,192
Pension reserve	(3,853)	(4,452)
Total funds	<u><u>22,023</u></u>	<u><u>17,500</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies (including all non staff direct costs) £'000	Other costs (excluding depreciation) £'000	Total 2018 £'000	Total 2017 £'000
Buckland CofE Primary School	335	69	43	67	514	487
Faringdon Community College	4,030	536	659	645	5,870	5,887
Faringdon Infant School	884	129	31	121	1,165	1,223
Faringdon Junior School	852	139	80	386	1,457	1,299
John Blandy Primary School	601	60	45	87	793	758
Longcot and Fernham CofE Primary School	368	48	29	95	540	560
Shrivenham CofE Controlled School	610	58	55	68	791	792
Watchfield Primary School	1,105	91	57	149	1,402	1,402
Faringdon Junior School - Block B	-	-	-	(121)	(121)	-
Central services	339	449	19	345	1,152	1,022
	<u>9,124</u>	<u>1,579</u>	<u>1,018</u>	<u>1,842</u>	<u>13,563</u>	<u>13,430</u>
				Depreciation and Amortisation	1,258	1,285
				Impairment	174	-
				Other finance costs and pension costs	700	574
				Note 7	<u><u>15,695</u></u>	<u><u>15,289</u></u>

18 Funds (continued)

Comparative Funds

	Balance at 1 Sept 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	692	11,022	(11,180)	(86)	448
Pupil Premium funding	-	554	(554)	-	-
Other DfE funding	-	364	(364)	-	-
Local authority revenue funding	-	123	(123)	-	-
Early Years funding	-	171	(171)	-	-
Other restricted funds	-	57	(57)	-	-
Pension reserve (note 27)	(5,219)	-	(574)	1,341	(4,452)
	<u>(4,527)</u>	<u>12,291</u>	<u>(13,023)</u>	<u>1,255</u>	<u>(4,004)</u>
Restricted fixed asset funds					
Devolved Formula Capital Funding	4	69	-	(62)	11
Condition Improvement Fund	135	711	-	(389)	457
Intangible fixed asset fund (note 14)	5	-	(1)	-	4
Fixed asset fund (note 15)	20,940	-	(1,285)	537	20,192
	<u>21,084</u>	<u>780</u>	<u>(1,286)</u>	<u>86</u>	<u>20,664</u>
Total restricted funds	<u>16,557</u>	<u>13,071</u>	<u>(14,309)</u>	<u>1,341</u>	<u>16,660</u>
Unrestricted funds					
Unrestricted funds	779	1,041	(980)	-	840
Total unrestricted funds	<u>779</u>	<u>1,041</u>	<u>(980)</u>	<u>-</u>	<u>840</u>
Total funds	<u>17,336</u>	<u>14,112</u>	<u>(15,289)</u>	<u>1,341</u>	<u>17,500</u>

The Comparative Funds Pension Reserve figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

18 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 Sept 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	692	22,186	(22,429)	(150)	299
Pupil Premium funding	-	1,076	(1,076)	-	-
Other DfE funding	-	796	(796)	-	-
Local authority revenue funding	-	347	(347)	-	-
Early Years funding	-	350	(350)	-	-
Other restricted funds	-	75	(75)	-	-
Pension reserve (note 27)	(5,219)	-	(1,274)	2,640	(3,853)
	<u>(4,527)</u>	<u>24,830</u>	<u>(26,347)</u>	<u>2,490</u>	<u>(3,554)</u>
Restricted fixed asset funds					
Devolved Formula Capital Funding	4	139	-	(133)	10
Condition Improvement Fund	135	956	-	(859)	232
Capital donations	-	5,018	-	(5,018)	-
LA Capital Funding	-	107	-	(107)	-
Intangible fixed asset fund (note 14)	5	-	(2)	-	3
Fixed asset fund (note 15)	20,940	-	(2,716)	6,267	24,491
	<u>21,084</u>	<u>6,220</u>	<u>(2,718)</u>	<u>150</u>	<u>24,736</u>
Total restricted funds	<u>16,557</u>	<u>31,050</u>	<u>(29,065)</u>	<u>2,640</u>	<u>21,182</u>
Unrestricted funds					
Unrestricted funds	779	1,981	(1,919)	-	841
Total unrestricted funds	<u>779</u>	<u>1,981</u>	<u>(1,919)</u>	<u>-</u>	<u>841</u>
Total funds	<u>17,336</u>	<u>33,031</u>	<u>(30,984)</u>	<u>2,640</u>	<u>22,023</u>

19 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	24,491	24,491
Current assets	841	1,381	242	2,464
Current liabilities	-	(1,082)	-	(1,082)
Pension Scheme liability	-	(3,853)	-	(3,853)
Total net assets	841	(3,554)	24,736	22,023

Comparative analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	4	4
Tangible fixed assets	-	-	20,192	20,192
Current assets	840	1,672	468	2,980
Current liabilities	-	(1,224)	-	(1,224)
Pension Scheme liability	-	(4,452)	-	(4,452)
Total net assets	840	(4,004)	20,664	17,500

20 Capital commitments

	2018 £'000	2017 £'000
Contracted for, but not provided in the financial statements	232	467

21 Commitments under operating leases

Operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	27	25
Amounts due between one and five years	61	53
Amounts due after five years	-	-
	88	78

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

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,224	(1,176)
Adjusted for:		
Amortisation (note 14)	1	1
Depreciation (note 15)	1,257	1,285
Impairment (note 15)	174	-
Capital income re fixed assets transferred on conversion	-	-
Capital grants from DfE and other capital income	(315)	(780)
Capital funding received from others	(107)	-
Fixed asset donations	(5,018)	-
Other capital income	-	-
Interest receivable (note 6)	(1)	(2)
Defined benefit pension scheme cost less contributions payable (note 28)	576	463
Defined benefit pension scheme finance cost (note 28)	124	111
(Increase)/decrease in debtors	299	(163)
Increase/(decrease) in creditors	(142)	(218)
Net cash provided by/(used in) operating activities	<u>72</u>	<u>(479)</u>

23 Cash flows from financing activities

	2018 £'000	2017 £'000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>

24 Cash flows from investing activities

	2018 £'000	2017 £'000
Dividends, interest and rents from investments	1	2
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(712)	(537)
Capital grants from DfE Group	315	780
Capital funding received from sponsors and others	107	-
Net cash (used in)/provided by investing activities	<u>(289)</u>	<u>245</u>

25 Analysis of changes in net funds

	At Sept 2017 £'000	Cashflows £'000	At 31 August 2018 £'000
Cash at bank and in hand	2,283	(217)	2,066
Notice deposits (less than 3 months)	-	-	-
	<u>2,283</u>	<u>(217)</u>	<u>2,066</u>

26 Contingent liabilities

There are no contingent liabilities that require disclosure.

27 Members liability

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

28 Pension and similar obligations

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

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

Contributions amounting to £163k were payable to the schemes at 31 August 2018 (2017: £160k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key results of the valuation are:

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

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

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

The pension costs paid to TPS in the period amounted to £927k (2017: £902k).

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

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

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

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

28 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £587k (2017: £528k), of which employer's contributions totalled £449k (2017: £399k) and employees' contributions totalled £138k (2017: £129k). The agreed contribution rates for future years are 15.3% for employers and 5.5-12.5% for employees until 31 March 2020. In addition, employer top-up contributions of £85k and £87k are due for the year ended 31 March 2019 and 2020 respectively. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.50%	4.20%
Rate of increase for pensions in payment / inflation	2.40%	2.70%
Discount rate for scheme liabilities	2.80%	2.60%
Inflation assumption (CPI)	2.40%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.4	23.4
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	25.7	25.7
Females	27.9	27.9

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	8,895	8,658
Discount rate -0.1%	9,331	9,071
Mortality assumption - 1 year increase	N/A	9,155
Mortality assumption - 1 year decrease	N/A	8,578
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	3,682	2,721
Gilts	-	656
Other bonds	894	213
Property	421	287
Cash	263	170
LLPs	-	143
Diversified growth fund	-	216
Alternative assets	-	4
Total market value of assets	5,260	4,410
Present value of scheme liabilities		
- Funded	(9,113)	(8,862)
Surplus/(deficit) in the scheme	(3,853)	(4,452)

The actual return on scheme assets was £363k (2017: £486k).

Amounts recognised in the statement of financial activities

	2018 £'000	2017 £'000
Service cost	1,025	862
Net interest on the defined liability (asset)	124	110
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Administration expenses	-	1
Total amount recognised in the SOFA	1,149	973

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

	2018 £'000	2017 £'000
At 1 September	8,862	8,669
Current service cost	1,025	862
Interest cost	245	192
Employee contributions	138	129
Actuarial (gain)/loss	(1,093)	(989)
Estimated benefits paid net of transfers in	(64)	(1)
At 31 August	9,113	8,862

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2018 £'000	2017 £'000
At 1 September	4,410	3,450
Interest income	121	82
Return on plan assets (excluding net interest on the net defined pension liability)	206	404
Other actuarial gains/(losses)	-	(52)
Administration expenses	-	(1)
Employer contributions	449	399
Employee contributions	138	129
Estimated benefits paid plus unfunded net of transfers in	(64)	(1)
At 31 August	<u>5,260</u>	<u>4,410</u>

Reconciliation of opening and closing deficit

	2018		2017	
	£'000	£'000	£'000	£'000
Pension deficit at 1 September		(4,452)		(5,219)
Current service cost	(1,025)		(862)	
Employer contributions	<u>449</u>		<u>399</u>	
Additional pension cost		(576)		(463)
Other finance costs		(124)		(111)
Actuarial gains/(losses)		1,299		1,341
Pension deficit at 31 August		<u>(3,853)</u>		<u>(4,452)</u>

The 2017 pension figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

29 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

C Stark (spouse of D Wilson, Trustee/Director, Executive Headteacher and Accounting Officer) is employed by the Trust as a teacher, having previously been employed by the predecessor local authority maintained school. C Stark's remuneration during the year was £19,788 (2017: £19,367) and employer pension contributions amounted to £3,248 (2017: £3,178). At the balance sheet date, £Nil (2017: £Nil) was due to C Stark.

J Kenyon (daughter of R Kenyon, Trustee/Director) is employed by the Trust as a teaching assistant. J Kenyon's remuneration during the year was £100 (2017: £270) and employer pension contributions amounted to £Nil (2017: £Nil). At the balance sheet date, £Nil (2017: £Nil) was due to J Kenyon.

H Millard (wife of D Millard, Director of School Improvement (to 31 August 2018), Chief Executive Officer (from 1 September 2018)) was employed by the Trust as a teacher. H Millard's remuneration during the year was £2,317 (2017: £9,873) and employer pension contributions amounted to £382 (2017: £1,627). At the balance sheet date, £Nil (2017: £Nil) was due to H Millard.

E Millard (daughter of D Millard, Director of School Improvement (to 31 August 2018), Chief Executive Officer (from 1 September 2018)) was employed by the Trust as a teaching assistant. E Millard's remuneration during the year was £400 (2017: £10,036) and employer pension contributions amounted to £Nil (2017: £Nil). At the balance sheet date, £Nil (2017: £Nil) was due to E Millard.

W Millard (son of D Millard, Director of School Improvement (to 31 August 2018), Chief Executive Officer (from 1 September 2018)) was employed by the Trust as an administrator. W Millard's remuneration during the year was £685 (2017: £626) and employer pension contributions amounted to £Nil (2017: £Nil). At the balance sheet date, £Nil (2017: £Nil) was due to W Millard.

30 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2018 the trust received £8k (2017: £8k) and disbursed £7k (2017: £6k) from the fund. An amount of £8k (2017: £7k) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to ESFA.