Faringdon Academy of Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2015

Company Registration Number:
07977368 (England and Wales)

Period of account: 1 September 2014 – 31 August 2015

Faringdon Academy of Schools
Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	20
Statement on Regularity, Propriety and Compliance	27
Statement of Trustees' Responsibilities	28
Independent Auditor's Report on the Financial Statements	29
Independent Reporting Accountant's Report on Regularity	31
Statement of Financial Activities incorporating Income & Expenditure Account	33
Balance Sheet	34
Cash Flow Statement	35
Notes to the Financial Statements, incorporating:	36
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Faringdon Academy of Schools
Reference and Administrative Details

Members	Bob Wintringham Liz Holmes Mark Mobey (resigned 1st September 2014) Diocese Board of Education
Trustees	Bob Wintringham (Chairperson) David Wilson (Executive Head Teacher)* Liz Holmes (Vice Chairperson)* Mark Mobey (resigned 1st September 2014) Rachel Kenyon Alun Williams Paul Turner* Ian Wright Kathryn Hall (resigned 27th March 2015) Christine Price-Smith Rev Richard Hancock Jeremy Twynam* * members of the academy resources committee
Clerk	Sally McKendrick

Faringdon Academy of Schools
Reference and Administrative Details (continued)

Senior Leadership Team

• Executive Head	David Wilson
• Academy Business and Finance Director	John Banbrook
• Director of School Improvement	Duncan Millard
• Head Faringdon Junior School	Paul Turner
• Head Faringdon Infant School	Heather Hambidge
• Head of Buckland C of E Primary	Louise Warren
• Head of John Blandy Primary	Clare Sylvester
• Head of Longcot & Fernham C of E Primary	Claire Mellor
• Head of Shrivenham C of E Primary	Vicky Sammon
• 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 Greyfriars Court Paradise Square Oxford OX1 1BE
Bankers	Lloyds Bank Plc 8 Market Place Faringdon Oxfordshire SN7 7HN
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Faringdon Academy of Schools
Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. 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 14 census)
Faringdon Community College	1169	1107
Faringdon Infant School	242 (216 3-7yrs and 26 nursery)	303
Faringdon Junior School	250	284
Buckland VC Church of England Primary School	116 (105 4-11yrs and 11 nursery)	99
John Blandy Primary School	210	160
Longcot & Fernham VC Church of England Primary School	119	118
Shrivenham VC Church of England Primary School	210	178
Watchfield Primary School	446 (420 3-11yrs and 26 nursery)	306
Total	**2762**	**2555**

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.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every trustee or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

The current trustees were originally appointed when the academy expanded on 1st November 2013. Trustees were appointed in accordance with the revised Articles of Association[1] 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 'The Lieutenancy Trustee List' if we require a replacement trustee with specific professional skills that we are unable to recruit from the community.

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

[1] http://faringdonacademy.org/files/file/FAoS%20new%20MFA%20-%20Annex%20A%20-%20Articles%20of%20Association.pdf

Policies and Procedures Adopted for the Induction and Training of Trustees

Faringdon Academy of Schools continues to subscribe to Oxfordshire County Council's Governor Services, which exists to provide support and training for Oxfordshire's school governors. Furthermore, the Board of Trustees provides direction and guidance to the Local Governing Bodies at each academy school.

Additionally, the academy has joined the National Governors Association and procured the Gold service enabling all trustees and all local governing bodies access to independent advice on all aspects of multi-academy trust governance. For the future, the academy is looking at options with the Oxfordshire Diocese Board of Education for governor training as the level of service from the local authority diminishes. Specifically, it is clear that the local authority do not currently have the requisite experience to advise on matters of multi-academy trust governance, whereas the Diocese capability in this area is evolving.

Organisational Structure

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

The Board of Trustees

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

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

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

The Faringdon Academy of Schools Resources Committee

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

- Providing guidance and direction for the annual budget process.
- Agreeing a mechanism for accounting for central academy services and setting the annual contribution from each school.
- The review and authorisation of the annual budget of each school and any subsequent revised budgets submitted in January of each school year.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies.
- Authorising the award of contracts and leases over £25,000 per year.
- Authorising changes to the central academy personnel establishment.

- Reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Trustees meeting.

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 Committees from each academy school. School Finance Committees are responsible for their delegated budgets and for regular monitoring of actual expenditure and income against school budgets.

The Executive Head Teacher – Accounting Officer

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

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

Much of the responsibility is delegated to the Academy 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.

The Academy Finance Director

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

Connected Organisations including Related Party Relationships

The Academy Trust is not part of a wider network such as a soft federation.

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 Directors:

"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

Objectives – The Academy reviewed its strategic objectives during the Autumn term of AY1415. Whilst the 5 key objectives were reaffirmed during the review, the performance indicators have been updated. These objectives and performance indicators will be reviewed in AY1516.

1. **Our aim is to be the best multi-school academy in southern England**
   Performance Indicators:
- *All Academy Schools to be judged as 'outstanding' as graded by Ofsted or by the Academy using Ofsted criteria.*
- *Early Years Foundation Stage: 65% to achieve a "good level of development".*
- *Key Stage 1: 100% of students to achieve age related expectation at the end of Year 2.*
- *Key Stage 2: 100% of students to achieve age related expectation at the end of Year 6.*
- *Key Stage 4:*
  - *100% of students to achieve GCSE level 4 in English & Maths.*
  - *Value added score at the end of Year 11 to be judged as "significantly high".*
- *Key Stage 5: Achieve overall value added, top 25% of schools as graded by ALPs*
- *Quality of teaching and learning: 100%, by typicality, in each school to be good or better, with the exception of newly qualified teachers.*
- *Attendance of 96% or better in all schools.*

Note: All % targets are by exception; for example named students (perhaps some on the SEN register for learning difficulties) can be discounted from the calculation.

2. **We want to achieve seamless progression within and across all key stages**
   Performance Indicators:
- *Implement a common system to measure attainment and progress across all schools.*
- *Encourage a rich and motivating curriculum acknowledged through student and parental 'voice' feedback; and independent verification.*
- *Production of common Programmes of Study to ensure continuity across key stages.*

3. **Maximise engagement with students, their families and the local community to achieve a vibrant community dimension**
   Performance Indicators:
- *Grow the Academy Community Strategy, including development of all key partnerships and interactions, to create community cohesion across all FAoS schools.*
- *Annual report on the Academy's delivery of the community strategy provided to the Board. .*

4. **Build a viable and sustainable long term Faringdon Education Strategy**
   Performance Indicators:
- *Refine the Academy Master Planning Proposals to meet the demand for pupil places for all academy schools in tune with the local Neighbourhood Plan.*
- *Grow FAoS to maximise the benefit of the academy programme for all schools within the local community.*
- *Together with FAoS schools, develop a FAoS personnel structure that is both viable and in sympathy with the changing national and local educational climate.*

5. **Ensure that our Academy proactively adds value to member schools**
   Performance Indicators:
- *Academy Board to subjectively assess the quality of approved 'Added Value Projects' being successfully implemented each year; through assessment by Local Governing Bodies and the annual summer conference.*
- *Local Governing Bodies to develop their networking and identify opportunities to collaborate across academy schools to drive economies of scale.*
- *Interventions at an early stage, when school is in need of support.*
- *Shares good/outstanding practice across all schools to enable mutual self-improvement.*

Strategies and Activities – This has been the first full reporting period since Faringdon Academy of Schools expanded to become an 8 school multi-academy trust and this marked a period where we have sought to build the trust and confidence to work more collaboratively; "we have been learning to work ever more closely together". As we move forward, we continue to identify opportunities for improvement through closer cooperation across teaching & learning and enabling activities. Some of these initiatives are highlighted below.

Strategic Priority Number 1 (School Improvement) – On conversion the academy established a Director of School Improvement to provide leadership of our newly established Academy school improvement team. In this reporting period, the team have focused on raising student outcomes as well as seeking to increase the Ofsted rating of each school. Every school in the academy has received an internal health check; some of these visits looked generally across all aspects of the school, whilst other visits focused on specific activities such as reading. We have pursued interventions to develop our teaching staff to raise the overall quality of teaching and learning and also moved towards a 'sharper' staff evaluation by Head Teachers, with this activity closely moderated by the Academy School Improvement Team to ensure more consistent standards. The activity of the School Improvement Team is restricted by the resources currently available. The Academy aspires to provide greater resource to this activity so that we can further improve work towards this strategic priority.

Strategic Priority Number 2 (Demographic Growth) – Following on from work in the last 2 reporting periods, the Board has continued to work closely with Oxfordshire County Council's Schools Organisation & Planning Team to keep abreast of demographic growth with our community. The Board co-sponsored a report to identify the master planning proposals for all 8 schools reflecting the growth at each school. The latest report was delivered in September 2015 and is currently with the Academy's Safety & Facilities Management Committee for review. Growth within our community is driven by a significant number of housing developments across the region.

During this year the academy delivered a 7th classroom at Shrivenham Primary School to enable the school to grow to full one form entry (210 pupils). This project was funded using central reserves with grants from both Oxfordshire County Council and the School's Trustees; the grant funding enabled a nursery provision to remain in-situ at the school. This project was a good example of the benefits that a multi-academy trust can deliver within our community.

Moreover, construction for a 4 classroom block at Watchfield Primary School started in May 2015 and the facility was handed-over to the school in October 2015 enabling expansion to full 2-form entry (420 pupils). Construction on a new 3 classroom block and 2 extensions at Faringdon Junior School started in June 2015 and work should be complete later this year.

The Academy was unsuccessful for the second year with its Condition Improvement Fund bid for Faringdon Community College which sought to replace 12 ageing temporary classrooms as well as adding additional capacity (the latter funded by LA funding). The Academy Business & Finance Director is working with Oxfordshire County Council to deliver the expansion element of this project from basic need and S106 funding. The long term condition of the temporary classrooms at the secondary school remains a significant concern.

Responding to demographic changes within the local community and delivering the recommendations in the revised Master Plan will remain a strategic priority for the Academy the foreseeable future.

Strategic Priority Number 3 (Closer Collaboration) – Following a recommendation from the internal audit committee report from November 2014, the Board agreed to conduct a review of the academy's support staff organisation. The purpose was to deliver a structure that would ensure a consistent and coherent approach to enabling activity across the academy. The review focused on finance, HR, IT and premises activities and it was agreed to postpone a review of educational support staff and catering until AY1516. This was a challenging review, often emotive and with difficult decisions which challenged established ways of working. However, the review has delivered a leaner structure, with consistent grades across academy schools and critically a centralised finance and HR team which can start to redress the many inconsistent processes that have been identified across academy schools. Centralising IT services also delivered improved capacity and savings and by taking a central approach to premises, we were able to fund a part-time caretaker at 3 of our small primary schools that hitherto were unable to afford or recruit this capability.

The Academy also established a lead role collaborating with other Academy Trusts across Oxfordshire. In September 2014, an informal group comprising 34 Oxfordshire Academy Trusts joined together to procure a new payroll provider following Oxfordshire County Councils notice that they would no longer provide this service. The group collectively hired the services of a procurement consultant to run the project sharing costs, procuring collaboratively and contracting individually. Faringdon Academy of Schools took a lead role with 5 other Oxfordshire Academy Trusts as part of the steering group and implementation team. As an academy, we saved ~£20K on our payroll and HR administration costs and the project won the inaugural education procurement awards in recognition of best practice. The Oxfordshire Academies Business Managers Group now have a formal membership, an on-line forum to share best practice and they are currently working together to collaboratively procure energy and wider HR services. Faringdon Academy of Schools continues to play a lead role within this group.

The pace of development has placed real strain on both our governance and operating structures. There are many lines of development that we aspire to address but do not yet have the full resource to deliver as quickly as we would like. As our experience of working more closely together grows, the more we can see the benefits of our community multi-academy trust model; however, it will take time to deliver these benefits given the pressure on reducing resources. During this period, Trustees have taken difficult decisions to centralise many of the support activities such as finance, IT, HR and premises. These changes will deliver economies of scale as well as a more consistent approach to support activities. The savings achieved in support activities will enable the academy to sustain funding on improving teaching and learning. The Academy Leadership Team have continued to work collaboratively and as a consequence we are beginning to see the benefits of sharing best practice as schools, teachers and education support staff in terms of improved pupil outcomes.

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 2500 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 has further developed Saturday School, held at the Community College to utilise the outstanding facilities and this is accessible by all pupils at academy schools. Saturday School offers diverse activities from technology clubs, web design, drama, cooking, music, art and first aid workshops. The popularity of Saturday School continues to accelerate and we hope to increase the range of options as the Academy expands in the coming year. This initiative is funded via a grant from central academy funds and contributions from those attending.

Faringdon Academy of Schools
Trustees' Report (continued)

Strategic Report

Achievements and Performance

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

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

GCSE Exam Results 2015

- 67% of students achieved a minimum of 5 A*-C (English+Maths) passes
- 75% of students achieved a minimum of 5 A*-C passes
- 98% of students achieved a minimum of 5 A*-G passes
- 95% of students achieved a minimum of 5 A*-G (English+Maths) passes
- Average points per student 462 points (equivalent to over 10 B passes)
- Average points per entry 42 (equivalent to grade C+)

In terms of examination entries:

- 73% of all entries were at grades A*/C level
- 48% of all entries were at grades A*/B level
- 24% of all entries were at grades A*/A level

Very pleased with the 2015 GCSE results. They are well above national averages and an improvement on the previous year's results. Our more able students performed very well indeed. Our top performing students achieved the equivalent 15 A/A* grades which include an AS level which is taken a year early.

Value Added: The Progress 8 figure for 2015 is 0.33, inside the top 20% of performing schools.

A Level Exam Results 2015

The A level results 2015:

- 50% of passes were at grade A*/B
- 99% of passes were at A*/E
- 24% of passes were at A*/A
- 85% achieved a minimum of 3 A – E passes

When analysed in terms of value added.

- Chemistry and Mathematics performed in top 10% nationally.
- English literature performed in the top percentile nationally

Pleasingly of all the students who applied to University, 47% achieved places at the prestigious Russell Group Universities.

PRIMARY SCHOOL SUMMARY - KEY STAGE 2 PERFORMANCE (unvalidated data)

	Attainment				Progress		
	Reading Level 4+	Writing Level 4+	Maths Level 4+	Spelling, Punctuation and Grammar Level 4+	Reading % 2 levels progress Key stage 1 to 2	Writing % 2 levels progress Key stage 1 to 2	Maths % 2 levels progress Key stage 1 to 2
Faringdon Junior School	81%	87%	91%	73%	84%	93%	95%
	Commentary: The School acknowledges that the reading score was lower than anticipated and we have since put strategies in place to make significant improvements for this year; reading has historically been a strong subject at FJS. For both maths and writing value added is above the national average.						
Buckland Primary School	100%	100%	93%	100%	100%	100%	93%
	Commentary: Each child in this cohort is worth 7%. SEN made very good progress. FSM value added progress was very good in reading and writing but less than national expectation in maths. Lower ability do particularly well. Percentage of level 5s well above national averages in all subjects. Value added score for all subjects puts the school in at the 5th percentile of performance. Outstanding.						
Shrivenham Primary School	88%	76%	88%	76%	94%	94%	87%
	Commentary: Each child in this cohort is worth 6%. These scores are all in line with or above national average apart from writing. The value added scores was above national for all subjects. Reading was particularly good and in the 23rd percentile for all schools.						
John Blandy Primary School	95%	100%	95%	85%	95%	100%	100%
	Commentary: Each child in this cohort is worth 5%. Attainment of L4+ in all subjects is above National averages. The percentage of children achieving L5+ is well above national for reading and writing. The percentages of children making expected progress across the key stage are all above National averages. Value added for all subjects is above national. The value added for writing is particularly impressive and in the 2nd percentile for all schools.						
Longcot & Fernham Primary School	100%	100%	100%	100%	100%	100%	100%
	Commentary: Each child in this cohort is worth 8%. Level 5 scores were also significantly above national level in Reading, Writing, Maths and Spelling, Punctuation and Grammar. The percentage of pupils making expected progress across the key stage are above national averages in all subjects.						
Watchfield Primary School	100%	100%	100%	85%	100%	100%	100%
	Commentary: These figures are without the EAL children who only joined the school in September 2014. Attainment and Progress in all subjects is above National Average. Level 5 attainment in reading and writing was well above national averages. Value added data is above national.						

KEY STAGE 1 PERFORMANCE

	Phonics Year 1	Reading Level 2+	Writing Level 2+	Maths Level 2+	Average Point Score all Subjects
Faringdon Infant School	61%	86%	83%	92%	15.7
	Commentary: The average point score for all subjects has improved over the results of 2014. Year 2 pupils made good progress from their end of Foundation Stage starting points.				

Notes: Level 4 is the expected standard for a pupil at the end of Key Stage 2 (Year 6 pupil)

The Academy primary school results overall at KS2 are very pleasing. When combined across the Academy, "expected progress" and "above expected progress" made by the students is very good, and above national.

The Academy has a strong school improvement programme in place whereby, as well as utilising specialist staff, individual schools share this area of expertise across all schools in the Academy.

Academy Ofsted Ratings - There are 8 schools in the Academy, 2 are rated "Outstanding", 5 are rated as "Good" and one is rated as "requires Improvement" (it went into this category just before joining the Academy).

Academy Saturday School - The Faringdon Academy Saturday School continues to be a success with children attending a variety of activities on a Saturday morning. The majority of children attending are from the Primary schools in the Academy and the younger aged children of FCC. The most recent activities have included football, fencing, guitar lessons, art and craft, ICT including Stop Go Animation and Web Design. In the past we have run cooking, design technology, electronics and tennis lessons. We continue to build on the success by offering different subjects and activities for all age groups.

Key Performance Indicators

The Board of Directors approved an overall Academy budget for the period 1st September 2014 to 31st August 2015. During this period, our total General Annual Grant was £10.167M. Furthermore:

- The Academy predicted a total income of £11.501M and we received £12.007M[2] or 104%.
- The Academy predicted staffing costs at £9.154M and we actually spent £9.3M or 102%.
- The Academy predicted total revenue expenditure at £11.571M and we actually achieved £11.844M[3] or 102%.

During a period of consolidation following expansion from 3 to 8 schools, the Board of Trustees are pleased with the overall financial performance. However, the Trustees remain concerned about the enduring financial pressure on academy finance. Staffing costs continue to grow as an overall percentage of our overall income and our General Annual Grant funding from the EFA is not increasing at the same pace; this will lead to an inevitable consequence where our current structures are unaffordable. Trustees have taken action in this reporting period to address our support staff structure which through greater centralisation of specific activities (finance, HR, IT and premises) is delivering cost savings. **However, Trustees are concerned that current funding levels will have a negative impact on the overall quality of our outputs in the coming years.**

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.

[2] Excludes Special Purpose income (largely parental income for trips)
[3] Excludes depreciation, FRS17 pension costs and Special Purpose expenditure.

Financial Review

Faringdon Academy of Schools converted to a multi-academy trust on 1st April 2012 and an Academies Financial Management and Governance Evaluation was undertaken within four months of the conversion date and submitted to the Education Funding Agency in accordance with a published submission deadline. In September 2013, the Academy established an Independent Audit Committee with 5 members. The Audit Committee presented their inaugural report to the Academy Board on 27th November 2014 and they presented their 2nd annual report on 26th November 2015. The Audit Committee is supported by a Chartered Accountant who fulfils the duties of the Responsible Officer via peer review.

Fund balances

The total fund balances of the Academy at 31st August 2015, as detailed in Note 19 to the financial statements, amounted to £16.594M. Excluding the fixed asset fund (representing the net book value of fixed assets) of £17.954M and the pension deficit fund of £2.885, reserves amounted to £1.525M and are summarised as follows:

Analysis of academies by fund balance				
Fund balances at 31 August were allocated as follows:				
	2015		**2014**	**2013**
	£		**£**	**£**
Faringdon Community College	**533,442**		**464,629**	**446,033**
Faringdon Junior School	**246,762**		**204,588**	**142,570**
Faringdon Infant School	**186,852**		**134,900**	**52,714**
Buckland CofE Primary School	**108,287**		**54,266**	**-**
John Blandy VC Primary School	**(66,733)**		**(22,142)**	**-**
Longcot and Fernham CofE Primary School	**129,290**		**111,329**	**-**
Shrivenham CofE Controlled School	**(24,250)**		**40,023**	**-**
Watchfield Primary School	**86,467**		**103,988**	**-**
Central services - main funds	**324,950**		**278,232**	**302,299**
Central services - primaries' conversion funding	**-**		**-**	**120,016**
Total before fixed assets and pension reserve	**1,525,067**		**1,369,813**	**1,063,632**
Fixed asset fund (representing net book value of fixed assets - note 15)	**17,954,287**		**18,987,701**	**14,303,415**
Pension reserve	**(2,885,000)**		**(2,696,000)**	**(1,293,000)**
Total funds	**16,594,354**		**17,661,514**	**14,074,047**

Reserves Policy

During the inaugural operating period the Academy accrued a healthy reserve and this has increased with the expansion of the Academy as each of the 5 new schools received transfer balances from Oxfordshire County Council on conversion. These balances amounted to a further £291K (£252K revenue and £39K capital) from Oxfordshire County Council in AY1314. In addition to delegated school budgets, the Academy holds a central budget to fund a range of central services; within this budget we have planned to accrue sufficient funds to meet the needs of our 5-year maintenance programme. This programme was revisited in February 2014 to take account of all 8 academy schools; we have conducted high-level property surveys of each site to assess the significant under-investment by the local authority over many years. These surveys identified circa £2.834M of routine maintenance required over a 5-year period across 8-sites.

During this reporting period 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 EFA 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. This has been illustrated twice during this reporting year when the academy has been declined additional funding for individual academy schools because the Trust was deemed to have sufficient funds as a whole.

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 Chief Financial Officer maintains a detailed 3-year plan which shows the position for each school and the overall position for the academy. This plan will be extended to 5 years during AY1516. We have developed some assumptions, approved by the Academy Resources Committee, to ensure that the academy 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. The assumptions used in AY1415 are currently being reviewed and the Board will endorse a formal Reserves Policy in AY1516.

On 31 August 2015 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£'000
Unrestricted General Funds	759
Restricted Capital Funds	71
Restricted General Funds	695
Reserves at 31 August 2015	1,525

The LGPS deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

Investments will be made only in accordance with written procedures approved by the Board of Trustees. At present, all funds held by the Academy as at the 31 August 2015 were in an interest bearing account with Lloyds Banking Group. The Academy Resources Committee has debated options to invest money and they have had further discussions with our relationship manager at Lloyds Bank. 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 be reviewed by Trustees during AY1516.

Principal Risks and Uncertainties

The trustees conducted a full review of the Academy Strategic Plan which incorporates our strategic risk management policy and the risk register during the Spring Term. The revised Plan was approved and reissued to trustees on 26th March 2015. 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 Directors, 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 Directors, 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 Directors. The Risk Management Strategy and the Risk Register must be reviewed annually by the Board of Directors. Both the Risk Strategy and Risk Register are available on the Academy website to enable all Directors to be familiar with strategic risks.

From 1st September 2014 to 31st August 2015, the Academy's key risks remained the same as those articulated in the 2014 Annual Report:

- **Potential of Academy to fail to respond to reducing levels of EFA funding.** This report has already highlighted concerns regarding the reducing levels of funding for all academy schools. Income levels have reduced following a reduction in the Education Services Grant and the lag between pupil numbers and funding allocations continues to cause problems at several of our schools. However, the real concern is growing staff costs following increases in National Insurance and employers contribution to Teacher Pension Scheme (2.4%). Over the next 3-years, the Academy predicts that it will need to use a considerable allocation from its surplus reserve to meet operating costs. This will not be sustainable beyond 3 to 4 years and if education funding is not addressed within this timescale, trustees will be forced to make decisions that will impact on teaching and learning in order to deliver balanced budgets. This is likely to be the Academy's top risk in AY1516.
- **Potential of Academy to fail to respond to demographic changes in local community**. This risk is directly as a result of the ongoing number of new housing developments in the immediate area which continue to place significant pressure on pupil places at all academy schools. To mitigate this risk, Faringdon Academy of Schools revisited the Master Planning Proposals which were co-sponsored by Oxfordshire County Council in 2013. The revised Plan, concluded in September 2015, provides a strategic review of education infrastructure in Faringdon and the local villages for the next 10-years. Since last year, construction work at Watchfield Primary School, Shrivenham Primary School and Faringdon Junior School has alleviated the immediate pressure for these schools. However, the delay to the construction of the new primary school in Faringdon continues to place pressure on Faringdon Infant School and the pace of further developments in Shrivenham and Southmoor remain a significant cause for concern. Growth within all of the academy primary schools will translate into a need to expand Faringdon Community College in the next few years. The Academy is working closely with Oxfordshire County Council to secure funding for the new Faringdon primary school, a new site for primary education in Shrivenham, expansion of John Blandy and Longcot & Fernham Primary schools and Faringdon Community College.
- **Potential of Academy Schools to sustain favourable Ofsted inspections**. The Board acknowledges that our future success is inextricably linked to the performance of each of our academy schools and the continuous improvement of our reputation and achievements. The Board acknowledges this enduring risk and has the following mitigation:
    - The Academy Performance & Standards Committee provide governance and strategic direction to manage school improvement. This committee reports directly to the Board of Directors.
    - The Academy Executive Head Teacher is appointed to oversee teaching and learning across the whole academy.
    - The Academy School Improvement Team, comprising experienced teachers and led by a trained and current Ofsted inspector is responsible for the strategy for school improvement across the academy and has established a programme of pre-Ofsted inspection visits to support and advise each Head Teacher.
    - The Academy Leadership Team, led by the Executive Head Teacher and comprising the Director of School Improvement, each Head Teacher and the Academy Business & Finance Director meet monthly with a focus on teaching and learning and school improvement.

Plans for Future Periods

Trustees acknowledge that there is still a significant amount of work to do if we are to achieve the full benefits of our community multi-academy trust model. In the next reporting period we will conclude the review of our governance structure and specifically, better ways of working between the Board and our local governing bodies. There needs to be a marked improvement in the communication flow between the Board and local governance and vice-versa; in support of this, the Academy has appointed a new Academy Secretary, whose function will be to improve the administration of governance and the communication flow between trustees and local governors.

From a teaching and learning perspective, over the next 12-months academy schools will be embedding new curriculums and getting used to 'life without levels' as recent assessment criteria at Key Stage 1, 2 and 3 are formally removed. The Academy is developing a common assessment strategy to replace the former scheme so that there is a system to benchmark our own schools for continuous improvement.

Trustees will also explore the opportunity to expand the academy in order to offer neighbouring primary schools the prospect of joining Faringdon Academy of Schools. We will also explore the opportunity to become a sponsor academy and consider the implications of closer collaboration with a further secondary school. However, whilst trustees acknowledge the clear benefits to education from closer collaboration within our community, they are cognisant of the enduring pressures placed on our financial resources and the probability of a reduction in our grant funding over the next 5-years. Any proposal to expand will need to be supported by a sustainable financial plan.

Over the next few years, there is likely to be a significant amount of construction activity as several of our academy schools expand in response to rising pupil numbers. This presents great opportunities for our schools in the longer term, but also many risks as schools manage the practical implications and impact of major construction projects and also the balancing of staff resources as pupil numbers grow.

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 Critchley's 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 10th December 2015 and signed on the board's behalf by:

Bob Wintringham
Chairman of the Board of Trustees

Faringdon Academy of Schools
Governance Statement

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 Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 comprising 7 General meetings and one extraordinary meeting. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Bob Wintringham	8	8
David Wilson	8	8
Liz Holmes	8	8
Rachel Kenyon	6	8
Alun Williams	7	8
Paul Turner	7	8
Ian Wright	8	8
Kathryn Hall	1	5
Christine Price-Smith	8	8
Rev Richard Hancock	7	8
Jeremy Twynam	8	8

There were 2 resignations during this reporting period:

- Mark Mobey as at 1st September 2014.
- Kathryn Hall as at 27th March 2015.

At the time of writing this report, neither of these posts have been filled. The trustees are in the process of recruiting 2 new trustees and hope to appoint shortly.

Governance Reviews

During the Autumn and Summer term of AY1415, the Chairman of the Trustees, the Vice Chair, the Executive Head Teacher, Chair of the Audit Committee and the Academy Business & Finance Director reviewed the approach to academy governance and the links to the operational management of the academy. This working group have consulted with the Association of School & College Leaders, the National Association of School Business Managers and the National Governors Association to ensure our emerging thoughts are consistent with developments across the country. Concurrently, the Chairman of Watchfield Primary School's local governing body proposed a new approach to governance for local governing bodies which sought to reduce the number of committee meetings and to focus local governance on raising standards. These views were consistent with the views of trustees and consequently a paper was produced and distributed to trustees and all local governors. This approach became the primary focus for the Academy Annual Conference of Governors which was held on 9th July 2015. Key aspects of the proposal are that local governing bodies should focus their time, energy and effort on raising standards within the school whilst being freed from the requirement to oversee routine operational activity; the latter now being the responsibility of professional support staff. This proposal was enabled because of the recommendations of the support staff review.

Understandably, not all local governing bodies were as ready to accept the proposal as others; not least, the changes to the support staff structure will take a little while to embed and local governing bodies will need to see the evidence that the new structures are coping with the many challenges at our 8 different sites. Two of the 8 local governing bodies have adopted the draft proposal as a trial for this academic year and trustees are monitoring the progress.

This work is now the subject of a formal consultation with local governing bodies which will conclude in AY1516.

Academy Resources Committee - The academy resources committee is a sub-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 new payroll and HR administration procurement exercise.
- Oversight of the renewal of our insurance requirement and consideration of the EFA's Risk Pooling Arrangement.
- Oversight of the support staff organisational review.
- Approval of Academy budget for AY1516 and the 3-year financial plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Liz Holmes	6	6
Dave Wilson	4	6
Paul Turner	6	6
Jeremy Twynam	6	6
David Hancox	4	6
Martin Westmorland	5	6

Faringdon Academy of Schools
Governance Statement (continued)

Academy Audit Committee - The Faringdon Academy of Schools Audit Committee has now completed its second year; it was set up to review the effectiveness of the operation of the Academy's FAS Process Owners systems, through scrutiny of its control of risk and delivery of statutory and legal obligations and the assessment of its internal controls. A Peer Reviewer 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.

Over the past year the Peer Reviewer has undertaken the following:

- Audit visits to Longcot & Fernham, Buckland and Shrivenham Primary Schools to review payroll, purchasing and reporting.
- Meeting with the Academy Business and Finance Director to review the support staff restructure.
- Review of the new payroll system.

In addition, the Peer Reviewer has met with the Partner heading up the Academies team at Critchleys to help give the audit committee insight into key risk areas within an Academy so that future work can be directed. The audit committee meets three times a year to review and debate the output from the work of the PR and to direct the PR.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Anne Lynn (resigned February 2015)	2	2
Paul Andrews	3	3
Andrew Walsham	3	3
Jane Taylor	3	3
Michael Brady	0	3
Andrew Rowe	1	1
Sara Hubbard	1	1

Review of Value for Money

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

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** – As reported last year, one of the immediate strengths of the expansion of the Academy was the formation of the Academy Leadership Team (ALT) which comprises every Head Teacher, our Academy Business & Finance Director and our Academy Director of School Improvement. The group has met monthly with the specific focus of improving educational outcomes; this provides the operational means to deliver coherent improvements across our academy schools. In addition to the ALT, we established a school improvement team, headed by a trained Ofsted inspector (both primary and secondary); the team also includes outstanding key stage 1 and 2 teachers. Together they deliver a programme of improvement across all of our schools funded by contributions made by each school; this capability would simply be unaffordable without the collaborative approach of our multi-academy trust.

  An example of achieving value for money within the context of improving educational outcomes has been the significant improvements at John Blandy Primary School. On conversion, this school had been recently judged by Ofsted as Requires Improvement; additionally, there was significant pupil growth due to considerable housing development in the village and the school budget had insufficient funds to make many of the changes that were necessary. By taking a proactive approach to school improvement using the resources outlined above and allowing the school to run a planned deficit budget for a defined period, the school has made significant improvement. The educational improvement is outlined earlier in this report and the school will deliver a surplus budget in AY1617 and return to full surplus in AY1819. This approach has unquestionably saved a considerable sum of money whilst quickly delivering improved results.

  A further example of achieving value for money was the support provided to Shrivenham Primary School to deliver their 7th classroom in time for September 2015. Academy staff delivered this project at a considerable saving from the original options appraisal delivered jointly by Carillion and Capita.

  In addition to formal academic improvements, we have built on the extra-curricular events such as the Academy Art Project which we introduced in AY1314; in this reporting period, we ran an Academy Dance project which once again enabled pupils from every school and every year group to contribute. We have also continued with our successful Saturday School Programme, making use of the outstanding facilities at the secondary school to offer a range of activities from animation, technology clubs, cooking and music for all academy pupils.

- **Better Purchasing** – we continue to drive consistency into our processes to enable us to take advantage of joint procurement. In this reporting period, we have made savings by working closely with Zurich Municipal to take an innovative approach to insuring our 8 academy sites. This procurement exercise enabled the academy to affordably procure a full insurance scheme for 3-years rather than opt for the unproven EFA Risk Pooling Arrangement. The outcome with Zurich Municipal represented a £20K saving over previous insurance costs.

Notably, the Academy also took a lead role working with 34 other Oxfordshire Academy Trusts to collaboratively procure a new payroll and HR administrative contract. This ground breaking project saved the academy a further £20K per year; it was also nominated and subsequently won the inaugural education procurement awards in recognition of the best collaborative procurement project. This approach has led to the formation of the Oxfordshire Academies Business Managers Group and the birth of a number of further collaborative initiatives. In AY1516, the group will conclude joint procurement projects of energy and start to look at a whole group insurance option.

- **Improved Structures** - In last year's report we highlighted the intention to conduct a rolling programme of reviews which was has started with the Support Staff review. The Aim of the review programme is to secure an organisational structure that not only meets current needs but will be responsive to any future expansion of the Academy and operational or compliance changes which may occur over the next 3 to 5 years. The Support Staff review concluded in the Summer term and the recommendations are being introduced on a phased approach during AY1516. The review has ensured that our academy finance, administrative, HR, IT and premises staff are on a consistent grade structure. Efficiencies have been realised in these areas as well as benefits achieved from taking a more central approach in these areas. In AY1516 the review will consider education support staff and the academy catering provision.

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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for specific internal audit function and has decided to maintain the requirement for an audit committee. The composition and function of the audit committee is highlighted on page 22 of this report. The academy provides funding for a Peer Reviewer for 6 full days each year. The work of the Peer Reviewer is determined by the priorities of the audit committee to ensure full independence.

The Peer Reviewer 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 Peer Review 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 report for AY1415 was presented to the Board on 26th November 2015. The key recommendations from the report were:

- The Risk Register should be considered by all Academy Committees and where appropriate adopted as a standing agenda item. At the moment the Risk Register is driven by the Academy's Business and Finance Director and is a standing agenda item on the Resource Committee agenda. When used appropriately a Risk based approach can be effective in driving and shaping agendas. We would recommend that the current Risk Register is developed and utilised by a wider audience.
- There is a need to ensure that management accounts are produced and reviewed each month in line with the requirements of the Academy Financial Handbook. In a phase of centralisation and change in process and roles diligent oversight is essential. We would recommend that the timely review of management accounts is adequately documented and that consideration is given to Academy wide training of Governors and Head Teachers on budget monitoring and reporting.
- The implementation of the new payroll system has not been without challenge. We would recommend that the Academy documents the lessons learnt from the implementation to help with the roll-out of the self-serve payroll module. Additionally, we would recommend that payroll reconciliations are performed, evidenced and reviewed on a timely basis in line with the FAS Financial regulations manual. This was a recommendation also made in last years' report.

The Board of Trustees agreed to adopt these recommendations.

Faringdon Academy of Schools
Governance Statement (continued)

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 issues 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 10th December 2015 and signed on its behalf by:

Bob Wintringham
Chair of Trustees

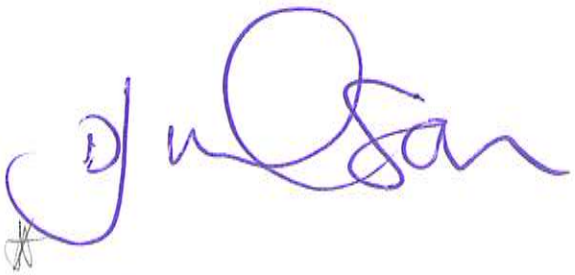
Dave Wilson
Accounting Officer

Faringdon Academy of Schools
Statement on Regularity, Propriety and Compliance

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

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

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



D J Wilson
Accounting Officer
Faringdon Academy of Schools

10th December 2015

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 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:

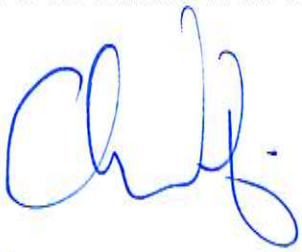
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/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 10th December 2015 and signed on its behalf by:



Bob Wintringham
Chairman of the Board of Trustees
Faringdon Academy of Schools

Faringdon Academy of Schools

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

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

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

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

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

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

Opinion on financial statements
In our opinion the financial statements:

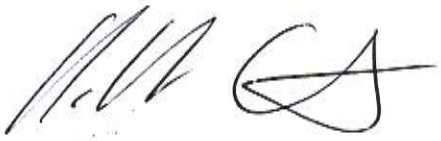
- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting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

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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Robert Kirtland (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date: 14/12/2015

Faringdon Academy of Schools

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

In accordance with the terms of our engagement letter dated 1 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Faringdon Academy of Schools during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

Approach

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

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

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

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

Faringdon Academy of Schools

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

The work undertaken to draw to our conclusion includes:

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

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

Critchleys LLP
Reporting Accountant
Oxford

Date: 14/12/2015

Faringdon Academy of Schools
Statement of Financial Activities
For the year ended 31 August 2015
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income - transfer on conversion		-	-	-	-	4,992,028
Other voluntary income	3	-	177,216	17,000	194,216	59,763
Activities for generating funds	4	31,024	-	-	31,024	34,310
Investment income	5	2,593	-	-	2,593	2,353
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	6	-	11,400,177	70,755	11,470,932	10,720,777
Other income for educational operations	7	926,008	-	-	926,008	647,284
Total incoming resources		959,625	11,577,393	87,755	12,624,773	16,456,515
Resources expended						
Cost of generating funds:						
Costs of activities for generating funds	8	-	-	-	-	582
Charitable activities:						
Academy's educational operations	9	875,795	11,673,026	1,160,651	13,709,472	12,391,805
Governance costs	10	-	37,461	-	37,461	117,661
Total resources expended		875,795	11,710,487	1,160,651	13,746,933	12,510,048
Net incoming / (outgoing) resources before transfers		83,830	(133,094)	(1,072,896)	(1,122,160)	3,946,467
Gross transfers between funds	19		(15,453)	15,453	-	-
Net income/(expenditure) for the period		83,830	(148,547)	(1,057,443)	(1,122,160)	3,946,467
Other recognised gains and losses						
Actuarial gains and losses in period for defined benefit pension schemes	29	-	55,000	-	55,000	(359,000)
Net movement in funds		83,830	(93,547)	(1,057,443)	(1,067,160)	3,587,467
Funds brought forward at 1 September 2014		675,220	(2,096,679)	19,082,973	17,661,514	14,074,047
Funds carried forward at 31 August 2015		759,050	(2,190,226)	18,025,530	16,594,354	17,661,514

All of the academy trust's activities derive from continuing operations and acquisitions in the previous accounting period.

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 2015

Company number:
07977368

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	15		17,954,287		18,987,701
Current assets					
Debtors	16	412,120		583,966	
Cash at bank and in hand		2,339,645		2,217,457	
		2,751,765		2,801,423	
Creditors: Amounts falling due within one year	17	(1,226,698)		(1,367,925)	
Net current assets			1,525,067		1,433,498
Total assets less current liabilities			19,479,354		20,421,199
Creditors: Amounts falling due after more than one year	18		-		(63,685)
Net assets excluding pension liability			19,479,354		20,357,514
Pension scheme liability	29		(2,885,000)		(2,696,000)
Net assets including pension liability			16,594,354		17,661,514
Funds of the academy:					
Restricted fixed asset funds	19		18,025,530		19,082,973
Restricted funds					
Restricted funds excluding pension liability	19	694,774		599,321	
Pension reserve	19	(2,885,000)		(2,696,000)	
Total restricted funds			(2,190,226)		(2,096,679)
Unrestricted funds	19		759,050		675,220
Total funds			16,594,354		17,661,514

The financial statements were approved by the Board of Directors and authorised for issue on 10th December 2015.

Signed on behalf of the Board of Trustees

Bob Wintringham
Chair of the Board of Trustees

Faringdon Academy of Schools
Cash Flow Statement
For the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash flow from operating activities	23	**181,077**	**704,120**
Returns on investments and servicing of finance	24	**2,593**	**2,353**
Capital expenditure and financial investment	25	**(61,482)**	**(177,303)**
Increase/(decrease) in cash in the period	26	**122,188**	**529,170**
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an Academy Trust		**-**	**290,600**
Net funds at 1 September 2014		**2,217,457**	**1,397,687**
Net funds at 31 August 2015		**2,339,645**	**2,217,457**

All of the cash flows are derived from continuing operations and acquisitions in the previous accounting period.

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Academy conversion

The conversion from a Local Authority maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred have been valued at their fair value in accordance with the accounting policies set out below. Property has been valued on a depreciated replacement cost basis. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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 one year from the date of approval of the financial statements.

1 Statement of Accounting Policies (continued)

Incoming Resources
All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

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

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

Costs of generating funds
These are costs incurred in activities that raise funds.

Charitable activities
These are costs incurred on the Academy Trust's educational operations.

Governance Costs
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and any reimbursed

All resources expended are inclusive of any irrecoverable VAT.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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

Stock
Any significant catering stocks are valued at the lower of cost or net realisable value.

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.

1 Statement of Accounting Policies (continued)

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 29, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 and other funders.

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

2 Voluntary income on conversion to academy

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Fixed assets transferred to academy	-	-	-	5,582,428
LGPS pension deficit transferred to academy	-	-	-	(881,000)
Other capital funds	-	-	-	38,533
Other revenue funds:				
Budget surplus on LA funds	-	-	-	252,067
	-	-	-	4,992,028

3 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Capital donations	-	17,000	17,000	-
Other grants and donations	-	177,216	177,216	59,763
	-	194,216	194,216	59,763

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Hire of facilities / other lettings	31,024	-	31,024	34,310
	31,024	-	31,024	34,310

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Bank interest	2,593	-	2,593	2,353
	2,593	-	2,593	2,353

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA capital grants				
Devolved formula capital grant	-	65,755	65,755	65,165
	-	65,755	65,755	65,165
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	10,167,973	10,167,973	9,920,457
GAG: SEN LACSEG adjustment	-	-	-	(127,370)
Other DfE grants	-	922,869	922,869	612,295
	-	11,090,842	11,090,842	10,405,382
Other Government grants				
Early Years funding	-	173,190	173,190	127,843
Local authority revenue funding	-	143,905	143,905	48,048
Local authority capital funding	-	5,000	5,000	46,839
Other grants	-	(7,760)	(7,760)	27,500
	-	314,335	314,335	250,230
	-	11,470,932	11,470,932	10,720,777

7 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Trip and activity income	479,747	-	479,747	289,550
Catering income	252,027	-	252,027	181,982
Other income	194,234	-	194,234	175,752
	926,008	-	926,008	647,284

8 Resources Expended

	Staff Costs £	Premises Costs £	Other Costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	-	-	-	-	582
Academy's educational operations					
Direct costs (note 9)	8,022,044	-	1,407,617	**9,429,661**	**8,592,591**
Allocated support costs (note 9)	1,522,148	586,305	2,171,358	**4,279,811**	**3,799,214**
	9,544,192	586,305	3,578,975	**13,709,472**	**12,391,805**
Governance costs (note 10)	-	-	37,461	**37,461**	**117,661**
	9,544,192	586,305	3,616,436	**13,746,933**	**12,510,048**

Incoming/outgoing resources for the period include:

	2015 £	2014 £
Operating leases		
Plant and machinery	-	-
Other	30,434	27,946
Fees payable to auditor for:		
Audit	15,630	13,450
Other services	12,410	15,000

9 Charitable Activities - Academy's educational operations

	Total 2015 £	Total 2014 £
Direct costs		
Teaching and educational support staff costs	8,022,044	7,399,026
Educational supplies, trips and transport costs	952,269	737,573
Examination fees	128,058	103,175
Technology costs	124,836	120,435
Staff development	50,610	41,011
Other direct costs	151,844	191,371
	9,429,661	8,592,591
Allocated support costs		
Support staff costs	833,624	773,542
Depreciation	1,160,651	1,140,610
Technology costs	146,364	157,782
Recruitment and support	16,154	16,973
Premises staff costs	317,021	284,955
Maintenance (excluding staff costs)	364,468	317,510
Cleaning (excluding staff costs)	16,085	20,732
Rent	7,846	600
Rates	16,709	37,797
Energy	189,043	176,400
Security and transport	11,382	12,361
Catering staff costs	127,503	134,568
Catering costs	501,036	267,701
Insurance	163,019	149,158
Other pension costs	183,000	89,000
Other finance costs (FRS17 pension)	61,000	74,000
Other support costs	164,906	145,525
	4,279,811	3,799,214
Total	13,709,472	12,391,805

10 Governance Costs

	Total 2015 £	Total 2014 £
Legal and professional fees	9,421	89,211
Auditors' remuneration		
Audit services	15,630	13,450
Other services	12,410	15,000
	37,461	117,661

11 Staff Costs

Staff costs for the period were:	**2015 £**	**2014 £**
Wages and salaries	**7,551,226**	**7,042,346**
Social security costs	**507,737**	**455,813**
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	**1,108,721**	**987,594**
FRS17 Other pension and finance costs	**244,000**	**163,000**
	9,411,684	**8,648,753**
Agency supply teacher costs	**100,563**	**78,223**
Staff restructuring costs	**31,945**	**28,115**
	9,544,192	**8,755,091**

Included in staff restructuring costs is one non-statutory/non-contractual severance payments amounting to £3,167 (2014: total payments £28,115).

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

	2015 No.	**2014 No.**
Charitable Activities		
Teachers	**121**	**121**
Administration and support	**143**	**139**
Management	**22**	**21**
	285	**281**

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

	2015 No.	**2014 No.**
£60,001 - £70,000	**2**	**3**
£70,001 - £80,000	**1**	**-**
£90,001 - £100,000	**1**	**1**

The above employees also participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £43,106 (2014: £41,757).

12 Central services

The academy trust has provided central services to its academies during the period. This includes the following services:
Finance and administrative staff
Professional services
Educational support and supplies
Insurance
ICT supplies
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:

	2015	2014
	£	£
Faringdon Community College	308,145	366,654
Faringdon Junior School	65,560	87,048
Faringdon Infant School	63,816	79,680
Buckland CofE Primary School	37,343	27,560
John Blandy VC Primary School	54,358	43,090
Longcot and Fernham CofE Primary School	43,145	33,880
Shrivenham CofE Controlled School	45,427	42,060
Watchfield Primary School	87,534	81,260
	705,328	761,232

13 Trustees' remuneration and expenses

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for trustees, as follows:

	2015	2014
	£	£
D Wilson, FCC Headteacher, FAS Executive Headteacher and Trustee		
Remuneration	£95k-£100k	£95k-£100k
Employer's pension contributions	£10k-£15k	£10k-£15k
P Turner, FJS Headteacher and Trustee		
Remuneration	£55k-£60k	£50k-£55k
Employer's pension contributions	£5-£10k	£5k-£10k
H Hambidge, FIS Headteacher and Trustee (retired from Trustee role on 31/10/13)		
Remuneration	-	£55k-£60k
Employer's pension contributions	-	£5k-£10k
R Kenyon, Staff Governor and Trustee		
Remuneration	£45k-£50k	£45k-£50k
Employer's pension contributions	£5k-£10k	£5k-£10k

During the period ended 31 August 2015, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2014: £Nil).

14 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 (2014: £5m) on any one claim and the cost for the period ended 31 August 2015 was £611 (2014: £1,165).

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

15 Tangible Fixed Assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	**Total £**
Cost				
As at 1 September 2014	21,092,720	152,478	266,691	**21,511,889**
Additions	86,792	-	40,445	**127,237**
As at 31 August 2015	21,179,512	152,478	307,136	**21,639,126**
Depreciation				
As at 1 September 2014	2,291,484	49,481	183,223	**2,524,188**
Charges in period	1,076,847	22,129	61,675	**1,160,651**
As at 31 August 2015	3,368,331	71,610	244,898	**3,684,839**
Net book values				
As at 31 August 2015	**17,811,181**	**80,868**	**62,238**	**17,954,287**
As at 1 September 2014	18,801,236	102,997	83,468	18,987,701

The Academy took out 125 year leases over the land and buildings of schools on conversion (except Church of England schools included in the next paragraph). Leasehold buildings have been valued soon after conversion by Mouchel as commissioned by the EFA. The valuation was carried out on a desktop depreciated replacement cost basis.

The Academy also entered into Supplemental Agreements with Church land trustees for the use of land and buildings at the Church of England primary schools. The Academy has permission to use the land and buildings for an indefinite period, subject to a 2 year termination notice period. A depreciated replacement cost value of the buildings (as valued by Mouchel) has been recognised on the balance sheet on the basis that the Academy has the economic benefit from their use.

16 Debtors

	2015 £	**2014 £**
Trade debtors	**13,979**	**11,628**
Prepayments and accrued income	**332,618**	**316,179**
Other debtors	**65,523**	**256,159**
	412,120	**583,966**

17 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	387,200	466,229
PAYE and NIC creditor	143,714	143,977
Other creditors	141,527	158,020
EFA creditor: SEN LACSEG adjustment	63,685	63,685
Accruals and deferred income	490,572	536,014
	1,226,698	1,367,925

Deferred income

	2015 £	2014 £
Deferred income at 1 September	440,191	135,285
Resources utilised in the period	(440,191)	(135,285)
Resources deferred in the period	368,049	440,191
Deferred income at 31 August	368,049	440,191

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

18 Creditors: amounts falling due in greater than one year

	2015 £	2014 £
EFA creditor: SEN LACSEG adjustment	-	63,685
	-	63,685

19 Funds

	Balance at 1 Sept 2014 £	Incoming Resources £	Resources Expended £	Transfers & actuarial loss on pension £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	568,004	10,167,973	(10,025,750)	(15,453)	**694,774**
Pupil Premium funding	-	546,343	(546,343)	-	-
Other DfE funding	4,044	376,526	(380,570)	-	-
Local authority revenue funding	-	143,905	(143,905)	-	-
Early Years funding	-	173,190	(173,190)	-	-
Other restricted funds	27,273	169,456	(196,729)	-	-
Pension reserve (note 29)	(2,696,000)	-	(244,000)	55,000	**(2,885,000)**
	(2,096,679)	11,577,393	(11,710,487)	39,547	**(2,190,226)**
Restricted fixed asset funds					
Devolved Formula Capital funding	95,272	65,755	-	(89,784)	**71,243**
Capital donations	-	17,000	-	(17,000)	-
LA capital funding	-	5,000		(5,000)	-
Fixed asset fund (note 15)	18,987,701	-	(1,160,651)	127,237	**17,954,287**
	19,082,973	87,755	(1,160,651)	15,453	**18,025,530**
Total restricted funds	**16,986,294**	**11,665,148**	**(12,871,138)**	**55,000**	**15,835,304**
Unrestricted funds					
Unrestricted funds	675,220	959,625	(875,795)	-	**759,050**
Total unrestricted funds	675,220	959,625	(875,795)	-	**759,050**
Total funds	**17,661,514**	**12,624,773**	**(13,746,933)**	**55,000**	**16,594,354**

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 2015.

Analysis of academies by fund balance

Fund balances at 31 August were allocated as follows:

	2015 £	2014 £
Revenue and capital reserves:		
Faringdon Community College	**533,442**	**464,629**
Faringdon Junior School	**246,762**	**204,588**
Faringdon Infant School	**186,852**	**134,900**
Buckland CofE Primary School	**108,287**	**54,266**
John Blandy VC Primary School	**(66,733)**	**(22,142)**
Longcot and Fernham CofE Primary School	**129,290**	**111,329**
Shrivenham CofE Controlled School	**(24,250)**	**40,023**
Watchfield Primary School	**86,467**	**103,988**
Central services	**324,950**	**278,232**
Total before fixed assets and pension reserve	**1,525,067**	**1,369,813**
Fixed asset fund (representing net book value of fixed assets - note 15)	**17,954,287**	**18,987,701**
Pension reserve	**(2,885,000)**	**(2,696,000)**
Total funds	**16,594,354**	**17,661,514**

19 Funds (continued)

Analysis of academies by cost

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation and FRS17 pension costs) £	Total £
Faringdon Community College	3,692,500	535,009	915,807	511,939	5,655,255
Faringdon Junior School	756,603	115,122	103,692	137,999	1,113,416
Faringdon Infant School	785,394	138,325	89,981	186,864	1,200,564
Buckland CofE Primary School	302,868	56,486	32,730	62,060	454,144
John Blandy VC Primary School	542,155	58,615	38,644	90,791	730,205
Longcot & Fernham CofE Primary School	331,560	48,547	53,027	92,852	525,986
Shrivenham CofE Controlled School	473,216	53,870	50,573	102,422	680,081
Watchfield Primary School	929,560	83,896	78,168	161,871	1,253,495
Central services	208,188	188,278	44,994	287,676	729,136
	8,022,044	1,278,148	1,407,616	1,634,474	12,342,282
				Depreciation	1,160,651
				Other finance costs and pension costs (FRS17)	244,000
				Note 8	13,746,933

20 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	17,954,287	17,954,287
Current assets	1,985,748	694,774	71,243	2,751,765
Current liabilities	(1,226,698)	-	-	(1,226,698)
Pension Scheme liability	-	(2,885,000)	-	(2,885,000)
Total net assets	759,050	(2,190,226)	18,025,530	16,594,354

21 Capital commitments

	2015 £	2014 £
Contracted for, but not provided in the financial statements	-	-

22 Financial commitments

Operating leases

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

	2015 £	2014 £
Land and buildings		
Expiring within one year	200	398
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	200	398
Other		
Expiring within one year	12,914	352
Expiring within two and five years inclusive	13,335	27,517
Expiring in over five years	-	-
	26,250	27,869

23 Reconciliation of net income to net cash flow from operating activities

	2015 £	2014 £
Net income	(1,122,160)	3,946,467
Cash transferred on conversion	-	(290,600)
Depreciation (note 15)	1,160,651	1,140,610
Capital income re fixed assets transferred on conversion	-	(5,582,428)
Capital grants from DfE	(65,755)	(65,165)
Interest receivable (note 5)	(2,593)	(2,353)
FRS17 pension liability on transfer to Academy	-	881,000
FRS17 pension costs less contributions payable (note 29)	183,000	89,000
FRS17 pension finance income (note 29)	61,000	74,000
(Increase)/decrease in debtors	171,846	(208,583)
Increase/(decrease) in creditors	(204,912)	722,172
Net cash inflow from operating activities	181,077	704,120

24 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	2,593	2,353
Net cash inflow from returns on investment and servicing of finance	2,593	2,353

25 Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets	(127,237)	(242,468)
Capital grants from DfE	65,755	65,165
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	(61,482)	(177,303)

26 Analysis of changes in net funds

	At Sept 2014	Cash flows	At 31 August 2015
	£	£	£
Cash at bank and in hand	2,217,457	122,188	2,339,645
	2,217,457	122,188	2,339,645

27 Contingent liabilities

There are no contingent liabilities that require disclosure.

28 Members' liability

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

29 Pension and similar obligations

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

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

Contributions amounting to £134,759 were payable to the schemes at 31 August 2015 (2014: £133.450) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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

The pension costs paid to TPS in the period amounted to £736,359 (2014: £688,784).

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

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

29 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £442,000 of which employer's contributions totalled £332,000 and employees' contributions totalled £110,000. The agreed contribution rates for future years are 15.9% for employers (until 31 March 2017) and 5.5-12.5% for employees. In addition, employer top-up contributions of £31,000 and £33,000 are due for the years ended 31st March 2016 and 2017 respectively.

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 2015	At 31 August 2014
Rate of increase in salaries	4.40%	4.40%
Rate of increase for pensions in payment / inflation	2.60%	2.60%
Discount rate for scheme liabilities	4.00%	3.90%
Inflation assumption (CPI)	2.60%	2.60%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	5,386	5,500	5,616
Projected service cost	501	512	523
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	5,644	5,500	5,359
Projected service cost	525	512	499

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 2015	At 31 August 2014
Retiring today		
Males	23.3	23.2
Females	25.7	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28.0	27.9

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	*	**1,729,000**	6.70%	1,583,000
Gilts	*	**321,000**	3.00%	216,000
Other bonds	*	**90,000**	3.60%	144,000
Property	*	**180,000**	5.90%	141,000
Cash	*	**83,000**	2.90%	100,000
LLPs	*	**92,000**	N/A	N/A
Hedge funds	*	**-**	6.70%	40,000
Diversified growth fund	*	**120,000**	0.00%	-
Total market value of assets		**2,615,000**		2,224,000
Present value of scheme liabilities				
- Funded		**(5,500,000)**		(4,920,000)
Surplus/(deficit) in the scheme		**(2,885,000)**		(2,696,000)

* For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.
Therefore there is no requirement to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.
The actual return on scheme assets was £81,000 (2014: £171,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	**515,000**	**391,000**
Past service cost	**-**	**-**
Total operating charge	**515,000**	**391,000**

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	**140,000**	**104,000**
Interest on pension liabilities	**(201,000)**	**(178,000)**
Pension finance income / (costs)	**(61,000)**	**(74,000)**

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities.
The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £659,000 loss (2014: £714,000 loss).

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

	2015 £	2014 £
At 1 September	4,920,000	2,312,000
Current service cost	515,000	391,000
Interest cost	201,000	178,000
Employee contributions	110,000	94,000
Actuarial (gain)/loss	(114,000)	450,000
Benefits paid	(132,000)	(9,000)
Past service cost	-	-
Curtailments and settlements	-	1,504,000
At 31 August	5,500,000	4,920,000

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

	2015 £	2014 £
At 1 September	2,224,000	1,019,000
Expected return on assets	140,000	104,000
Actuarial gain/(loss)	(59,000)	91,000
Employer contributions	332,000	302,000
Employee contributions	110,000	94,000
Benefits paid	(132,000)	(9,000)
Settlement prices received/(paid)	-	623,000
At 31 August	2,615,000	2,224,000

Reconciliation of opening and closing deficit

	2015		2014	
	£	£	£	£
Pension deficit at 1 September		(2,696,000)		(1,293,000)
Current service cost	(515,000)		(391,000)	
Employer contributions	332,000		302,000	
Additional pension cost		(183,000)		(89,000)
Other finance costs		(61,000)		(74,000)
Deficits transferred on conversion of new schools		-		(681,000)
Actuarial gains/(losses)		55,000		(359,000)
Pension deficit at 31 August		(2,885,000)		(2,696,000)

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2016 is £334,000 (2015: £285,000)

The history of experience adjustments is as follows:

	Year to 31 Aug 2015 £	Year to 31 Aug 2014 £	Period to 31 Aug 2013 £	As at 1 Apr 2012 £
Present value of defined benefit obligations	(5,500,000)	(4,920,000)	(2,312,000)	(1,433,000)
Fair value of share of scheme assets	2,615,000	2,224,000	1,019,000	551,000
Deficit in the scheme	(2,885,000)	(2,696,000)	(1,293,000)	(882,000)
Experience adjustments on scheme assets	(59,000)	91,000	89,000	-
Experience adjustments on scheme liabilities	-	(299,000)	-	-

30 Related party transactions

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

During the year transactions totalling £1,650 were charged for ad hoc services provided by Luna Branding Limited, the business of Mr A Williams (trustee). In the year ended 31 August 2014 transactions totalling £19,800 were charged by Luna Branding Limited for consultancy services under an arrangement in place prior to 7 November 2013 which was terminated on 31 August 2014.

31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2015 the trust received £6,963 and disbursed £6,042 from the fund. An amount of £4,965 (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to EFA.