

Company Registration Number: 07686458 (England & Wales)

FREMAN COLLEGE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

FREMAN COLLEGE
(A Company Limited by Guarantee)

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FREMAN COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs J Martin
Mr G Bonner
Mrs S Coote
Mrs S Lankester (resigned 27 September 2021)
Mr J Leigh
Mr M Nicholas
Mr D Paull-Wills
Mrs G Perkins
Mr P Wilson (appointed 15 November 2021)
Mrs S Angus (appointed 29 November 2021)
Ms K Connolly (appointed 20 September 2022)
Mrs W Man (appointed 11 July 2022)
Mrs C Claydon

Trustees

Mrs J Martin
Dr S Aguilar¹
Mr G Bonner
Mrs S Coote¹
Mr M Grimley¹
Mrs S Lankester (resigned 27 September 2021)
Mr J Leigh¹
Ms H Loughran, Head Teacher¹
Mr D Paull-Wills
Mrs G Perkins¹
Dr A Vishnivetskaya
Ms S Angus (appointed 29 November 2021)
Mrs C Claydon¹
Ms K Connolly (appointed 20 September 2022)¹
Mrs W Man (appointed 11 July 2022)
Mr M Nicholas¹
Mr P Wilson (appointed 15 November 2021)

¹ members of Resources Committee

Company registered number 07686458

Company name Freman College

Principal and registered office Bowling Green Lane
Buntingford
Hertfordshire
SG9 9BT

Company secretary Ms S Hebditch

Senior management team Ms H Loughran, Headteacher
Ms L R Jones, Deputy Head
Mr W Abell, Assistant Head

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Ms S Hebditch, Business Manager
Mr M R New, Assistant Head
Mr M J Shearn, Assistant Head
Mr S J Thornewill, Assistant Head

Independent auditors Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Bankers Lloyds TSB Commercial Bank
The Cross
Melbourn Street
Royston
Hertfordshire
SG8 7BL

Solicitors Stone King
13 Queen Square
Bath
BA1 2HJ

FREMAN COLLEGE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees of Freman College ('the College') present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for students aged 13 to 19 serving a catchment area in East and North Hertfordshire. It has a student capacity of 1,130 including 350 in the sixth form, with 1,007 on role.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 35 of the attached financial statements and comply with the College's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the Academy.

The Trustees of Freman College are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Freman College.

Details of the Trustees who served throughout the year except as noted are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

The College has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on College business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Principal activities

The principal activity of the College is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a school offering a broad and balanced curriculum.

In accordance with the Articles of Association the College has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things that the College has a curriculum satisfying the requirements of section 78 of the Education Act 2002; the College provides education for pupils of different abilities and that the College provides education for pupils who are wholly or mainly drawn from the area in which the College is situated.

e. Trustees

The Trustees are trustees for the purposes of charity law and directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2022 and served throughout the year except where shown.

Trustee	Appointed/Resigned	Parent/Community/Staff
Dr S Aguilar		Staff
Mrs S Angus	Appointed November 2021	Community
Mr G Bonner		Community
Mrs C Claydon		Parent
Mrs K Connolly	Appointed September 2022	Community
Mrs S Coote		Parent
Mr M Grimley		Staff
Mrs S Lankester	Resigned September 2021	Parent
Mr J Leigh		Parent
Ms H Loughran		Headteacher
Mrs W Man	Appointed July 2022	Parent
Mrs J Martin		Community
Mr M Nicholas		Community
Mr D Paull-Wills		Community
Mrs G Perkins		Community
Dr A Vishnivetskaya		Staff
Mr P Wilson	Appointed November 2021	Community

f. Method of recruitment and appointment or election of Trustees

The Trustees are identified and chosen by the Board and are proposed to the full Board meeting. Candidates are selected based on eligibility, personal competence and professional skills, which can benefit the College, as well as local availability. The Board comprises Parent Trustees, the Headteacher, Staff Trustees and Community Trustees.

New Trustees are inducted into the workings of the College at briefing sessions held with the Chair of Trustees and Headteacher. These sessions cover educational and business matters and include a familiarisation tour of the College's facilities. Trustees are issued with extensive background material together with the statutory guidelines for Trustees. Trustees are encouraged to attend training sessions organised for the education sector.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Organisational structure

The Board of Trustees constituted under the Memorandum and Articles of Association governs Freman College. The Board of Trustees is responsible for ensuring high standards of corporate governance are maintained. The full Board of Trustees meets formally four times during the year. Certain of the College's business is delegated through the following sub-committees on which the Headteacher, Deputy Head, Business Manager and other senior staff also sit, as appropriate:

Resources (meets four times per year): S Aguilar, C Claydon, K Connolly, S Coote (Chair), M Grimley, J Leigh, H Loughran, M Nicholas, G Perkins (H&S). Attended by the Business Manager.

Curriculum and Personnel (meets three times per year): S Angus, G Bonner, W Man, J Martin, D Paull-Wills (Chair), A Vishnivetskaya, P Wilson. Attended by the Deputy Head.

The terms of reference for each of these sub-committees have been written and accepted by the Board of Trustees.

The Headteacher is appointed by the Board of Trustees to manage the day-to-day operations of the College. In order to facilitate effective operations, the Headteacher has delegated authority within the terms approved by the Board of Trustees for operational matters within the College's Senior Leadership Team (SLT).

The Board of Trustees has been working with the Regional Schools' Commissioner with a view to creating a Multi-Academy Trust in partnership with Edwinstree Church of England Middle School and Ralph Sadleir Middle School, and, moving forward we are looking to work alongside the First Schools who have an interest in this too. As this work has been on-going, Freman College has not yet amended its Articles of Association in line with the requirements of The Academy Trust Handbook 2021. However, all staff trustees have resigned as members as per the requirement of the new articles.

h. Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the College comprise the Board of Trustees and the Senior Leadership Team as listed on page 1.

The Board of Trustees determine the pay range for the leadership of the College as detailed in the College's Pay Policy, determined by the framework of the School Teachers' Pay and Conditions document, which is reviewed annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

i. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	5,297,186	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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j. Risk Management

The Board of Trustees have assessed the major risks to which the College is exposed, in particular those relating to teaching, the provision of facilities and other operational areas of Freman College and its finances. The Board of Trustees have implemented a number of systems to assess risks that the College faces, especially in the operational areas. For example, in relation to teaching, health and safety, bullying, school trips and visits and in relation to the control of finance.

The key controls used by Freman College include:

- Formal agendas for all committee meetings.
- Detailed terms of reference for committees.
- Strategic planning, budgeting and management accounting (including annual budget reports reviewed by the Board of Trustees which include the review of financial performance against forecasts and other major purchase plans, capital works and expenditure programmes).
- The Resources Committee meets four times each year to review interim financial performance.
- An established organisational structure and lines of reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Monthly management reports sent to Board of Trustees and Senior Leadership Team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The College's principal object, as set out in the Articles of Association, is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing an Academy school offering a broad and balanced curriculum.

The impact of the COVID-19 pandemic and the closure of schools in both the 2019/2020 and 2020/21 academic years meant that the College focus for the 2021/22 academic year was:

- To re-build the College's pastoral and academic structures and processes to redress the negative impact Covid has had on them and to ensure that the impact of Covid on students' education and well-being is minimised
- To continue to improve the quality of teaching, learning and assessment including the effective use of questioning by sharing good practice
- To seek to reduce teacher workload whenever possible without detriment to student achievement
- To further develop the ways in which we use assessment
 - To help students to improve their work
 - To track student progress and make effective interventions
- To maintain outstanding progress at Key Stage 4 and to ensure that from that high starting point progress at KS5 is at least in line with schools nationally
- To do all we can to reduce the gaps between disadvantaged students and others in terms of attendance and progress (particularly in the light of the impact of Covid on this group)
- To work closely with the middle and first schools to further develop the coherence of children and young people's educational experience from Reception to U6th

b. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Freman College CPD was led by the pastoral team for a number of sessions over the course of the academic year, resulting in the strong pastoral structure of four Houses and vertical tutor groups being re-introduced and strengthened. The college also made additional appointments of two pastoral support workers to work under the direction the pastoral support lead in order to help effectively manage the pastoral work undertaken by the Heads of House.

The return to public examinations in May and June 2022 meant that the teaching and support staff worked tirelessly to ensure that students who had no experience of public examinations were fully prepared for their GCSE, Cambridge National Level 2 and 3 courses and A levels.

Key stage 4

Year 11 students performed exceptionally against all the national measures. Although the national pattern was that 2022 GCSE grades dropped from those of 2020 and 2021, Freman students bucked the trend. Students attainment and progress both rose.

Due to the Covid 19 pandemic, the Government did not produce P8 scores in 2020 or 2021 but data that we have suggests that our students' "value-added" scores were similar to previous years. Our provisional P8 score for 2022 is 0.69 which makes this the highest score we have achieved to date.

	Progress 8
2017	0.48
2018	0.45
2019	0.45
2020	Not published
2021	Not published
2022	0.69

* The Progress 8 measure is a secondary school accountability system. It aims to encourage schools to teach a broad curriculum and reward schools that teach all pupils well. It measures pupils' progress across 8 subjects from age 11 to 16. Freman's P8 scores have always placed us amongst the top schools nationally.

The proportion of Freman students achieving high grades in English and in Mathematics exceeds the national average each year.

Grade	English Language			Maths		
	Freman 2022	National 2022	Freman vs. National	Freman 2022	National 2022	Freman vs. National
7+	25.6	20.2	+5.4	30.3	20.1	+10.2
4+	85.3	70.2	+15.1	84.5	65.0	+19.5

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Sixth Form

In 2022, a year in which there was unprecedented competition for university places, 93% of our students who chose to move on the Higher Education, took a place at their first choice university.

Results

	2022	2021
A level: average points score per entry	40.5	39.33
A level: average point score expressed as a grade	B	B
% A*/A grades	37	34
Cam Tec: average point score expressed as a grade	Distinction	Distinction
% Distinction grades	71	63

a. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Key performance indicators

- Student numbers – leading directly to ESFA funding
- General financial stability
- Ofsted inspection results
- Year 9 student intake
- Sixth Form student numbers

The College's aim for the year to 31 August 2022 was to maintain the current level of educational provision, whilst matching income to expenditure. The aim was for the accrual of surplus balances to support the College's long term financial stability. Net income for the year, excluding the fixed assets fund and adjustments relating to the actuarial valuation of the pension scheme but after the transfers, was £373,238 (2021 – Net expenditure of £286,000).

Financial review

Most of the College's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for educational purposes. The grants received from the ESFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

The College also received grants for fixed assets from the ESFA. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), such a grant is shown in the statement of financial activities as restricted income within the fixed assets fund. The balance sheet restricted fixed assets fund is reduced by expenditure equivalent to any depreciation charges over the expected useful life of the assets concerned.

One of Buntingford's former mayors, Eunice Woods, left a legacy to support the education of local children of schools in Buntingford with a particular focus on the disadvantaged. This generous bequest of £169,000 has been used to create a new pastoral area and employ 2 pastoral support workers whose aim is to help students remain in college in order to reach their potential.

The total income for the year was £6,588,812 (2021 – £6,120,257).

The surplus for the year, excluding the fixed assets fund and adjustments relating to the actuarial valuation of the pension scheme but after the transfers, was £373,238 (2021 – deficit of £286,000).

The results for the year are shown on page 26.

a. Reserves policy

The Governors have reviewed the reserves of the College. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Governors.

At 31 August 2022, the College had total funds of £8,981,665 (2021 – £7,295,779). This comprised £6,742,923 (2021 – £5,356,189) of restricted funds and £2,238,742 (2021 – £1,939,590) of unrestricted general fund balances. Restricted funds include the pension reserve balance relating to the Local Government defined benefit scheme for non-teaching staff, which was in surplus by £117,000 at 31 August 2022 (2021 – deficit of £1,536,000). The operational funds at 31 August 2022 were £2,312,828 (2021 – £1,939,590).

The reserves held are in line with the College reserves policy which aims to hold reserves to fund future expenditure related to the College Improvement Plan's long term aims and development.

There is a surplus of £117,000 (2021 – deficit of £1,536,000) on the pension reserve. 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.

b. Investment policy

The Governors have expressed the wish that the investment of reserves be restricted to short term and secure deposits to maintain accessibility to cash reserves as needed. Currently there are no plans to make any investments of a long-term nature as there are no significant reserves available for investment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. Principal risks and uncertainties

Freman College holds a risk register which is reviewed on an annual basis as identified in The Academy Trust Handbook. We also have a Whistleblowing Policy which is reviewed annually.

The main risks and impacts have been assessed as:

- If Education and Skills Funding Agency (ESFA) funding is not communicated in a timely fashion and/or is significantly lower than planned for, then this could have adverse financial implications for the College which would need to be addressed. There is currently considerable financial uncertainty with regard to public funding. The College maintains a healthy reserve in order to mitigate any cash-flow concerns.
- Funding is also directly linked to the number of students on role and the Trustees continue to monitor student numbers, including those of the sixth form.
- Safeguarding students in our care in line with statutory guidance. In order to mitigate this risk, the College ensures that staff have regular safeguarding training and ensures that our responsibilities pertaining to safeguarding has a high profile.
- Trustees have also considered the risk associated with financial or other compliance failures.

Freman College has introduced systems, including operational procedures (e.g. vetting of new staff and visitors, and supervision of College grounds) and internal financial controls in order to minimise risk.

Fundraising

Freman College follows the fundraising practices as per section 13 of the Charities (Protection and Social Investment) Act 2016. Freman College does not currently work with any commercial or professional fundraisers. Freman College's fundraising activities are currently limited to raising funds for charities which the students' have chosen to support through non-uniform days and cake sales, rather than fundraising for College purposes. These are optional activities.

Plans for future periods

The plans for the coming year include:

- Improve attendance post pandemic
- Continue to address race, gender and LGBTQ+ equality
- Continue to set high expectations for all students
- Evaluate the KS3 curriculum structure with the middle schools
- Focus on staff development
- Work with the Football Foundation, Buntingford Town Council and local football clubs to investigate the feasibility of, and work towards the building of, a 3G pitch for college and community use, to be sited at Freman College.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16-12-2022 | 11:42 GMT and signed on its behalf by:

DocuSigned by:

C699996FC28B4E6...

.....
Mrs J Martin
Chair of Trustees

FREMAN COLLEGE
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Freman College 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Freman College 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 4 times during the year. Due to the COVID-19 pandemic, these meetings were held remotely by Zoom until the summer term.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr S Aguilar	3	4
Ms S Angus	3	3
Mr G Bonner	2	4
Mrs C Claydon	3	4
Mrs S Coote	2	4
Mr M Grimley	2	4
Mrs S Lankester	0	1
Mr J Leigh	3	4
Ms H Loughran, Head Teacher	4	4
Mrs W Man	1	1
Mrs J Martin	4	4
Mr M Nicholas	4	4
Mr D Paull-Wills	3	4
Mrs G Perkins	4	4
Dr A Vishnivetskaya	2	4
Mr P Wilson	3	3

Although the college has not yet adopted the updated Articles of Association due to its ongoing work with local schools in establishing a multi-academy trust, all staff who were Members of the Trust resigned before the 31st March deadline as staff Trustees can no longer be Members. These staff continue in their role as Trustees.

The College maintains a register of interests and asks all staff and Trustees to update this on an annual basis. Any companies which may represent a conflict of interest are noted on the College finance system and approval for purchasing must be authorised by the Headteacher and / or Business Manager.

The Trustees carried out a skills-based audit in October 2021 using a template provided by the National Governors Association and the outcome of this was considered in November 2021. The audit confirmed that there is a good skills mix within the Board of Trustees, with appropriate levels of experience and knowledge spread through the committees. Trustee skills are considered when appointing Trustees to committees. The

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustees refer to the audit when considering the suitability of prospective Trustees to a Community Trustee role.

The Trustees met 4 times as a full board and 4 times as a Resources subcommittee in order to maintain effective oversight of the college finances. In addition to this all trustees and leadership personnel were provided with monthly financial management reports, incorporating performance against budget as well as cash position.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is:

Premises

- To provide support and guidance for the Headteacher on all matters relating to the College premises and grounds, security and health and safety.
- To monitor and revise the premises elements of the Accessibility Plan.
- To inspect the premises and grounds annually and prepare a report on any issues identified and a proposed order of priorities for maintenance and development, for the approval of the Governing Body.
- To approve the costs and arrangements for repairs, maintenance and redecoration within the budget allocation and to oversee the preparation and implementation of contracts.
- To undertake an annual safety and security audit of the premises and report on the same to the Governing Body; and to ensure that the College complies with health and safety regulations.
- To report findings of inspections and audits to the Headteacher and liaise with her to ensure that action is taken as appropriate.
- To ensure the discharge of Trustees' responsibilities regarding litter under the Environmental Protection Act 1990.
- To prepare a lettings and charges policy for the approval of the Governing Body and to monitor and evaluate the implementation of that policy.
- To consider and make recommendations on risk management and insurance arrangements with regard to vandalism and other premises-related matters.

Finance

- To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the College's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.
- To refer major issues to the full Governing Body for ratification.
- To consider the College's indicative funding, notified annually by the DfE and to assess its implications, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend acceptance/non-acceptance of the College's budget at the start of each financial year.
- To contribute to the formulation of the College's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the College.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the Curriculum and Personnel Committee as appropriate, and to make recommendations to that Committee about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the College, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

- To receive the financial statements to form part of the annual report of the Governing Body for recommendation to the full Governing Body and for filing in accordance with Companies Act requirements.
- To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings.
- To recommend to the full Governing Body the appointment or reappointment of the auditors of the College.

Audit

- To act as the College's Audit Committee and ensure, as far as is within its competence, that the financial controls, procedures and arrangements required by law, by the DfE, by the auditors and by other authorities are in place and are being properly implemented and regularly monitored. Including:
 - Reviewing the risks to internal financial control.
 - Agreeing a programme of work to address risks and provide assurance to the external auditors.
 - Approving internal audit schedule of works.
 - Reporting serious concerns to the Chair who will take all necessary steps to investigate.

No member of staff employed by the College may participate as a member of the Committee when audit matters are discussed. They may attend to provide information and participate in discussions.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr S Aguilar (Staff trustee)	4	5
Mrs C Claydon	4	5
Mrs S Cote (Chair)	4	5
Mr M Grimley (Staff trustee)	4	5
Mr J Leigh	4	5
Ms H Loughran (Accounting Officer)	5	5
Mr M Nicholas	5	5
Mrs G Perkins	4	5

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the College 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 College'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 appropriate. The accounting officer for the College has delivered improved value for money during the year by:

Pupil Premium

Students eligible for help from pupil premium funding continued to be a focus for 2021/22. The students are identified early in year 9 and this has enabled the College to support them effectively throughout their time with us, improving their outcomes. The funding has enabled us to implement targeted intervention at a crucial time in the students' education.

Purchasing

The College continues to improve its purchasing and contract management by utilising national benchmarking data, contacts in a consortium of converter academies, and industry recommended sources such as CPC. Purchasing decisions are robustly questioned by Governors ensuring that the principles of best value are adhered to.

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 College 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 Freman College for the year 1 September 2021 to 31 August 2022 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 College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 College's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance

FREMAN COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and separation of duties; and
- identification and management of risks

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Mrs J Grosch, the Finance Manager of Chauncy School, to perform a peer review.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the College's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing purchase systems

On a termly basis, the reviewer reports to the Board of Trustees through the Resources committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

No breaches in the College's control systems were identified during the reviews.

Review of effectiveness

As accounting officer, the 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 reviewer;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:

DocuSigned by:

C699996FC28B4E6.....
Mrs J Martin
Chair of Trustees
Date: 16-12-2022 | 11:42 GMT

DocuSigned by:

F026B83DE503455.....
Ms H Loughran
Accounting Officer

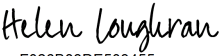
FREMAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Freman College I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

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

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Ms H Loughran
Accounting Officer
Date: 09-12-2022 | 14:37 GMT

FREMAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

DocuSigned by:

C699996FC28B4E6.....
Mrs J Martin
Chair of Trustees
Date: 16-12-2022 | 11:42 GMT

FREMAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FREMAN COLLEGE**

Opinion

We have audited the financial statements of Freman College (the 'academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

FREMAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FREMAN COLLEGE (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

FREMAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FREMAN COLLEGE (CONTINUED)**

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the control environment and performance of the academy, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management and internal audit about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the

FREMAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FREMAN COLLEGE (CONTINUED)**

Charities SORP 2019, the Academies Accounts Direction 2021 to 2022 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

DocuSigned by:


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Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

Date: 20-12-2022 | 15:41 GMT

FREMAN COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FREMAN COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Freman College during the year 1 September 2021 to 31 August 2022 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 Freman College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Freman College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Freman College and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Freman College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Freman College's funding agreement with the Secretary of State for Education dated 16 July 2013 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

FREMAN COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FREMAN
COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

Hillier Hopkins LLP

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Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 20-12-2022 | 15:41 GMT

FREMAN COLLEGE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	196,304	-	21,618	217,922	21,938
Other trading activities	5	91,114	-	-	91,114	119,753
Investments	6	1,167	-	-	1,167	880
Charitable activities	4	247,937	6,030,672	-	6,278,609	5,977,686
Total income		536,522	6,030,672	21,618	6,588,812	6,120,257
Expenditure on:						
Charitable activities		237,370	6,063,245	523,311	6,823,926	6,437,972
Total expenditure		237,370	6,063,245	523,311	6,823,926	6,437,972
Net income/(expenditure)		299,152	(32,573)	(501,693)	(235,114)	(317,715)
Transfers between funds	16	-	(161,341)	161,341	-	-
Net movement in funds before other recognised gains/(losses)		299,152	(193,914)	(340,352)	(235,114)	(317,715)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,921,000	-	1,921,000	(454,000)
Net movement in funds		299,152	1,727,086	(340,352)	1,685,886	(771,715)

FREMAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Reconciliation of funds:					
Total funds brought forward	1,939,590	(1,536,000)	6,892,189	7,295,779	8,067,494
Net movement in funds	299,152	1,727,086	(340,352)	1,685,886	(771,715)
Total funds carried forward	<u>2,238,742</u>	<u>191,086</u>	<u>6,551,837</u>	<u>8,981,665</u>	<u>7,295,779</u>

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

The notes on pages 31 to 55 form part of these financial statements.

FREMAN COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07686458


BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	6,551,837	6,892,189
Current assets			
Debtors	14	119,756	60,435
Cash at bank and in hand		2,678,285	2,162,881
		<u>2,798,041</u>	<u>2,223,316</u>
Creditors: amounts falling due within one year	15	(485,213)	(283,726)
Net current assets		<u>2,312,828</u>	<u>1,939,590</u>
Total assets less current liabilities		<u>8,864,665</u>	<u>8,831,779</u>
Defined benefit pension scheme asset / liability	22	117,000	(1,536,000)
Total net assets		<u><u>8,981,665</u></u>	<u><u>7,295,779</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	6,551,837	6,892,189
Restricted income funds	16	74,086	-
Restricted funds excluding pension liability / asset	16	<u>6,625,923</u>	<u>6,892,189</u>
Pension reserve	16	117,000	(1,536,000)
Total restricted funds	16	<u>6,742,923</u>	<u>5,356,189</u>
Unrestricted income funds	16	<u>2,238,742</u>	<u>1,939,590</u>
Total funds		<u><u>8,981,665</u></u>	<u><u>7,295,779</u></u>

FREMAN COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07686458

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 26 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DocuSigned by:

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.....
Mrs J Martin
Chair of Trustees
Date: 16-12-2022 | 11:42 GMT

The notes on pages 31 to 55 form part of these financial statements.

FREMAN COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	<i>2021</i> £
Cash flows from operating activities			
Net cash provided by operating activities	18	675,578	223,001
Cash flows from investing activities			
	19	(160,174)	(39,120)
Change in cash and cash equivalents in the year		515,404	183,881
Cash and cash equivalents at the beginning of the year		2,162,881	1,979,000
Cash and cash equivalents at the end of the year	20, 21	<u>2,678,285</u>	<u>2,162,881</u>

The notes on pages 31 to 55 form part of these financial statements

FREMAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

FREMAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

FREMAN COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 30 years
Furniture and equipment	- 4 years
Computer equipment	- 3 years

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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	196,304	-	196,304	-
Government grants	-	21,618	21,618	21,938
	<u>196,304</u>	<u>21,618</u>	<u>217,922</u>	<u>21,938</u>
<i>Total 2021</i>	<u>-</u>	<u>21,938</u>	<u>21,938</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational activities				
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,702,177	5,702,177	5,400,506
Other DfE/ESFA grants				
Pupil Premium	-	84,117	84,117	63,987
Rates relief	-	27,648	27,648	27,648
Teachers Pay	-	18,028	18,028	70,288
Teachers Pension	-	50,942	50,942	165,916
Other ESFA grants	-	69,437	69,437	21,043
	-	5,952,349	5,952,349	5,749,388
Other Government grants				
Local Authority Grants	-	48,213	48,213	55,927
	-	48,213	48,213	55,927
Other income from the Academy's educational activities	247,937	-	247,937	85,431
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	11,528	11,528	57,280
Other Covid-19 support	-	18,582	18,582	29,660
	-	30,110	30,110	86,940
Total Educational activities	247,937	6,030,672	6,278,609	5,977,686
<i>Total 2021</i>	85,431	5,892,255	5,977,686	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Hire of facilities	4,688	4,688	2,088
Sale of goods/services	61,718	61,718	28,317
Music income	6,325	6,325	6,167
Insurance claim	18,383	18,383	-
Miscellaneous income	-	-	83,181
	<u>91,114</u>	<u>91,114</u>	<u>119,753</u>
<i>Total 2021</i>	<u>119,753</u>	<u>119,753</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	1,167	1,167	880
	<u>1,167</u>	<u>1,167</u>	<u>880</u>
<i>Total 2021</i>	<u>880</u>	<u>880</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Educational activities:					
Direct costs	4,435,496	-	430,534	4,866,030	4,605,944
Allocated support costs	879,637	603,841	474,418	1,957,896	1,832,028
	<u>5,315,133</u>	<u>603,841</u>	<u>904,952</u>	<u>6,823,926</u>	<u>6,437,972</u>
<i>Total 2021</i>	<u>5,104,314</u>	<u>782,000</u>	<u>551,658</u>	<u>6,437,972</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Educational activities	4,866,030	1,957,896	6,823,926	6,437,972
	<u>4,605,944</u>	<u>1,832,028</u>	<u>6,437,972</u>	
<i>Total 2021</i>	<u>4,605,944</u>	<u>1,832,028</u>	<u>6,437,972</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension finance costs	27,000	27,000	17,000
Staff costs	879,637	879,637	805,602
Depreciation	453,283	453,283	510,591
Technology costs	59,807	59,807	-
Premises costs	275,886	275,886	272,299
Other support costs	248,395	248,395	211,118
Governance costs	13,888	13,888	15,418
	<u>1,957,896</u>	<u>1,957,896</u>	<u>1,832,028</u>
<i>Total 2021</i>	<u>1,832,028</u>	<u>1,832,028</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021 £</i>
Depreciation of tangible fixed assets	523,311	510,000
Fees paid to auditors for:		
- audit	9,750	13,000
- other services	2,500	2,000
	<u>9,750</u>	<u>13,000</u>
	<u>2,500</u>	<u>2,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£	£
Wages and salaries	3,830,721	3,696,461
Social security costs	377,323	346,147
Pension costs	1,089,142	968,604
	5,297,186	5,011,212
Agency staff costs	17,947	93,102
	5,315,133	5,104,314

b. Staff numbers

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

	2022	<i>2021</i>
	No.	No.
Teachers	60	64
Administration and support	82	60
Management	7	7
	149	131

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	5	<i>5</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £100,001 - £110,000	1	<i>1</i>
	=====	<i>=====</i>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £827,473 (2021 - £828,815).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2022	<i>2021</i>
		£	<i>£</i>
Ms H Loughran, Head Teacher	Remuneration	100,000 - 105,000	<i>100,000 - 105,000</i>
	Pension contributions paid	20,000 - 25,000	<i>20,000 - 25,000</i>
Dr S Aguilar	Remuneration	45,000 - 50,000	<i>45,000 - 50,000</i>
	Pension contributions paid	10,000 - 15,000	<i>10,000 - 15,000</i>
Mr M Grimley	Remuneration	40,000 - 45,000	<i>40,000 - 45,000</i>
	Pension contributions paid	10,000 - 15,000	<i>5,000 - 10,000</i>
Dr A Vishnivetskaya	Remuneration	15,000 - 20,000	<i>20,000 - 25,000</i>
	Pension contributions paid	0 - 5,000	<i>5,000 - 10,000</i>

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. Trustees' and Officers' insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	9,838,609	704,823	638,348	11,181,780
Additions	-	128,499	54,460	182,959
At 31 August 2022	<u>9,838,609</u>	<u>833,322</u>	<u>692,808</u>	<u>11,364,739</u>
Depreciation				
At 1 September 2021	3,202,955	509,310	577,326	4,289,591
Charge for the year	327,955	125,328	70,028	523,311
At 31 August 2022	<u>3,530,910</u>	<u>634,638</u>	<u>647,354</u>	<u>4,812,902</u>
Net book value				
At 31 August 2022	<u>6,307,699</u>	<u>198,684</u>	<u>45,454</u>	<u>6,551,837</u>
<i>At 31 August 2021</i>	<u>6,635,654</u>	<u>195,513</u>	<u>61,022</u>	<u>6,892,189</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	22,761	21,421
Other debtors	44,367	19,687
Prepayments and accrued income	52,628	19,327
	<u>119,756</u>	<u>60,435</u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	58,477	<i>30,345</i>
Other taxation and social security	95,095	<i>86,435</i>
Other creditors	91,252	<i>-</i>
Accruals and deferred income	240,389	<i>166,946</i>
	485,213	<i>283,726</i>
	2022	<i>2021</i>
	£	£
Deferred income at 1 September 2021	100,343	<i>45,000</i>
Resources deferred during the year	140,767	<i>100,343</i>
Amounts released from previous periods	(100,343)	<i>(45,000)</i>
	140,767	<i>100,343</i>

Deferred income includes trip and catering income that relates to the financial year 2022/23.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Fund	1,939,590	536,522	(237,370)	-	-	2,238,742
Restricted general funds						
GAG	-	5,702,177	(5,466,750)	(161,341)	-	74,086
Pupil Premium	-	84,117	(84,117)	-	-	-
Rates relief	-	27,648	(27,648)	-	-	-
Other ESFA grants	-	138,407	(138,407)	-	-	-
Local Authority grants	-	48,213	(48,213)	-	-	-
Covid Catch up premium	-	11,528	(11,528)	-	-	-
Other Covid funding	-	18,582	(18,582)	-	-	-
Pension reserve	(1,536,000)	-	(268,000)	-	1,921,000	117,000
	<u>(1,536,000)</u>	<u>6,030,672</u>	<u>(6,063,245)</u>	<u>(161,341)</u>	<u>1,921,000</u>	<u>191,086</u>
Restricted fixed asset funds						
Fixed Assets	6,892,189	-	(523,311)	182,959	-	6,551,837
DFC	-	21,618	-	(21,618)	-	-
	<u>6,892,189</u>	<u>21,618</u>	<u>(523,311)</u>	<u>161,341</u>	<u>-</u>	<u>6,551,837</u>
Total Restricted funds	<u>5,356,189</u>	<u>6,052,290</u>	<u>(6,586,556)</u>	<u>-</u>	<u>1,921,000</u>	<u>6,742,923</u>
Total funds	<u><u>7,295,779</u></u>	<u><u>6,588,812</u></u>	<u><u>(6,823,926)</u></u>	<u><u>-</u></u>	<u><u>1,921,000</u></u>	<u><u>8,981,665</u></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Statement of funds (continued)

that has been provided to the academy via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

Other EFSA grants represents the funding received from the DfE/ESFA which is restricted in nature.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion.

The restricted fixed asset fund includes the freehold property and all other fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of restricted funds to the fixed asset reserve fund represents the spending of restricted monies for fixed asset additions as permitted by the terms of the grant.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General Fund	1,653,526	206,064	-	80,000	-	1,939,590
Restricted general funds						
GAG	-	5,400,506	(5,280,506)	(120,000)	-	-
Pupil Premium	-	63,987	(63,987)	-	-	-
Rates relief	-	27,648	(27,648)	-	-	-
Other ESFA grants	-	257,247	(257,247)	-	-	-
Local Authority grants	-	55,927	(55,927)	-	-	-
Covid Catch up premium	-	57,280	(57,280)	-	-	-
Other Covid funding	-	29,660	(29,660)	-	-	-
Pension reserve	(927,000)	-	(155,000)	-	(454,000)	(1,536,000)
	<u>(927,000)</u>	<u>5,892,255</u>	<u>(5,927,255)</u>	<u>(120,000)</u>	<u>(454,000)</u>	<u>(1,536,000)</u>
Restricted fixed asset funds						
Fixed Assets	7,340,842	-	(510,591)	61,938	-	6,892,189
DFC	-	21,938	-	(21,938)	-	-
	<u>7,340,842</u>	<u>21,938</u>	<u>(510,591)</u>	<u>40,000</u>	<u>-</u>	<u>6,892,189</u>
Total Restricted funds	<u>6,413,842</u>	<u>5,914,193</u>	<u>(6,437,846)</u>	<u>(80,000)</u>	<u>(454,000)</u>	<u>5,356,189</u>
Total funds	<u><u>8,067,368</u></u>	<u><u>6,120,257</u></u>	<u><u>(6,437,846)</u></u>	<u><u>-</u></u>	<u><u>(454,000)</u></u>	<u><u>7,295,779</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	6,551,837	6,551,837
Current assets	2,361,672	436,369	-	2,798,041
Creditors due within one year	(122,930)	(362,283)	-	(485,213)
Provisions for liabilities and charges	-	117,000	-	117,000
Total	2,238,742	191,086	6,551,837	8,981,665

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	6,892,189	6,892,189
Current assets	1,939,590	283,726	-	2,223,316
Creditors due within one year	-	(283,726)	-	(283,726)
Provisions for liabilities and charges	-	(1,536,000)	-	(1,536,000)
Total	1,939,590	(1,536,000)	6,892,189	7,295,779

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NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(235,114)	(317,715)
Adjustments for:		
Depreciation	523,311	510,591
Capital grants from DfE and other capital income	(21,618)	(21,938)
Interest receivable	(1,167)	(880)
Defined benefit pension scheme cost less contributions payable	241,000	138,000
Defined benefit pension scheme finance cost	27,000	17,000
(Increase)/decrease in debtors	(59,321)	40,000
Increase/(decrease) in creditors	201,487	(142,057)
Net cash provided by operating activities	675,578	223,001

19. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	1,167	880
Purchase of tangible fixed assets	(182,959)	(61,938)
Capital grants from DfE Group	21,618	21,938
Net cash used in investing activities	(160,174)	(39,120)

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,678,285	2,162,881
Total cash and cash equivalents	2,678,285	2,162,881

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,162,881	515,404	2,678,285
	<u>2,162,881</u>	<u>515,404</u>	<u>2,678,285</u>

22. Pension commitments

The Academy'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 Hertfordshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £80,343 were payable to the schemes at 31 August 2022 (2021 - £ -) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £573,290 (2021 - £679,104).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £219,000 (2021 - £192,000), of which employer's contributions totalled £172,000 (2021 - £151,000) and employees' contributions totalled £47,000 (2021 - £41,000). The agreed contribution rates for future years are 25.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Pension commitments (continued)

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.1
Females	24.4	24.5
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	26	26.2

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate -0.1%	62	103
Mortality assumption - 1 year increase	97	-
CPI rate +0.1%	55	88

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	1,265,000	1,319,000
Corporate bonds	582,000	722,000
Property	380,000	274,000
Cash and other liquid assets	304,000	174,000
Total market value of assets	2,531,000	2,489,000

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22. Pension commitments (continued)

The actual return on scheme assets was £-166,000 (2021 - £279,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	(413,000)	(289,000)
Interest income	43,000	36,000
Interest cost	(70,000)	(53,000)
Total amount recognised in the Statement of Financial Activities	(440,000)	(306,000)

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

	2022 £	2021 £
At 1 September	4,025,000	2,958,000
Current service cost	413,000	289,000
Interest cost	70,000	53,000
Employee contributions	47,000	41,000
Actuarial (gains)/losses	(2,130,000)	697,000
Benefits paid	(11,000)	(13,000)
At 31 August	2,414,000	4,025,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	2,489,000	2,031,000
Interest income	43,000	36,000
Actuarial (losses)/gains	(209,000)	243,000
Employer contributions	172,000	151,000
Employee contributions	47,000	41,000
Benefits paid	(11,000)	(13,000)
At 31 August	2,531,000	2,489,000

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23. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	8,474	9,000
Later than 1 year and not later than 5 years	29,659	5,000
	<u>38,133</u>	<u>14,000</u>

24. 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.

25. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

26. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the Academy received £10,912 (2021 - £11,000) and disbursed £8,008 (2021 - £10,000) from the fund. There is £10,904 (2021 - £8,000) included in other creditors relating to undistributed funds that are repayable to the ESFA.