

REGISTERED COMPANY NUMBER: England & Wales - 543113

REGISTERED CHARITY NUMBER: Charity Commission England & Wales - 307024

FARNEY CLOSE SCHOOL LIMITED

**REPORT OF THE TRUSTEES AND
ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2015**



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FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

CONTENTS OF THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

	Page
Reference and administration details	1
Trustees Annual and Strategic Report	2 – 12
Report of the Independent Auditors	13 - 14
Statement of Financial Activities	15
Balance Sheet	16
Cash flow Statement	17
Notes to the Accounts	18- 29
Detailed Statement of Financial Activities	30 - 31

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number: 00543113 (England and Wales)

Registered Charity number: 307024

Registered office

Bolney Court
Crossways
Bolney
Haywards Heath
West Sussex
RH17 5RD

Trustees, and Company Directors

S M Burt (Chair)	M Gibrill
J E Bowry (appointed 18/10/2014)	S K Heritage
L Collins	L C Houston
S Deane (appointed 16/5/2015)	M E Jones
H Etkin (resigned 9/2/2015)	B J King
D Eynon (deceased 9/01/2015)	L Rigglesford (appointed 18/10/2014, deceased 11/2015)

Company Secretary E V Thompson

Head Teacher B Robinson

Auditors:

Moore Stephens (South) LLP
9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Bankers:

NatWest Bank Plc
Haywards Heath
West Sussex

Lloyds Bank Plc
Newport
Isle of Wight

Solicitors:

Dean Wilson LLP
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, the Memorandum and Articles of Association, and is constituted as a limited company by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new Trustees

The board of trustees (who are also Directors for the purpose of company law) may appoint trustees if a vacancy arises part way through the year. New trustees are appointed with reference to the members of the Charitable Company, and are considered on the basis of their skills and experience.

Induction and training of new Trustees

Appropriate training is available to all trustees to help develop and enhance the skills which they offer to the School. Suitably qualified new trustees are sought from the 'Members of the Association/Friends of Farney Close' on a regular basis.

Organisational structure

The trustees are aware of the continuing benefits to the better management of the school which arise from a board of trustees with wide and appropriate knowledge and skills. On appointment, all new trustees are provided with a detailed induction pack providing information on both the responsibilities and liabilities of trustees and the school's history.

The trustees meet formally three times a year and if required on an ad hoc basis, to review strategy and performance and to set operating plans and budgets. The trustees are elected by the members at the Annual General Meeting. The board of trustees may appoint trustees if a vacancy arises part way through the year; a trustee appointed in this way must retire at the next Annual General Meeting but can be re-elected. There are sub committees with specific responsibilities of finance, premises, education policies and health and safety, which reports to the board of trustees. The committees meet regularly to ensure all aspects of the school are reviewed and monitored.

Educational matters on a day to day basis are delegated to the Head Teacher, who is supported by the Deputy Head Teacher, and Care Manager.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. These are identified to the board through a risk review procedure and by committees, and an annual action plan put in place.

What are the schools aims?

The school's aim is to provide educational and social development opportunities for boys and girls aged 11-18 who, as of the institution of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health, or Statement of Special Educational Need for Social, Emotional and Behavioural Difficulties.

All pupils who attend the school are referred to the school by a range of Local Authorities across the South and South East of England. As part of this we aim to;

"Assist every boy and girl to become the best version of his or her own self" and "to reintegrate children into mainstream school whenever possible."

In order to meet these aims we provide a range of structured educational, vocational and social opportunities. It is through this provision that we aim to provide every pupil with the skills, knowledge and understanding to enable them to be successful in social, educational and work environments. We would also expect that they would become more resilient, less marginalised and more confident.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

STRATEGIC OBJECTIVES AND ACTIVITIES

Our key objectives are to:

- Provide a framework that offers choice and change in young people's lives.
- Provide an academic, vocational and social education that supports pupils to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Provide an environment that enables pupil's intellectual, emotional, physical, social and spiritual development to occur.
- Promote a positive sense of personal wellbeing amongst pupils
- Provide pupils with the skills, knowledge and understanding to become socially integrated and effective.
- Provide pupils with a full entitlement to the National Curriculum and a range of examination subjects and at a level that match their abilities and intellectual/cognitive capacity.
- Provide pupils with a package of care that supports and develops their emotional maturity and social needs.
- Provide pupils with a range of vocational opportunities to support a successful transition into the work related environment
- Maintain the sustainability of the school through:
 - Positive inspection and monitoring reports,
 - Managed, responsible fee setting,
 - High quality resources and accommodation,
 - Quality staff training,
 - Conducting quality assurance exercises and maintain appropriate data to inform planning.

Our Ethos, Strategy and Policies

The charity aims to meet its objectives by carrying out its activities in line with the following policies and strategies.

Anti-discrimination and Equality

Provided they have a Statement of Special Educational Need, or an Education, Health & Care Plan, Farney Close is open to pupils who are referred by their Local Authority.

We are an equal opportunity organisation, committed to a working environment that is free from any form of discrimination as identified in the Equality Act 2010. We will make reasonable adjustments to meet the needs of staff or pupils who are, or may become, disabled. Since the inception of the Equality Act 2010 the school reviews its compliance in this area of legislation annually. As a result, the school has an Equality Policy in place which has been approved by the Governors and Directors.

Public Benefit

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing academic and social education and on fee-charging.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

Safeguarding

The school is committed to safeguarding and promoting the welfare of its pupils and expects all Governors, Directors and staff to share this commitment. As part of this, the school's two designated Child Protection Officers undertake regular statutory training to support their duties. All members of staff are regularly trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Children Board. In the last integrated Ofsted Education and Social Care Inspection: November 2015, which identified the schools provision in education and care as Outstanding, the report commented:

"A culture of safety is embedded in the school and the residential homes. All members of staff, whatever their role, are highly trained in safeguarding and child protection. All adults working in the school know what to do and who to inform if they have concerns about any pupil's safety or well-being"

And:

"Pupils feel safe and cared for while they live and work at the school. Some see school as a haven and do not wish to return home. Leaders tenaciously pursue any safeguarding concerns about pupils with the relevant local authorities. Clear records contain the necessary information to show how any concerns have been followed up and tackled"

In order to prevent bullying and to raise awareness of the subject amongst the pupils, members of staff take every opportunity to identify how and why it can occur, and to explain to pupils how it can affect those subjected to it. All staff work hard to prevent bullying by setting clear boundaries and expectations of behaviour and by ensuring that all cases are formally addressed. Within PSHE, Anti-Bullying forms part of the curriculum and the school continues to participate in the annual national Anti-Bullying Week. As part of this, we give all pupils the opportunity to express their views and concerns about bullying through an annual quality assurance questionnaire. Pleasingly, the results of this year's questionnaire identified that every child at the school felt completely safe and that every one of them knew who to approach to make a complaint and where to get help and guidance if they needed to.

The school is fully aware of its responsibility to ensure safe internet use for staff and pupils and the importance of maintaining the integrity of its own systems in terms of consistent effectiveness, the confidentiality of records and information, and the prevention of potentially damaging viruses. Pleasingly, the recently installed cyber-sitter software and internal security system has been particularly effective in achieving and maintaining this.

Training

It is important to the development of the school that it looks to improve the skills, knowledge and understanding of its staff. To ensure this, all RSCWs are trained to NVQ Level 3 in Children and Young People, which means that we are fully compliant with Government guidance. At the same time, the staff team receive regular in-service training and access to external courses as and when necessary. In addition, all of the care team have completed a variety of Certificate Distance Learning modules from NEScott College in Surrey. This includes modules on Diversity, Safeguarding, Food and Nutrition and Exercise. Similarly, in order to widen their knowledge and experience, many of the care team have visited a number of other similar schools.

This year the Government and Ofsted agenda has been on safeguarding, with a particular focus on Child Sexual Exploitation, preventing Female Genital Mutilation, and the prevention of Radicalisation of children through the internet. In response, the Head Teacher provided awareness training on these areas alongside a range of other Child Protection and Safeguarding matters to all staff across every department of the school.

In other areas of safeguarding compliance, the Head Teacher and Care Manager have recently renewed their Lead Safeguarding Officer training and despite the earlier training still being relevant but over 10 years old, the Head Teacher and Head of Care are also renewing their training on Safe Recruitment in February 2016. This training looks at how to ensure proper safeguarding throughout the entire recruitment process; from advertising posts, interviewing candidates, requesting references, DBS applications and finally, on inducting new staff.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

To ensure good, safe practice in relation to pupil physical interventions where it may be necessary the Head Teacher and Head of Care, who are the school's lead trainers, completed their Advanced Team Teach renewal in November 2015. However, through the deteriorating health issues of other Lead Instructors, the number of Advanced Instructors in school has reduced this year. As a result, a number of new instructors need to be trained to Advanced Level. Naturally progression to this level first requires training to Intermediate Level, and as such we aim to complete the whole process over the next 14 months. In the meantime quality and regularity of training has not been compromised and so the standard remains high, with help and guidance always on hand.

Risk Assessment

The school has taken considerable steps to identify and assess any risks that it may experience by conducting a yearly whole school risk assessment of all its provision and activities, including those provided off site. At the same time, an independent Health and Safety officer carries out an annual whole school Health and Safety audit, which generates an action plan to address anything highlighted. To further support this good practice and to better understand any potential risks to the school, the NEBOSH qualified Deputy Head Teacher oversees the whole process and is supported by the Governor designated for Health & Safety, who herself is NEBOSH qualified.

Informing Parents/Carers

As of last year, we reviewed and increased the number of times that we reported to parents, carers and Local Authorities about their child's educational and social progress, meaning that in addition to the Annual Statutory review of the Statement or Education Health and Care Plan, we send out interim education and care reports once a term. Parents/carers also regularly receive care plans for their child, focusing on social development, building independence skills, and levels of resilience. This is also supplemented with parent's / carers evenings three times a year and by annual parents and carers evening in the summer term. The response so far has been very positive and levels of attendance have been fairly well maintained

Twice yearly, parents and carers now receive copies of the new Pupil Passport, which is a unique planning and recording document devised in school. In the recent Ofsted inspection it was highly regarded as an effective tool that helped pupils make excellent progress, and described as:

"....a key planning document, which vividly explains pupils' difficulties, their long-term goals and their own views about their learning"

The passport replaces the old pupil IEPs and supports "co-production" which is the term now generally used to identify the range of consultation opportunities between the school, pupil, and their parents and carers to set out the strategies and desired outcomes in the passport. Where pupils are Looked After by the Local Authority, additional reviews are held to devise Personal Education Plans and Looked After Care Plans.

The school also offers parents and carers advice where possible and appropriate, particularly in relation to helping them keep their child safe. As part of this our Local Police Liaison Officer provided some well received guidance and advice to parents and carers on preventing child sexual exploitation and radicalisation on the final evening of the Christmas term.

The school's website has received another upgrade and improvement in September 2015, helping to keep parents and carers informed of events throughout the term. Further opportunities for communication are provided to parents and carers, who can speak to a senior member of staff or to their child's house care staff should they wish on any evening by phone.

Parents and carers receive important, emergency text messages whenever the school might have to close early due to adverse weather conditions, or to inform them when the school will reopen after such an event. This information is also made available through the school's "Noticeboard" on the website. And finally, the school also has a well-defined, easy to follow Worries and Complaints procedure with clear guidance on how and to whom parents or carers can contact to share their concerns.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

Again, in the recent Ofsted inspection report, it is worth noting that parents and carers told inspectors that they:

".....regard the school extremely highly and see it as life-changing for their children. Parents told inspectors that they could not praise the school highly enough and that their children had been helped in every area to improve their behaviour and succeed in life. They believe that their children are pushed and challenged 'in the right way' and have been 'given trust' and opportunities they thought their children would never have had. The inspection team agreed."

Quality Assurance

The school conducts a range of important quality assurance checks throughout the year in order to identify areas of strength or deficiency, and uses this information to plan and make changes where necessary. This includes gathering data and information on the academic attainment and progress of all pupils in order to set targets and measure improvement and progress over time. This is completed with reference to individual's gender, age, ethnicity, and status where pupils may be looked after by the Local Authority

We also gather information on the profile of pupils entering the school, which allows us to identify any changes that may be needed, for example possible new support strategies where they might be needed. This information also helps to inform inspectors on the makeup of the school and allows us to track other "value added improvements" examples of this might include a decrease in behaviour controlling medication, a decrease in the pupils involvement with the Youth Justice system, or a decline in the support of other support agencies such as Social Services or Children's Adolescent Mental Health, because of the overall effectiveness of our provision.

The school maintains a pupil forum made up of boys and girls from every age range across the school. This allows us to "listen to the voice of the child" and to provide them with an opportunity to make a positive contribution to the school community. Examples of improvement brought about by the Forum include; changes to the school menu, changes to evening activities, and identifying the focus of charity work for the pupils to be involved in.

The school also conducts annual quality assurance questionnaires with its pupils on two separate occasions during the academic year. One of these focuses on bullying, whilst the other seeks pupils views on the overall quality of education, care and staff support they receive. Similarly, the school gathers the views of parents and carers through a yearly questionnaire and, where parents and carers fail to respond, it actively pursues their views by asking them to complete a telephone questionnaire in order to gain the maximum amount of information.

This year saw the introduction of a new policy and procedure for Governors to monitor and evaluate the leadership team's ability to raise pupils' attainment, progress and behaviour on a yearly basis. As part of this, the Executive sub-committee were involved in teacher and classroom observations, looking at pupils' attainment and progress data, and meeting with teachers and the leadership team to evaluate the information and observations. At the end of this the Executive sub-committee prepared a report for the Governing body on their findings, which was very positive overall. Next year, a further layer of quality assurance will be added by including the schools education consultant in the process. His role will be to help Governors interpret information gleaned in relation to national trends

Finally, since the onset of the Care Standards Act, the school Governors have been obliged to appoint Independent Visitors who visit the school on their behalf, reporting back to them every half term on the standard of care and safeguarding. Pleasingly, the regular visits identify a long and established history of high standards in both these areas, which emphasises and justifies the schools many outstanding Ofsted Care inspection reports.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

Pleasingly, the recent inspection reports that:

"Governors are knowledgeable and committed guardians of the vision and values of the school. They ensure that the financial management of the school is secure. Governors set the head teacher and deputy head teacher challenging performance management targets and have excellent first-hand knowledge about the quality of teaching and learning. The head teacher ensures that governors are fully informed about the progress and welfare of individual pupils, the impact of the school's work on disadvantaged pupils and how much teaching and the residential provision are improving. Governors have welcomed some astute changes to the way in which they monitor the performance of the school so that they can challenge school leaders still further, which is typical of the strong working relationship between governors and school leaders and the continuous drive for improvement."

Financial Management and Sustainability

The school employs the services of an independent auditing company to oversee and audit the efficient and effective running of its financial business. The Directors of the Charity meet regularly to ensure that all safeguards and checks are in place to prevent any risks to the company and to ensure that it complies with the regulations of the Charities Act, and the Companies Act. An Annual General Meeting is held where Members of the Association hear reports, agree and accept the accounts and, periodically, elect Trustees.

When setting school fees, the school accepts its responsibility to work hard and offer value for money for referring Local Authorities. At the same time, it also acknowledges its responsibility to maintain an appropriately balanced provision for the pupils in its care. Whilst considering its financial commitments before setting any fees, the school works with its designated link Local Authority, as well as taking the advice of a variety of stakeholders and advisory groups before finalising any fee increases.

Over the last few years there has been a steady decline in pupil referrals, which is an outcome of the substantial cuts to Local Authority budgets, Local Authority reorganisation, and a substantial growth in Tendering and Purchasing Agreements to approved European Market Standards so as to prevent "spot purchasing" by Local Authorities. The aim of this is to bring transparency to the procurement and contracts process historically used between schools such as Farney Close and Local Authorities. Equally, it would appear that many Local Authorities are "interpreting" the "Local Offer" process, set up as part of the recent Children and Families Act 2014, as a means to maintain pupils who would have traditionally received a residential education to support their educational and social development in the home area. Together these issues have meant that there has been a progressive and now marked decline in residential placements. This unintended outcome is not in the "spirit" of the Act, which was specifically aimed at widening pupils and parental choice in order to more effectively meet their child's needs.

As a consequence of the above factors this year has seen a significant decline in pupil referrals in pupil year groups 10 & 11, meaning that numbers in Lower school are particularly low. In response we have employed the services of a consultant marketing strategist to identify a response to address the situation. His recent report poses the question of whether or not we should look at admitting "Day pupils" and how to raise our profile with the growing number of Local Authorities now joined in "Associations" to better manage their procurement arrangements with schools in the independent and non-maintained sector through improved promotional opportunities, such as the website, a new school brochure and a small, informative film. All of which have been addressed over the last year.

At the time of writing this report the Governors and Directors are considering the consultant's report before meeting to make a decision on what steps to take. At the same time, the Head Teacher will visit a number of schools who offer a mixed day and residential provision in order to identify pitfalls and best practice. This information will be discussed on conclusion with the Governors and Directors.

Throughout the process it remains essential that we make every effort to maintain the high profile of the school to Local Authorities so that they consider us to be first choice provision whenever they look to place a pupil in a residential school. This is supported through a well-designed website and a new school prospectus which has been mailed to a range of Local Authority officers including Case Workers, Educational Psychologists and Finance Directors, who are becoming increasingly more involved in the out of county procurement process. The recent very successful Joint inspection Ofsted Report, which is the schools 13th outstanding for education or social Care since 2000, will also be used to promote the school with the same range of people in Local Authorities.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

In the meantime, despite opposition from Local Authorities who want to maintain zero increase to fees, the Governors and Directors have taken a realistic decision to increase fees from £62,000 to £63,000 to cover the public sector pay increase and the responsibilities for employers to make a contribution to the pension of all employees. Despite this increase the school remains in the lower quartile for fees being charged by other similar independent and non-maintained schools, maintaining our competitive advantage over many other establishments.

In order to extend the school's provision to support the more vulnerable pupils who are of school leaving age, and in an effort to provide greater opportunities to raise the number of pupils on roll, we now have an established 6th Form and this year numbers stand at 6, which makes up for lower numbers further down the school in Year 8 particularly. With this opportunity in mind, we regularly make parents and carers of the current Year 10 and 11 pupils aware of the facility at every opportunity. We also write lengthy, detailed reports to Local Authorities on a range of pupils who we feel would benefit from an extra year, and outlining its benefits at the annual statutory reviews of those respective pupils.

To further promote this facility, the school has also produced a short 6th Form prospectus, distributing it to parents and carers and attending reviewing officers whenever reviews are held for pupils in Years 10 and 11. Wherever possible, the same people have been given an opportunity to see the newly refurbished accommodation for the 6th Formers and the response has always been nothing but complimentary.

ACHIEVEMENTS AND PERFORMANCE

Academic Attainments

Exam results were once again very positive this year. In all, 8, year 11 pupils took a range of exams ranging from GCSE to Entry Level. Collectively pupils took 77 examinations, which is an average of just over 9 exams per pupil, slightly down on previous years. One pupil did exceptionally well in her examinations, achieving 1E, 2D's, 3C's and 1B.

Overall this is a tremendous achievement, particularly when many of the pupils have been seen by people working with them in other schools and organisations as "no-hopers" and incapable of any examination success before coming to Farney Close. These results and the range of educational opportunities available for pupils at the school show that we are meeting the needs of the pupils at a very high level. It is a testament to our school, our resources, our staff, our planning and delivery, our environment and our culture and ethos.

The outstanding inspection report for November 2015 identifies that in relation to examination opportunities and in preparation for moving on:

"Pupils follow ambitious programmes of study. They study a wide range of examination subjects in order to ensure that pupils can stand shoulder to shoulder with pupils from any mainstream school. Pupils also benefit from an innovative range of vocational and work-related courses delivered in a stunning new facility. Pupils are exceptionally well equipped for the world of work or further training."

And:

"When pupils leave the school, they leave with a range of skills and attributes which equip them exceptionally well for life beyond school. This includes GCSE qualifications, entry level qualifications, vocational qualifications and growth in emotional health and well-being."

Vocational Opportunities

The new Vocational building has entered its second year of use, meaning that it is being utilised far more regularly than in its first year. Pupils in Year 10 and 11 are following a wide range externally validated vocational courses, including Painting & Decorating, Vehicle Mechanics, Food & Catering Services, Building & Construction, and Gardening.

The impact on the pupils has been excellent, bringing significant improvements for them by enhancing opportunities to access similar work based employment when they leave, and by providing them with a head start when they move to college to study similar courses, allowing them to feel confident and able.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

Other positive effects have also been observed amongst those who use the Centre. Chiefly, amongst these has been the substantial decrease in the normally associated behavioural characteristics of SEBD pupils. For example, there are fewer incidents where pupils have been reluctant to engage in new areas of learning, and class disruption has decreased considerably. Overall it is easy to see that it will be a facility that will highly benefit our pupils and suit the Children and Families Act 2014 expectations for personalised learning packages for pupils. It also gives a very strong message to Local Authorities that Farney Close is progressive and responsive to the modern day view of meeting the all-round special needs of pupils, encouraging confidence within Local Authorities to place children at the school.

In this area of the schools support for pupils the Ofsted report identified that:

"Preparation for the next stage of pupils' education is excellent. For many years, no pupil has left the school without entering employment, further education or training. Careers education and planning for life beyond school begin early and continue in the forefront throughout pupils' time in the school. Pupils are supported well with their choices through a wide repertoire of careers talks, presentations, visits and personalised guidance. Pupils make excellent progress in vocational courses, such as construction and catering, with many going on to gain apprenticeships and work experience"

Supporting Pupil's Learning and Emotions

In order to support the development of pupil's basic skills and to help address some of their cognitive and /or learning difficulties, the school has for a long time employed a Speech & Language therapist and a Dyslexia specialist. Teachers and classroom assistants also receive training and direction from the specialist and therapist, and they actively lead some lessons where groups of pupils have similar problems, meaning that pupils have access to a skilled workforce for regular sustainable periods. The outcome of this is that pupils' basic skills are improved and they are more able to successfully access the curriculum and achieve better examination results. Where additional assessments of cognitive and learning difficulties are required, the school asks one of its Therapeutic Counsellors, one of whom is a Chartered Educational Psychologist, to complete the task.

Pupil's social and emotional needs are supported on a daily basis by the experienced staff within the school. However, alongside this the school provides further emotional, therapeutic support for pupils by employing two Counsellors who work one day a week respectively, as well as the services of an Art Therapist, and a Drama Therapist, who both work one day a week.

Again the recent inspection report identified that:

"The school's work to promote pupils' personal development and welfare is outstanding"

Staffing

The school is currently understaffed in three posts within the Care team. Given the lower numbers of pupils at the moment we are not looking to fill all of those positions.

Site Development

Given the programme of developments across the site over recent years, this year has seen a slowdown, with improvements limited to the redevelopment of the toileting and bathing facilities on Somerville.

The house standing at the end of the Long Drive purchased in December 2014 has been subject to improvements. These include re-roofing, rewiring and plumbing and heating improvements. The purchase represents a sound financial investment given the low levels of interest that we currently receive on our banked funds.

Inspection Outcomes

The school is inspected annually by Ofsted Social Care, and usually every three years by Ofsted Education. There are also occasions when they inspect the school together as part of an Integrated Inspection.

In November 2015 the school was jointly inspected by Ofsted Education and Social Care under the new guidance and more rigorous common inspection frame, and pleasingly the judgement was that the school was outstanding in both areas. Very uniquely, this is the school's 13th outstanding inspection report since 2000, which is a record that is unlikely to be matched by any other similar school across the country.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

The summary of the reports key findings stated that:

Teaching, learning and assessment are outstanding. Pupils make exceptional progress and are extremely well prepared for their next steps in employment, training or further education.

□□Pupils' personal development is outstanding. They leave the school as confident and optimistic young people who are rightly proud of their accomplishments.

□□Relationships between pupils and staff are excellent. Staff genuinely care for pupils and are totally committed to their safety and welfare. Pupils' behaviour and emotional health improve hugely over time.

□□Complacency is unheard of because school leaders constantly reflect on how they can improve. Leaders make sure that all the independent school standards are met.

□□Leaders have created an ambitious, happy and determined school community where staff and pupils work together as a cohesive team.

□□Pupils thrive in the residential homes. They are exceptionally well cared for. Communication between the residential homes and school motivates pupils and ensures their outstanding progress.

□□The sixth form is outstanding. Pupils' individual study programmes ensure that they have a well-planned and positive future. One pupil said, 'This place has changed me for the better.'

□□Governors are highly effective guardians of the school's vision and values. They have ensured that the school sustains its outstanding reputation as a centre of excellence for pupils with severe behavioural and emotional difficulties.

□□The school meets the national minimum standards for residential special schools.

Community Links

So as to help pupils gain a wider understanding of the needs of others, and to help them to find more opportunities to develop personal empathy, self-awareness and to make a positive contribution to the local community and the world community.

As part of this, this year has seen a full programme of events to raise money for Ancona, which is a remote village in Ghana. This opportunity was brought to the school by one of our senior residential social workers, Austin Bye, who initially went to the village early in 2015 as a volunteer during holiday time to work within the village. Once Austin returned he shared his experiences with the pupils and they all decided that they would like to offer support and help to the school children in the village, so began a series of fund raising events that has topped over £1,000. This money has been used to buy and fit a large water storage tank for the village, medicine for a period of malaria outreach work and, because the fund raising was so effective, there was enough money to build a new wooden kindergarten school for the very young children.

Austin returned to the village in December 2015 to carry out more voluntary work and to see what progress had been made on the projects paid for, all of which have gone very well. Another benefit of the link was that pupils from our own Christmas choir made a recording of themselves singing, which was similarly replicated by the pupils in the village by way of a thank you. This was shown to the pupils and it was clearly a very moving, emotional moment for them. The pupils have decided that they want to continue the link with the children of Ancona and to raise more money for other projects.

This year, other charity events used for the pupils to recognise the difficulties of others has included raising funds for Children in Need and Red Nose Day, plus The Terrence Higgins Trust and The Macmillan Cancer Trust.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

FINANCIAL REVIEW AND RESERVES

The result of the operating plan for the academic year 2014-15 was a surplus on unrestricted funds of £130,442, (2014 - £386,754), taking unrestricted funds to £5,268,247 (2014 - £5,137,805). Of the total funds, £2,594,631 - (2014 - £2,020,444) was in respect of buildings and fixed assets, and the net current assets in unrestricted funds was stated at £2,629,868 (2014 - £3,117,361).

The restricted funds decreased by £58,355 (2014 - £8,682) as a result of spending funds from grants and donations towards equipment, in particular the new vocational building. Equipment restricted funds of £43,748 (2014 - £102,103) were carried forward.

A total of £33,605 (2014 - £1,474,978) was invested in fixed assets in the year, on equipment for the school.

The school has always had a cautious investment policy, with investments in short term deposits. The return on investments has proved very low in the current financial climate. The school has therefore purchased the property "Redwoods" which borders the school, near the front gate. This utilised £614,751 of free reserves. This is disclosed as an investment property in these accounts.

The report has highlighted above ongoing funding issues with regard to local authority decision making and their placement of pupils. The charity needs to maintain reserves in order to continue to improve the education and care services provided; and at the same time provide a buffer to cope with the increased uncertainties over pupil numbers and funding. The Trustees have always had in mind the need to maintain reserves necessary to complete each academic year, in the event of major unforeseen circumstances. Free reserves at the year end were therefore in the region of £2,600,000.

PLANS FOR FUTURE PERIODS

Over the next year the school aims to:

- Consider the proposals recommended in the marketing strategy report.
- Continue to provide a high quality education and care provision for its pupils.
- Identify how the school might respond if there is a decline in numbers due to further Local Authority finance cuts.
- Continue to provide good value for money to referring Local Authorities in order to promote the school as an attractive proposition.
- Prepare the school for any future inspections, e.g.: Ofsted inspections in relation to Education and Care, Health and Safety, Environmental Health, Fire etc.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

TRUSTEES ANNUAL AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2015 - continued

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year. Under that law the trustees have elected to prepare the accounts in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The accounts are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

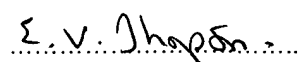
So far as the trustees are aware, there is no relevant information of which the charitable company's auditors are unaware. Additionally, the trustees have taken all necessary steps that they ought to have taken in order to make themselves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Moore Stephens (South) LLP, will be proposed for re-appointment in accordance with Section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD

This report was approved by the Board of Trustees on 6 February 2016 and the company secretary was authorised to sign it on their behalf.


E Thompson
Secretary

Dated 6/2/16

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

We have audited the financial statements of Farney Close School Limited for the year ended 31 August 2015, which are set out on pages 15 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the UK Accountancy Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

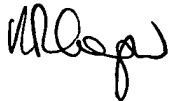
FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED
(cont..)

Matters on which we are required to report by exception

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

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



K R Cooper BA FCA DCha
Senior Statutory Auditor
For and on behalf of Moore Stephens (South) LLP
Chartered Accountants
Statutory Auditor

Dated: 13 April 2016

9 St Johns Place
Newport
Isle of Wight
PO30 1LH

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted Funds		Restricted Funds	31/8/2015	31/8/2014
	Note	General	Designated		Total Funds	Total Funds
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income – donations		2	-	-	2	79,790
Repayment of grant income received		-	-	-	-	-
Activities for generating funds	2	1,560	-	651	2,211	1,398
Investment income	3	20,830	-	-	20,830	30,698
Incoming resources from charitable activities						
School Fees		3,204,991	-	-	3,204,991	3,544,205
Other incoming resources		<u>18,955</u>	<u>-</u>	<u>-</u>	<u>18,955</u>	<u>5,384</u>
Total Incoming Resources		<u>3,246,338</u>	<u>-</u>	<u>651</u>	<u>3,246,989</u>	<u>3,661,475</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income – fundraising	9	1,732	-	-	1,732	7
Costs of charitable activities	6	3,103,428	-	48,246	3,151,674	3,239,065
Governance costs	9	<u>21,496</u>	<u>-</u>	<u>-</u>	<u>21,496</u>	<u>21,675</u>
Total Resources Expended		<u>3,126,656</u>	<u>-</u>	<u>48,246</u>	<u>3,174,902</u>	<u>3,260,747</u>
NET INCOMING RESOURCES BEFORE TRANSFERS						
		119,682	-	(47,595)	72,087	400,728
Transfer of funds		10,760	-	(10,760)	-	-
Net movement of funds in the year		<u>130,442</u>	<u>-</u>	<u>(58,355)</u>	<u>72,087</u>	<u>400,728</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>5,137,805</u>	<u>-</u>	<u>102,103</u>	<u>5,239,908</u>	<u>4,839,180</u>
TOTAL FUNDS CARRIED FORWARD		<u>5,268,247</u>	<u>-</u>	<u>43,748</u>	<u>5,311,995</u>	<u>5,239,908</u>

All incoming resources and resources expended arise from continuing activities.

The above statement of financial activities incorporates the income and expenditure account.

There are no recognised gains or losses, other than those passing through the Statement of Financial Activities.

The notes form part of these financial statements

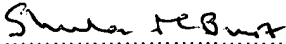
FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2015

		31/08/2015 Total Funds £	31/08/2014 Total Funds £
	Note		
FIXED ASSETS			
Tangible assets	10	1,979,880	2,020,444
Investment Properties	11	<u>614,751</u>	<u>-</u>
		2,594,631	2,020,444
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	1,077,048	208,679
Higher rate deposits		1,737,977	1,726,321
Cash at bank in hand		<u>937,245</u>	<u>2,425,571</u>
		3,752,270	4,360,571
CREDITORS			
Amounts falling due within one year	13	(1,034,906)	(1,141,107)
NET CURRENT ASSETS		2,717,364	3,219,464
TOTAL ASSETS LESS CURRENT LIABILITIES		5,311,995	5,239,908
NET ASSETS		5,311,995	5,239,908
FUNDS	14		
Unrestricted funds			
General		5,268,247	5,137,805
Designated – vocational building		-	-
		5,268,247	5,137,805
Restricted Funds		<u>43,748</u>	<u>102,103</u>
TOTAL FUNDS		5,311,995 =====	5,239,908 =====

These accounts have been prepared in accordance with the provisions of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 6 February 2016 and were signed on its behalf by:


.....
S M Burt – Trustee

Company Registered number (England and Wales) 543113

The notes form part of these financial statements

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	31/08/2015 £	31/08/2014 £
NET INCOMING (OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES			
Net cash inflow/(outflow) from operations	15	(849,144)	991,170
RETURNS OF INVESTMENT AND SERVICING OF FINANCE			
Investment income receipts		20,830	30,698
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payment for tangible fixed assets		(648,356)	(1,474,978)
NET CASH (OUTFLOW)/ INFLOW		(1,476,670) =====	(453,110) =====

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Basis of preparing the accounts

The accounts are prepared under the historical cost convention with the exception of investments which are included at market value. The accounts include the results of the activities described in the Trustees' Report all of which are continuing. The accounts have been prepared in accordance with the Charities Act 2011 applicable accounting standards and the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" 2005.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards the Companies Act 2006 and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities 2005".

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

School fees are recognised over the academic year to which the fees apply.

For legacies, entitlement is the earlier of the charity being notified of any impending distribution or the legacy being received.

Grants towards equipment and assets are recognised upon receipt.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified. No amounts are included in the accounts for services donated by volunteers.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category. School costs represent the charity's main purpose, and are included in charitable expenditure.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity, and are included in charitable activities. Governance costs are those incurred in connection with Trustee meetings and external scrutiny.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. As the sole activity of the charity is the provision of education, costs are allocated to the "Establishment", "School", and "Support", which are all charitable expenditure. There are no pro-rata allocations in these accounts.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

1 ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing more than £1,000, and bought for the long term use of the charity, are treated as capital additions to fixed assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Property	- 2 to 5% per annum
Kitchen and laundry	-20% on cost
Furniture and equipment	-20% on cost
Garden equipment	-20% on cost
Motor vehicles	-20% on cost

There is not considered a need for impairment reviews of major assets, which are carried at cost. There is no revaluation policy.

Investment properties are included in the balance sheet at their open market value. No depreciation is charged on these assets.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008,) it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

The school also provides education services which are classified as exempt for VAT purposes, so the charity cannot register for VAT. All costs are shown gross, as VAT incurred is irrecoverable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor, or when funds are raised for particular restricted purposes.

Designated funds arise when the Trustees allocate specific resources for projects. Currently these have been designated for specific building projects.

Pensions

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS') and a further defined contribution scheme for non teaching staff. The teachers' pension scheme is a defined benefit scheme and the assets of both are held separately from those of the school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

2 ACTIVITIES FOR GENERATING FUNDS		31/08/2015	31/08/2014
		£	£
Disbursement income		156	135
Board and lodging		1,404	1,181
Fundraising events		<u>651</u>	<u>82</u>
		2,211	1,398
		=====	=====
3 INVESTMENT INCOME		31/08/2015	31/08/2014
		£	£
Interest		20,830	30,698
		=====	=====
4 NET INCOMING RESOURCES		31/08/2015	31/08/2014
		£	£
Net resources are stated after charging/(crediting):			
Auditors' remuneration		13,890	14,435
Auditors' remuneration for assurance services other than audit		-	-
Depreciation – own assets		74,169	29,756
Surplus/(deficit) on disposal of fixed assets		-	(1,301)
		=====	=====
5 TRUSTEES' REMUNERATION AND BENEFITS		31/08/2015	31/08/2014
		£	£
The following directors received payment from the general fund:			
M Gibrill		12,646	12,949
H Etkin		-	-
		=====	=====
Charity Commission permission has been granted for these payments; which are in relation to their services as professionals, and not in respect of their role as Trustees.			
Trustees' Expenses			
During the year five Trustees claimed £ 2,000 (2014 £2,269) of expenses which relate to travel costs and Trustee meetings.			
6 CHARITABLE ACTIVITIES COSTS		31/08/2015	31/08/2014
		£	£
All charitable activities are undertaken directly by the charity.			
Direct charitable costs	see note 9	2,936,446	3,020,217
Support costs	see note 9	<u>167,045</u>	<u>153,212</u>
		3,103,491	3,173,429
		=====	=====
7 FUNDRAISING COSTS		31/08/2015	31/08/2014
		£	£
Fundraising costs		-	7
Investment property costs		1,732	-
		=====	=====

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

8 STAFF COSTS

	31/08/2015	31/08/2014
	£	£
Wages	1,858,401	1,866,089
Social security costs	164,853	175,577
Other pension costs	<u>97,539</u>	<u>94,403</u>
	2,120,793	2,136,069
	=====	=====

The average monthly number of employees during the year was as follows:

	31/08/2015	31/08/2014
School	57	59
Establishment	14	16
Administration	<u>3</u>	<u>3</u>
	74	78
	==	==

The numbers of staff earning above £60,000 are analysed below:

	Number	Number
£ 70,000 - £ 80,000	1	1
£ 90,000 - £100,000	1	1

Of the two staff above both had pension accruing under defined benefit schemes (2014:2)

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

9 EXPENDITURE

	Fundraising	Charitable	Governance	Restricted	Total 31/08/2015	Total 31/08/2014
	£	£	£	£	£	£
ESTABLISHMENT						
Salaries	309,487	-	-	-	309,487	289,854
Catering	90,550	-	-	-	90,550	95,274
Cleaning	15,005	-	-	-	15,005	15,891
Laundry	3,398	-	-	-	3,398	4,211
Repairs to premises	55,706	-	-	-	55,706	41,058
Special projects	97,165	-	-	7,374	104,539	151,090
Equipment	23,290	-	-	28,853	52,143	25,332
Vocational building equipment	5,850	-	-	5,711	11,561	62,952
Household costs	15,212	-	-	626	15,838	7,179
Rates and water	30,750	-	-	-	30,750	56,239
Insurance	74,158	-	-	-	74,158	62,114
Fuel, heat and light	94,300	-	-	-	94,300	90,899
Garden and grounds	8,553	-	-	-	8,553	10,554
Depreciation	74,169	-	-	-	74,169	29,756
Loss on disposal of assets	-	-	-	-	-	1,301
Training	5,042	-	-	-	5,042	2,739
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	902,635	-	42,564	945,199	946,443
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
SCHOOL						
Salaries	1,811,139	-	-	-	1,811,139	1,910,880
Pension	10,366	-	-	-	10,366	7,258
Consultants	127,087	-	-	-	127,087	121,873
Staff training	8,051	-	-	-	8,051	13,927
Education	40,432	-	-	3,227	43,659	50,732
Childcare	26,245	-	-	458	26,703	24,411
Disbursements	10,491	-	-	1,997	12,488	10,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,033,811	-	5,682	2,039,493	2,139,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
SUPPORT COSTS						
Salaries	88,164	-	-	-	88,164	90,159
Recruitment	7,205	-	-	-	7,205	2,885
Audit fee	-	13,890	-	-	13,890	14,435
Financial Adviser	-	4,580	-	-	4,580	4,350
Telephone	15,556	-	-	-	15,556	11,280
Postage	3,828	-	-	-	3,828	3,712
Motor expenses	26,160	-	-	-	26,160	22,860
Printing and stationery	12,479	-	-	-	12,479	12,878
Payroll	-	3,026	-	-	3,026	2,890
Council meetings	2,000	-	-	-	2,000	2,269
Professional fees	9,101	-	-	-	9,101	4,835
Bank charges	1,286	-	-	-	1,286	1,228
Sundry	1,203	-	-	-	1,203	1,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	166,982	21,496	-	188,478	174,887
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

9 EXPENDITURE (cont'd)

	Fundraising	Charitable	Governance	Restricted	Total	Total
		£	£	£	31/08/2015	31/08/2014
		£	£	£	£	£
FUNDRAISING COSTS						
Fundraising costs	-	-	-	-	-	7
Investment Property costs	1,732	-	-	-	1,732	-
	<u>1,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,732</u>	<u>7</u>
	<u>1,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,732</u>	<u>7</u>
TOTAL EXPENSES	1,732	3,103,428	21,496	48,246	3,174,902	3,260,747
	=====	=====	=====	=====	=====	=====

FARNEY CLOSE SCHOOL LIMITED
(A company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

10 FIXED ASSETS

	Freehold Property £	Kitchen & laundry £	Furniture & equipment £
COST			
At 1 September 2014	3,870,039	114,650	281,039
Additions	4,842	11,874	5,219
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2015	3,874,881	126,524	286,258
	=====	=====	=====
DEPRECIATION			
At 1 September 2014	1,940,382	106,906	243,934
Eliminated on disposals	-	-	-
Charge for year	<u>38,660</u>	<u>4,885</u>	<u>11,817</u>
At 31 August 2015	1,979,042	111,791	255,751
	=====	=====	=====
NET BOOK VALUE			
At 31 August 2015	1,895,839	14,733	30,507
	=====	=====	=====
At 31 August 2014	1,929,657	7,744	37,105
	=====	=====	=====
	Garden equipment £	Motor vehicles £	Totals £
COST			
At 1 September 2014	88,150	76,206	4,430,084
Additions	2,300	9,370	33,605
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2015	90,450	85,576	4,463,689
	=====	=====	=====
DEPRECIATION			
At 1 September 2014	45,629	72,789	2,409,640
Eliminated on disposal	-	-	-
Charge for year	<u>13,517</u>	<u>5,290</u>	<u>74,169</u>
At 31 August 2015	59,145	78,080	2,483,809
	=====	=====	=====
NET BOOK VALUE			
At 31 August 2015	31,305	7,496	1,979,880
	=====	=====	=====
At 31 August 2014	42,521	3,417	2,020,444
	=====	=====	=====

The directors consider the market value of the property to be significantly in excess of the cost. A valuation has not been undertaken to quantify the excess at this time.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

11 INVESTMENT PROPERTIES	31/08/2015
	£
Cost of valuation	
As at 1 September 2014	-
Additions	<u>614,751</u>
At 30 August 2015	<u>614,751</u> =====

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31/08/2015	31/08/2014
	£	£
School fees receivable	1,067,937	195,362
Other debtors	13	3,448
Prepayments	<u>9,098</u>	<u>9,869</u>
	<u>1,077,048</u>	<u>208,679</u> =====

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31/08/2015	31/08/2014
	£	£
Purchase ledger payable	13,807	34,819
Social security and other taxes	8,045	19,229
School fees in advance (see below)	970,408	986,669
Accrued expenses	<u>42,646</u>	<u>100,390</u>
	<u>1,034,906</u>	<u>1,141,107</u> =====

Fees in advance relate to the school fees invoiced in respect of the Autumn term, but which are due only on the start of the next academic year from 1 September, and represent income for the following year:

Fees in advance at 1/09/2014	986,669	1,105,750
Recognised as income in 2014-15 year	(986,669)	(1,105,750)
Fees invoiced prior to 31 August 2015, and carried forward to 2015-16	<u>970,408</u>	<u>986,669</u>
Fees in advance at 31 August 2015	<u>970,408</u>	<u>986,669</u> =====

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

14 MOVEMENT IN FUNDS

	At 1/09/2014 £	Incoming resources £	Resources expended £	Transfers £	At 31/08/2015 £
Unrestricted funds					
General fund	5,137,805 =====	3,246,338 =====	(3,126,656) =====	10,760 =====	5,268,247 =====
Restricted funds					
Vocational Building & equipment	61,473	-	(39,892)	(10,760)	10,821
Media suite	31,111	-	(7,988)	-	23,123
Education and childcare	-	651	(208)	-	443
Equipment donations	<u>9,519</u>	<u>-</u>	<u>(158)</u>	<u>-</u>	<u>9,361</u>
	102,103	651	(48,246)	(10,760)	43,748
	-----	-----	-----	-----	-----
TOTAL FUNDS	5,239,908 =====	3,246,989 =====	(3,174,902) =====	- ==	5,311,995 =====

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

15 RECONCILIATION OF INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	£	31/08/2015 £	£	31/08/2014 £
Net incoming resources		72,087		400,728
Investment income		(20,830)		(30,698)
Loss/(profit) on disposal		-		1,301
Depreciation charges added back		74,169		29,756
(Increase)/decrease in debtors		(868,369)		629,938
Increase/(decrease) in creditors	(89,940)	-	79,226	
Movement in fees in advance	(16,261)	(106,201)	(119,081)	(39,855)
Net cash inflow from operations		(849,144)		991,170
		=====		=====

16 ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE CHARITY

	Cash and Deposits £
Balance at 1 September 2014	4,605,002
Net cash inflow for 2013/14	(453,110)
Balance at 31 August 2014	4,151,892
Net cash inflow for the year	(1,476,670)
Balance 31 August 2015	2,675,222
	=====

17 ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated £	Restricted Funds £	Total £
Tangible fixed assets	2,594,631	-	-	2,594,631
Current assets	3,708,522	-	43,748	3,752,270
Current liabilities	(1,034,906)	-	-	(1,034,906)
	5,268,247	-	43,748	5,311,995
	=====	==	=====	=====

Details of the movement on restricted funds can be seen in note 14.

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

18 PENSIONS

Pension arrangements

The school participates in the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The TPS is a defined-benefit scheme. The pension costs are assessed in accordance with the advice of an independent qualified actuary. The latest actuarial valuation of the TPS related to the period ended 31 March 2015.

The pension cost charge for the year ended 31 August 2015 was £82,012 (2014: £92,647). Contributions amounting to £nil (2014: £nil) were payable to the scheme at the year end.

The school also operated a defined contribution scheme from July 2014, to meet the requirements of auto enrolment. The assets of this scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year ended 31 August 2015 was £15,527 (2014: £1,756). An amount of £nil (2014: £nil) was due to this scheme at the year end.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

FARNEY CLOSE SCHOOL LIMITED
(a company limited by guarantee)

NOTES TO THE ACCOUNTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

18 Pension arrangements (continued)

The key elements of the valuation and subsequent consultation are:

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

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

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

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

19 CONTROL RELATIONSHIP

The Charity is controlled by the Board of Trustees.