

Farney Educational Trust

England & Wales - Charity number 307024

Details

Other names FARNEY CLOSE SCHOOL LTD

Status Registered

Legal form Other

Company number [00543113](#)

Registered 1967-03-10

Register [View on the Charity Commission register](#)

Contact

Address Farney Educational Trust
Bolney Court
Crossways
Bolney
Haywards Heath
West Sus

Phone 01444881811

Email ACCOUNTS@FARNEYCLOSE.CO.UK

Website www.farneyclose.co.uk

Activities

Objects: The objects of the Charity (Objects) are to promote and provide for the advancement of education and in connection therewith, to conduct, carry on, organise and develop in the United Kingdom any boarding or day school or schools for the education of children of either or both sexes but so that each such school shall be carried on as an educational charity.

Activities: Special education - EBD school

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- West Sussex

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-08-31 | £5,821,994 | £4,897,036 | £7,226,081 | 83 |
| 2024-08-31 | £5,140,748 | £4,621,772 | £6,301,123 | 77 |
| 2023-08-31 | £4,302,820 | £4,021,979 | £5,782,147 | 74 |
| 2022-08-31 | £4,310,894 | £3,741,542 | £5,501,306 | 77 |
| 2021-08-31 | £3,568,858 | £3,465,309 | £4,931,954 | 73 |
| 2020-08-31 | £3,320,463 | £3,533,826 | £4,735,687 | 85 |

Trustees

| Name | Role | Appointed |
|----------------------|-------|------------|
| Nicola Bartholomew | Chair | 2026-04-27 |
| Alan Smith | | 2024-11-19 |
| Richard Neil Johnson | | 2026-04-21 |

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity registration number 307024 (England and Wales)

Company registration number 00543113

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION**

| | | |
|--|--|------------------------------|
| Governors | N M S G Bartholomew A J Smith | (Appointed 19 November 2024) |
| Charity number | 307024 | |
| Company number | 00543113 | |
| Registered office and principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD | |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN | |
| Accountant | Moore (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH | |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP | |

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 7 |
| Statement of trustees' responsibilities | 8 |
| Independent auditor's report | 9 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Statement of cash flows | 14 |
| Notes to the financial statements | 15 - 30 |

FARNEY EDUCATIONAL TRUST

FORMERLY FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Farney Close School's aim is to provide educational and social development opportunities for children and young people aged 9 -18 who, following the introduction of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health needs. All students who attend the school are referred by a range of Local Authorities across the South and Southeast of England.

Our key objectives are to:

- Provide an academic, vocational, and socially learning environment that supports students to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst students.
- Provide students with a full entitlement to the National Curriculum and a range of examination subjects at levels that match their abilities and intellectual/cognitive capacity.
- Provide students with a package of care that supports and develops their emotional maturity and meets their social educational needs.
- Provide students 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,
 - Regular quality staff training and professional development opportunities,
 - Conducting quality assurance exercises and the collection and review of 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 schools' policies and procedures.

Anti-discrimination and Equality

Provided they have an Education, Health & Care Plan, Farney Close is open to students who are referred and funded 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.

Public Benefit

In setting our objectives and planning our activities, the Trustees 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, social education and on fee-charging.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its students. This focus is shared by all Trustees and staff. As part of this, the school's Designated Safeguarding Leads undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

A Safeguarding team is in place and consists of :

- Designated Safeguarding Lead (Principal),
- Two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker),
- SENCO,
- Nurse,
- Vice Principal,
- Head of Education (also the schools CEOP's ambassador),
- Referrals and Inclusion Officer,
- A Safeguarding Governor representative.

Both the Principal and the School's Social Worker are registered with Social Work England. The School Social Worker works with all students that benefit from social work input. The School Nurse and our Referrals and Inclusion Officer support with Safeguarding related matters surrounding new pupils but has a particular focus on assessment of potential new pupils and ensuring high attendance is maintained.

The school continues to use an embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increased over the last couple of years and plays a vital part in both the academic and social progress of all students. The school is on a journey to become a Trauma Informed school with training having taken place for all staff, two staff members have completed the Trauma informed diploma and a review of behaviour policies having taken place as a result of this.

We celebrate diversity throughout the year. We have successfully been reissued our Rainbow Flag Award and our Healthy Schools award. We continue to have a Behaviour team that meets biweekly to discuss strategies to support students with their behaviour. This also includes amending present practice to support the adults that work with our students. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. Any episodes of bullying are recorded, and work is undertaken with these students to help them move forward. Weekly culture capital days enable us to not only educate our students but to also celebrate different cultures.

Incidents of student's sexual harassment are recorded, addressed, tracked and action put in place in line with recent Government requirements. As a result of this incidents have significantly reduced. More generally all behavioural incidents are also logged and tracked to support us in identifying times of the day that individuals or groups find more challenging so we can provide extra support to alleviate this.

We run a 24-hour curriculum to ensure that our students are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our students during the evening.

Various opportunities are offered to our students to ensure that their voice is heard and views gathered. For example an annual questionnaire for students and also for their parents/carers, regular meetings with the students Link Workers, in therapy or counselling, tutor time, School Council, annual reviews and House meetings. We ensure that their views are heard and responded to.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Leadership team.

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.

The most significant financial risk concerns the cost of providing services not being fully matched by the income from fees. The academic year (2021/2022) saw us open our day provision and take in day students. In September 2023 the DfE approved us to go from 72 students to 100. This has seen a significant increase in our numbers has financially supported the school and enabled us to enhance our offer. The key to meeting the needs of our students is recruiting skilled and empathetic staff, this continues to be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the students to be less testing and as a result they show less challenging behaviour.

The SLT are supported with half termly visits for our School Improvement Partner (SIP) and our National minimum Standards Independent Visitor. Both parties produce reports from their visits with any advisories so support us moving forward.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for students with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our students.

ACHIEVEMENTS AND PERFORMANCE

The school has continued its journey forward. Our last Educational Ofsted Inspection was in June 2025 where they Judged us to be Outstanding in all areas with the exception of Quality of Education which they viewed us to be Good in. This left us with an overall judgement of "Good". In January 2026 Ofsted Social Care carried out their annual inspection where we gained the rating of Outstanding in all areas.

In July 2024 we asked West Sussex to carry out a Safeguarding audit. The results of this were pleasing with us achieving the best possible grading.

Exam Results 2025

Once again, Farney Close pupils achieved high examination results this year. We are impressed with each and every one of our pupils and how hard they tried throughout the exams.

Results 2025

- Good pass rates for all our pupils at GCSE.
- Amazing pass rates for all pupils at entry level.
- Many pupils achieved beyond expectations, not just passing their GCSEs but receiving strong level 4,5 and 6 passes in some subjects.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

FINANCIAL REVIEW

Financial Management, Sustainability and Reserves

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of students placed by various funding bodies.

The result of the operating plan for the academic year was a surplus on unrestricted funds of £867,455 (2024: £463,493), with a transfer from restricted funds in respect of fixed asset additions of £2,835 (2024: £22,861) taking unrestricted funds to £7,085,856 (2024: £6,215,566). The surplus will continue to be applied toward the increased investment required to improve, and update the premises.

Following the introduction of VAT on school fees from 1 January 2025, the Trust was able to recover £379,967 of previously irrecoverable VAT during the year. This has contributed to the increase in the unrestricted surplus for the year.

Trustees are working with the school's Governing Board and the Senior Leadership Team to finalise a Strategic Development Plan which will involve the provision of additional facilities to support the care and education of young people. This will involve significant development of site facilities and they have therefore designated £1.25m to fund this project.

Of the total funds, £4,819,666 (2024: £4,389,146) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds less the revaluation reserve, and designated reserve) was stated at £1,015,940 (2024: £1,826,420).

The restricted funds increased by £54,918 (2024: £32,622) as a result of pupil premium monies and equipment grants and donations. Restricted funds of £140,475 (2024: £85,557) were carried forward for expenditure in future periods.

A total of £812,381 (2024: £362,067) was invested in fixed assets in the year, on major building works and projects, and upgrading of facilities.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained low in the current financial period with interest earned on funds of £67,404 (2024: £51,852).

The charity needs to maintain reserves 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 student numbers and funding.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

PLANS FOR FUTURE PERIODS

Education

In September 2023 the DofE agreed for us to increase our capacity from 72 to 100. This has enabled us to increase our number of Key Stage 2 students as well as facilitating a new Inclusion unit which is now part of our local offer to maintain places of our more challenging students. The upcoming academic year will see us embed this increase in numbers with the support of the Inclusion classroom.

To offer a curriculum that provides an education for those students who are capable of obtaining at least 5 GCSEs, whilst also enabling the students, who are less able, to achieve. This particularly refers to vocational and employability skills however we are also introducing English Literature at GCSE level and the Double GCSE Science award.

Increase the opportunity for outdoor learning with outdoor classrooms and a forest schools' area. Three staff undertook their Forest Schools training and we now have a dedicated area on the school site for Forest schools. Forest Schools is offered through the school day to KS2 and KS3 pupils and also during the evening for our residential pupils. A new outdoor classroom was donated to provide further opportunities for outdoor learning.

We are working on obtaining our Trauma Informed School award which we hope to achieve this year (2025/26).

In January 2025 we moved from 5 lessons a day to 6 with the 6th being a lesson dedicated to life skills and wellbeing which will be offered to all year groups. This will be reviewed, amended and embedded over the coming year. This opportunity provides experiences to children to help them prepare for adulthood as well as learning a sense of adventure in a safe environment.

In September 2025 we have trialed introducing hair and beauty into our vocational offer. A 10-week course has been undertaken by 3 pupils. This has been a significant success so we will be looking at how best to incorporate this into our local offer as we move forward.

We have relocated our school library to a more accessible location for the students so that we can further enhance reading across the school. Over the coming academic year we will be introducing an efficient and effective way of monitoring books being taken out and returned whilst increasing our oversight of which books children are reading to ensure that they continue to be academically challenged in this area.

Care

We aim to continue to promote the importance of our residential experience in supporting students in learning through a 24-hour curriculum. Here the focus is on social and independent skills to enable the students to become adults that succeed in society. Whilst this is a focus for our work with our residential pupils, we also look to offer pastoral care to all our day pupils, supporting them in their journey into adulthood. A new social, emotional and learning record has been launched (Sept 2024) to record all students progress in this area.

Premises

Development of the school grounds is ongoing and forms part of the five-year maintenance and development plan for the whole site. This will enhance the opportunities for enrichment and outdoor learning, whilst it improves the security and safety of the school site.

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The Trustees of the Charity meet regularly to ensure that all safeguards and checks are in place to mitigate any risks to the Company and to ensure that it complies with the regulations of the Charities and the Companies' Acts.

The Articles of Association were rewritten and adopted on 25 November 2024. The decision was made to change the Charity name to Farney Educational Trust with Farney Close School remaining as a trading name. The Trustees continue to review and approve the accounts, and appoint new Trustees as and when appropriate. 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 duty to maintain an appropriately balanced provision for the students.

The Trustees, who are also the Directors for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---------------------|--|
| C S Johns | (Resigned 9 December 2025) |
| N M S G Bartholomew | |
| A J Smith | (Appointed 19 November 2024) |
| K B Larkins | (Appointed 2 September 2024 and resigned 19 November 2024) |
| S A Larkins | (Appointed 2 September 2024 and resigned 19 November 2024) |

Recruitment and Appointment of new Trustees

The Trustees have explored the barriers in place locally and nationally on recruitment and retention and looking at getting the right people around the table. We have been successful in the recruitment of some new Trustees. Currently there is a recruitment drive for Trustees and Governors.

Having the right mix of people and skills on the board enables the Trustees to have multiple perspectives, and are able to debate issues robustly, and who then speak with unity of voice and message about the decisions made.

On appointment all new Trustees are provided with an induction and information pack and meet with the Chair to talk about responsibilities

Induction and training of new Trustees

The Board have access to training via The Key for Governors and the National Governance Association, as well as the opportunity to attend in-house training with the school staff.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

Organisational structure

The Trustees meet at least six times a year. The Trust Board is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers in a largely strategic leadership role in the running of the School.

The Board:

- undertakes policy development and strategic planning;
- ensures sound management and administration of the trust;
- ensures that managers are equipped with relevant skills and guidance;
- ensures compliance with legal requirements;
- establishes and maintains effective internal controls;
- manages the trust's financial, human and other resources (in particular control over the spending identified in the School's development plan);
- monitors performance and the achievement of objectives, and ensures that plans for improvement are acted upon;
- provides a framework for the School to be responsive to the needs of parents and the community;
- sets the School's standards of conduct and values.

The Board of Trustees delegates day-to-day governance of school matters to the Governors, who report back to the Trustees on the exercising of these responsibilities.

Disclosure of information to auditor

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 them selves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Trustees. In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.



A J Smith

Trustee

Dated: 7 May 2026

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

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.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Farney Educational Trust (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

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 2025 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our 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 doubt on the charitable company'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.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 (incorporating the strategic report and the directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST**

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, school inspections, DBS checks, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK.
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for the 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, or for the opinions we have formed.

TC Group

Mr Mark Cummins FCCA
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor

21 May 2026
.....
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 AUGUST 2025

| | | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|---|-----------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 3,694 | - | 3,694 | 2,550 | 24,861 | 27,411 |
| Charitable activities | 4 | 5,653,214 | 97,570 | 5,750,784 | 5,005,973 | 55,376 | 5,061,349 |
| Investments | 5 | 67,404 | - | 67,404 | 51,852 | - | 51,852 |
| Other income | 6 | 112 | - | 112 | 136 | - | 136 |
| Total income | | 5,724,424 | 97,570 | 5,821,994 | 5,060,511 | 80,237 | 5,140,748 |
| Expenditure on: | | | | | | | |
| Charitable activities | 7 | 4,857,219 | 39,817 | 4,897,036 | 4,592,444 | 24,754 | 4,617,198 |
| Other expenditure | 11 | - | - | - | 4,574 | - | 4,574 |
| Total resources expended | | 4,857,219 | 39,817 | 4,897,036 | 4,597,018 | 24,754 | 4,621,772 |
| Net incoming resources before transfers | | 867,205 | 57,753 | 924,958 | 463,493 | 55,483 | 518,976 |
| Gross transfers between funds | 21 | 2,835 | (2,835) | - | 22,861 | (22,861) | - |
| Net income for the year/ Net movement in funds | | 870,040 | 54,918 | 924,958 | 486,354 | 32,622 | 518,976 |
| Reconciliation of funds: | | | | | | | |
| Fund balances at 1 September 2024 | | 6,215,566 | 85,557 | 6,301,123 | 5,729,212 | 52,935 | 5,782,147 |
| Fund balances at 31 August 2025 | 23 | 7,085,606 | 140,475 | 7,226,081 | 6,215,566 | 85,557 | 6,301,123 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The allocation of the comparative figurers between funds is explained in the notes to these accounts.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 15 to 30 form part of these financial statements.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
BALANCE SHEET

AS AT 31 AUGUST 2025

| | Notes | 2025 | | 2024 | |
|--|-------|-------------|-----------|-------------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | | 4,819,666 | | 4,389,146 |
| Current assets | | | | | |
| Debtors | 17 | 611,696 | | 1,490,716 | |
| Investments | 16 | - | | 1,300,000 | |
| Cash at bank and in hand | | 3,932,289 | | 913,547 | |
| | | | 4,543,985 | | 3,704,263 |
| Creditors: amounts falling due within one year | 18 | (2,090,596) | | (1,765,439) | |
| Net current assets | | | 2,453,389 | | 1,938,824 |
| Total assets less current liabilities | | | 7,273,055 | | 6,327,970 |
| Creditors: amounts falling due after more than one year | 19 | | (46,974) | | (26,847) |
| Net assets | | | 7,226,081 | | 6,301,123 |
| The funds of the charity | | | | | |
| Restricted income funds | 21 | | 140,475 | | 85,557 |
| Unrestricted funds: | 22 | | | | |
| Strategic development fund | | 1,250,000 | | - | |
| General funds | | 5,835,606 | | 6,215,566 | |
| | | | 7,085,606 | | 6,215,566 |
| | | | 7,226,081 | | 6,301,123 |

The notes on pages 15 to 30 form part of these financial statements.

The financial statements were approved by the Trustees on 7 May 2026



A J Smith
Trustee

Company registration number 00543113 (England and Wales)

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2025

| | Notes | 2025 £ | £ | 2024 £ | £ |
|---|-------|-----------|------------------|-------------|----------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 28 | | 2,463,719 | | (359,429) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | 14 | (812,381) | | (362,067) | |
| Proceeds from disposal of tangible fixed assets | | - | | 300 | |
| (Purchase)/Sale of current asset investments | 15 | 1,300,000 | | (1,300,000) | |
| Interest received | 5 | 67,404 | | 51,852 | |
| Net cash generated from/(used in) investing activities | | | 555,023 | | (1,609,915) |
| Net increase/(decrease) in cash and cash equivalents | | | 3,018,742 | | (1,969,344) |
| Cash and cash equivalents at beginning of year | | | 913,547 | | 2,882,891 |
| Cash and cash equivalents at end of year | | | <u>3,932,289</u> | | <u>913,547</u> |

The notes on pages 15 to 30 form part of these financial statements.

The charity had no debt during the year

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity Information

Farney Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

2.2 Going concern

At the time of approving the financial statements, the Governors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income is stated exclusive of VAT where applicable.

2.5 Resources expended

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 are allocated on the portion of the asset's use.

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-----------------|
| Freehold buildings | 2-10% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20-33% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

2 Accounting policies

(Continued)

2.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

2 Accounting policies

(Continued)

2.11 Retirement benefits

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 26, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for a former member of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

2.12 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

From 1 January 2025, VAT was introduced on private school fees and the school registered for VAT. Output VAT is charged on school fee income, and input VAT on expenditure is fully recoverable. A pre-registration VAT claim was submitted during the year.

Prior to this date, school fees were VAT-exempt, the charity could not register, and all costs were shown gross as the input VAT incurred was irrecoverable.

3 Income from donations and legacies

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|---------------------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Donations and gifts | 3,694 | - | 3,694 | 2,550 | 24,861 | 27,411 |
| | <u>3,694</u> | <u>-</u> | <u>3,694</u> | <u>2,550</u> | <u>24,861</u> | <u>27,411</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

4 Charitable activities

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| School fees within charitable activities | 5,644,713 | 5,005,973 |
| Pupil Premium | 97,570 | 55,376 |
| Other income | 8,501 | - |
| | <u>5,750,784</u> | <u>5,061,349</u> |
| Analysis by fund | | |
| Unrestricted funds | 5,653,214 | |
| Restricted funds | 97,570 | |
| | <u>5,750,784</u> | |
| For the year ended 31 August 2024 | | |
| Unrestricted funds | | 5,005,973 |
| Restricted funds | | 55,376 |
| | | <u>5,061,349</u> |

5 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|---------------------------|---------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Interest receivable | <u>67,404</u> | <u>51,852</u> |

6 Other income

| | Unrestricted funds | Unrestricted funds |
|----------------------|---------------------------|---------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Miscellaneous income | <u>112</u> | <u>136</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

7 Charitable activities

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| Staff costs | 53,875 | 14,252 |
| Establishment | 917,136 | 890,752 |
| School expenses | 3,091,406 | 2,878,698 |
| | <u>4,062,417</u> | <u>3,783,702</u> |
| Share of support costs (see note 10) | 767,445 | 765,277 |
| Share of governance costs (see note 10) | 67,174 | 68,219 |
| | <u>4,897,036</u> | <u>4,617,198</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,857,219 | |
| Restricted funds | 39,817 | |
| | <u>4,897,036</u> | |
| For the year ended 31 August 2024 | | |
| Unrestricted funds | | 4,592,444 |
| Restricted funds | | 24,754 |
| | | <u>4,617,198</u> |

8 Net movement in funds

| | 2025 | 2024 |
|--|----------------|----------------|
| | £ | £ |
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 14,750 | 19,860 |
| Depreciation of owned tangible fixed assets | 234,240 | 179,620 |
| Loss on disposal of tangible fixed assets | - | 4,574 |
| | <u>249,000</u> | <u>204,054</u> |

9 Governors

During the year two trustees claimed £2,135 (2024: five trustees £5,255) of expenses which relate to training, travel costs and trustee meetings.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2025

10 Support costs

| | Support costs | Governance costs | 2025 | 2024 |
|------------------------|--------------------------|-----------------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Depreciation | 234,240 | - | 234,240 | 179,620 |
| Salaries | 405,695 | - | 405,695 | 445,924 |
| Staff training | 1,700 | - | 1,700 | 9,590 |
| Sundry | 4,436 | 2,759 | 7,195 | 10,466 |
| Telephone | 7,615 | - | 7,615 | 16,844 |
| Office costs | 11,335 | - | 11,335 | 14,803 |
| Motor expenses | 15,822 | - | 15,822 | 18,783 |
| Computer expenses | 43,634 | - | 43,634 | 50,360 |
| Payroll | 3,242 | - | 3,242 | 4,707 |
| Professional fees | 38,311 | - | 38,311 | 18,635 |
| Bank charges | 1,165 | - | 1,165 | 1,211 |
| Audit fees | - | 14,750 | 14,750 | 19,860 |
| Accountancy | - | 25,230 | 25,230 | 18,170 |
| Legal and professional | - | 24,685 | 24,685 | 24,523 |
| | <u>767,195</u> | <u>67,424</u> | <u>834,619</u> | <u>833,496</u> |

Auditor's remuneration in relation to audit services was £14,750 (2024 - £15,600 including VAT) excluding VAT.

11 Other expenditure

| | Unrestricted funds | Unrestricted funds |
|---|-------------------------------|-------------------------------|
| | 2025 | 2024 |
| | £ | £ |
| Net loss on disposal of tangible fixed assets | - | 4,574 |
| | <u>-</u> | <u>4,574</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

12 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2025 | 2024 |
|----------------|---------------|---------------|
| | Number | Number |
| School | 63 | 58 |
| Establishment | 12 | 12 |
| Administration | 8 | 8 |
| | <u>83</u> | <u>78</u> |

Employment costs

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,901,813 | 2,683,736 |
| Social security costs | 319,597 | 263,909 |
| Other pension costs | 318,424 | 268,422 |
| Benefits in kind - healthcare | 19,878 | 18,625 |
| Change in present value for pension obligation | 7,198 | (14,907) |
| | <u>3,566,910</u> | <u>3,219,785</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2025 | 2024 |
|---------------------|---------------|---------------|
| | Number | Number |
| £60,000 - £69,999 | 1 | 1 |
| £70,000 - £79,999 | 1 | 1 |
| £90,000 - £99,999 | - | 1 |
| £100,000 - £109,999 | 1 | - |
| | <u>1</u> | <u>1</u> |

The total employer pension contributions paid in respect of these employees was £50,021 (2024 - £42,197).

The key management personnel of the charity comprise the Governors and the senior management team, which comprised 4 roles (2024 - 4 roles); the Principal, Vice-Principal, Head of Education and Head of Care. The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the trust was £397,379 (2024 - £357,452).

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

14 Tangible fixed assets

| | Freehold buildings £ | Plant and equipment £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|-------------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 September 2024 | 6,597,091 | 216,842 | 376,801 | 56,077 | 7,246,811 |
| Additions | 574,105 | 41,080 | 115,981 | 81,215 | 812,381 |
| VAT adjustments | (98,616) | (6,489) | (36,366) | (6,150) | (147,621) |
| At 31 August 2025 | <u>7,072,580</u> | <u>251,433</u> | <u>456,416</u> | <u>131,142</u> | <u>7,911,571</u> |
| Depreciation and impairment | | | | | |
| At 1 September 2024 | 2,454,082 | 200,683 | 172,681 | 30,219 | 2,857,665 |
| Depreciation charged in the year | 124,446 | 12,580 | 82,769 | 14,445 | 234,240 |
| At 31 August 2025 | <u>2,578,528</u> | <u>213,263</u> | <u>255,450</u> | <u>44,664</u> | <u>3,091,905</u> |
| Carrying amount | | | | | |
| At 31 August 2025 | <u>4,494,052</u> | <u>38,170</u> | <u>200,966</u> | <u>86,478</u> | <u>4,819,666</u> |
| At 31 August 2024 | <u>4,143,009</u> | <u>16,159</u> | <u>204,120</u> | <u>25,858</u> | <u>4,389,146</u> |

15 Financial instruments

| | 2025 £ | 2024 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | - | 1,300,000 |

16 Current asset investments

| | 2025 £ | 2024 £ |
|---------------------|-----------|-----------|
| Short term deposits | - | 1,300,000 |

17 Debtors

| | 2025 £ | 2024 £ |
|---|----------------|------------------|
| Amounts falling due within one year: | | |
| School fees receivable | 586,560 | 1,416,955 |
| Other debtors | 540 | 44,272 |
| Prepayments and accrued income | 24,596 | 29,489 |
| | <u>611,696</u> | <u>1,490,716</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

18 Creditors: amounts falling due within one year

| | 2025 | 2024 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Other taxation and social security | 245,606 | - |
| Fees in advance (see note 20) | 1,647,095 | 1,613,411 |
| Trade creditors | 86,119 | 78,187 |
| Other creditors | 82,308 | 50,690 |
| Accruals and deferred income | 29,468 | 23,151 |
| | <u>2,090,596</u> | <u>1,765,439</u> |

19 Creditors: amounts falling due after more than one year

| | 2025 | 2024 |
|---|---------------|---------------|
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 27) | 46,974 | 26,847 |
| | <u>46,974</u> | <u>26,847</u> |

20 Fees in advance

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 autumn term:

| | 2025 | 2024 |
|--|------------------|------------------|
| | £ | £ |
| Fees in advance at 1 September 2024 | 1,613,411 | 1,315,503 |
| Recognised as income in 2024-25 year | (1,613,411) | (1,315,503) |
| Fees invoiced prior to 31 August 2025, and carried forward to 2025-26. | 1,647,095 | 1,613,411 |
| | <u>1,647,095</u> | <u>1,613,411</u> |
| Fees in advance at 31 August 2025 | <u>1,647,095</u> | <u>1,613,411</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

| | At 1 September 2024 | Incoming resources | Resources expended | Transfers | At 31 August 2025 |
|---------------------------------|---------------------------|-----------------------|-----------------------|-----------------|----------------------|
| | £ | £ | £ | £ | £ |
| Pupil Premium | 70,731 | 91,302 | (33,549) | (2,835) | 125,649 |
| Vocational building & equipment | 10,453 | - | - | - | 10,453 |
| Media suite | 105 | - | - | - | 105 |
| Education and childcare | - | 200 | (200) | - | - |
| Fair Fax & Morrisons | 3,228 | - | - | - | 3,228 |
| Vaccination funding | 1,040 | - | - | - | 1,040 |
| Teachers Pension | - | 6,068 | (6,068) | - | - |
| | <u>85,557</u> | <u>97,570</u> | <u>(39,817)</u> | <u>(2,835)</u> | <u>140,475</u> |
| Previous year: | | | | | |
| | At 1 September 2023 | Incoming resources | Resources expended | Transfers | At 31 August 2024 |
| | £ | £ | £ | £ | £ |
| Pupil Premium | 40,109 | 55,376 | (24,754) | - | 70,731 |
| Vocational building & equipment | 8,453 | 2,000 | - | - | 10,453 |
| Media suite | 105 | - | - | - | 105 |
| Fair Fax & Morrisons | 3,228 | - | - | - | 3,228 |
| Vaccination funding | 1,040 | - | - | - | 1,040 |
| Outdoor classroom | - | 22,861 | - | (22,861) | - |
| | <u>52,935</u> | <u>80,237</u> | <u>(24,754)</u> | <u>(22,861)</u> | <u>85,557</u> |

The restricted funds include Pupil Premium monies provided for enrichment by local authorities.

Transfers from the restricted fund related to expenditure that has been capitalised to reflect the restriction ended once the grants were paid.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

21 Restricted funds

(Continued)

Other grants included as "Vocational building and equipment", "Media suite", and "Fair Fax and Morrisons" represented grants to support the purchase of equipment in support of student's learning and enrichment in the areas listed above.

Vaccination funding was a specific grant.

The grants received in respect of providing an outdoor classroom have been used to fund outdoor equipment which has been capitalised. As such there is a transfer to close the restricted fund.

The Teachers Pension reflected the grant paid to contribute to increased teachers pension contributions.

Education and Childcare received to help cover the cost of travel and teacher cover regarding course completed.

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended fund balances, which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 September 2024 | Incoming resources | Resources expended | Transfers | At 31 August 2025 |
|----------------------------|---------------------------|-----------------------|-----------------------|---------------|----------------------|
| | £ | £ | £ | £ | £ |
| Strategic development fund | - | - | - | 1,250,000 | 1,250,000 |
| General funds | 6,215,566 | 5,724,424 | (4,857,219) | (1,247,165) | 5,835,606 |
| | <u>6,215,566</u> | <u>5,724,424</u> | <u>(4,857,219)</u> | <u>2,835</u> | <u>7,085,606</u> |
| Previous year: | | | | | |
| | At 1 September 2023 | Incoming resources | Resources expended | Transfers | At 31 August 2024 |
| | £ | £ | £ | £ | £ |
| General funds | 5,729,212 | 5,060,511 | (4,597,018) | 22,861 | 6,215,566 |
| | <u>5,729,212</u> | <u>5,060,511</u> | <u>(4,597,018)</u> | <u>22,861</u> | <u>6,215,566</u> |

Designated funds - A strategic development plan to provide additional facilities to support the care and education of young people.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

23 Analysis of net assets between funds

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ |
|--|--|--|-----------------------------|
| Fund balances at 31 August 2025 are represented by: | | | |
| Tangible assets | 4,819,666 | - | 4,819,666 |
| Current assets | 2,312,914 | 140,475 | 2,453,389 |
| Long term liabilities | (46,974) | - | (46,974) |
| | <u>7,085,606</u> | <u>140,475</u> | <u>7,226,081</u> |
| | <u>7,085,606</u> | <u>140,475</u> | <u>7,226,081</u> |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
| Fund balances at 31 August 2024 are represented by: | | | |
| Tangible assets | 4,389,146 | - | 4,389,146 |
| Current assets | 1,853,267 | 85,557 | 1,938,824 |
| Long term liabilities | (26,847) | - | (26,847) |
| | <u>6,215,566</u> | <u>85,557</u> | <u>6,301,123</u> |
| | <u>6,215,566</u> | <u>85,557</u> | <u>6,301,123</u> |

24 Capital commitments

At the reporting date, the Charity had contractual commitments amounting to £135,116 relating to planned lake dredging works (2024: £Nil).

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2025 £ | 2024 £ |
|----------------------------|-------------------|-------------------|
| Within one year | 888 | 7,008 |
| Between two and five years | 1,776 | 2,664 |
| | <u>2,664</u> | <u>9,672</u> |
| | <u>2,664</u> | <u>9,672</u> |

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

26 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Remuneration totalling £225,724 (2024 - £149,676) was paid to seven (2024 - five) related parties connected as close family members to either Trustees or Senior Management Personnel at any point during the year. All were employed at the School on standard employment terms.

27 Pension costs

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 2020.

The pension cost charge for the year ended 31 August 2025 was £244,577 (2024: £207,714). Contributions amounting to £48,922 (2024: £22,089) 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 2025 was £50,227 (2024: £45,429). An amount of £9,785 (2024: £62) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for one former member of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company. the commitment in respect of one former employee ceases in the next financial year.

The key financial estimates and assumptions are that the benefits will continue until the former employee reaches the age of 89, increase at 2.75% per annum, and to reflect fair value, are discounted at 2.7% per annum.

The total obligation at the year end was £53,645 (2024: £36,183), £6,672 is due within one year and the balance of £46,974 in more than one year.

Teachers' Pension Scheme

Introduction

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

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

27 Pension costs

(Continued)

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.

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 26 October 2023, with the previous figures as at 31 March 2016. The valuation report was published by the Department for Education on 22 April 2024.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% (previously 23.68%) of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion (previously £218 billion), and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion (previously £196 billion) giving a notional past service deficit of £39.8 billion (previously £22billion).
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% (previously 2.4%) above the rate of CPI.

The employer's pension costs paid to the TPS in the period amounted to £244,577 (2024: £285,038)
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

| 28 Cash generated from operations | 2025 | 2024 |
|---|------------------|------------------|
| | £ | £ |
| Surplus for the year | 924,958 | 518,976 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (67,404) | (51,852) |
| Pre registration VAT reclaim on tangible fixed assets | 147,621 | - |
| (Gain)/loss on disposal of tangible fixed assets | - | 4,574 |
| Depreciation and impairment of tangible fixed assets | 234,240 | 179,620 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 879,020 | (1,245,698) |
| Increase in creditors | 345,284 | 234,951 |
| Cash generated from/(absorbed by) operations | 2,463,719 | (359,429) |

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity registration number 307024

Company registration number 00543113 (England and Wales)

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION**

| | | |
|--|--|------------------------------|
| Trustees | C S Johns N M S G Bartholomew A J Smith | (Appointed 19 November 2024) |
| Charity number | 307024 | |
| Company number | 00543113 | |
| Registered office and principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD | |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN | |
| Accountant | Moore (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH | |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP | |

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 9 |
| Independent auditor's report | 10 - 12 |
| Statement of financial activities | 13 |
| Balance sheet | 14 |
| Statement of cash flows | 15 |
| Notes to the financial statements | 16 - 30 |

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2024**

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

On 25 November 2024, the charitable company changed its name from Farney Close School Limited and at the same time was granted exemption from using the word "limited" in its name.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Farney Close School's aim is to provide educational and social development opportunities for boys and girls aged 9 -18 who, following the introduction of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health or associated needs. All students who attend the school are referred by a range of Local Authorities across the South and Southeast of England.

Our key objectives are to:

- Provide an academic, vocational, and socially learning environment that supports students to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst students.
- Provide students with a full entitlement to the National Curriculum and a range of examination subjects at levels that match their abilities and intellectual/cognitive capacity.
- Provide students with a package of care that supports and develops their emotional maturity and meets their social educational needs.
- Provide students 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,
 - Regular quality staff training and professional development opportunities,
 - Conducting quality assurance exercises and the collection and review of appropriate data to inform planning.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

Our Ethos, Strategy and Policies

The charity aims to meet its objectives by carrying out its activities in line with the schools' policies and procedures.

Anti-discrimination and Equality

Provided they have an Education, Health & Care Plan, Farney Close is open to students who are referred and funded 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.

Public Benefit

In setting our objectives and planning our activities, the Trustees 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, social education and on fee-charging.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its students. This focus is shared by all Trustees and staff. As part of this, the school's Designated Safeguarding Leads undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

A Safeguarding team is in place and consists of :

- Designated Safeguarding Lead (Principal),
- Two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker),
- SENCO,
- Nurse,
- Vice Principal,
- Head of Education (also the schools CEOP's ambassador),
- Referrals and Inclusion Officer,
- A Safeguarding Governor representative (an Ex-Head of Care).

Both the Principal and the Schools Social Worker are registered with Social Work England. The School Social Worker works with all students that benefit from social work input. The School Nurse and our Referrals and Inclusion Officer support with Safeguarding related matters surrounding new pupils but has a particular focus on assessment of potential new pupils and ensuring high attendance is maintained.

The school continues to use an embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increased over the last couple of years and plays a vital part in both the academic and social progress of all students. The school is on a journey to become a Trauma Informed school with training having taken place for all staff, two staff members have completed the Trauma informed diploma and a review of behaviour policies having taken place as a result of this.

We celebrate diversity throughout the year. We have successfully been reissued our Rainbow Flag Award and our Healthy Schools award. We continue to have a Behaviour team that meets biweekly to discuss strategies to support students with their behaviour. This also includes amending present practice to support the adults that work with our students. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. Any episodes of bullying are recorded, and work is undertaken with these students to help them move forward. Weekly culture capital days enable us to not only educate our students but to also celebrate different cultures.

Incidents of student's sexual harassment are recorded, addressed, tracked and action put in place in line with recent Government requirements. As a result of this incidents have significantly reduced. More generally all behavioural incidents are also logged and tracked to support us in identifying times of the day that individuals or groups find more challenging so we can provide extra support to alleviate this.

We run a 24-hour curriculum to ensure that our students are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our students during the evening.

Various opportunities are offered to our students to ensure that their voice is heard and views gathered. For example an annual questionnaire for students and also for their parents/carers, regular meetings with the students Link Workers, in therapy or counselling, tutor time, School Council, annual reviews and House meetings. We ensure that their views are heard and responded to.

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Leadership team.

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.

The most significant financial risk concerns the cost of providing services not being fully matched by the income from fees. The academic year (2021/2022) saw us open our day provision and take in day students. In September 2023 the DfE approved us to go from 72 students to 100. This has seen a significant increase in our student numbers and has financially supported the school and enabled us to enhance our offer. The key to meeting the needs of our students is recruiting skilled and empathetic staff, this continues to be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the students to be less testing and as a result they show less challenging behaviour.

The SLT are supported with half termly visits for our School Improvement Partner (SIP) and our National minimum Standards Independent Visitor. Both parties produce reports from their visits with any advisories so support us moving forward.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for students with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our students.

ACHIEVEMENTS AND PERFORMANCE

The school has continued its journey forward. Our last Educational Ofsted Inspection was in the Autumn term of 2022 where they provided us with a "GOOD" rating in all areas. In March 2024 Ofsted Social Care carried out their annual inspection where we gained the rating of Outstanding in all areas.

In July 2024 we asked West Sussex to carry out a Safeguarding audit. The results of this were pleasing with us achieving the best possible grading.

Exam Results 2024

There were 10, year 11 leavers this year.

- 2 pupils achieved 5 GCSE passes at grade 4-9
- 1 pupil achieved 2 GCSE passes at grade 4-9
- 2 pupils achieved a GCSE pass at grade 4-9
- All pupils achieved a GCSE grade in every subject taken
- 20% of pupils achieved 4-9 in Biology
- 20% of pupils achieved 4-9 in Maths
- 30% of pupils achieved 4-9 in Physics
- 40% of pupils achieved 4-9 in English Language

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

FINANCIAL REVIEW

Financial Management and Sustainability

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of students placed by various funding bodies.

The result of the operating plan for the academic year was a surplus on unrestricted funds of £463,493 (2023: £256,575), with a transfer from restricted funds in respect of the outdoor classroom project of £22,861 (2023: £nil) taking unrestricted funds to £6,215,566 (2023: £5,729,212).

Of the total funds, £4,389,146 (2023: £4,211,572) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds less the revaluation reserve) was stated at £1,826,420 (2023: £1,570,575). The restricted funds increased by £32,622 (2023: £24,266) as a result of pupil premium monies and equipment grants and donations. Restricted funds of £85,557 (2023: £52,935) were carried forward for expenditure in future periods.

A total of £362,067 (2023: £1,020,607) was invested in fixed assets in the year, on major building works and projects, and upgrading of facilities.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained very low in the current financial period with interest earned on funds of £51,852 (2023: £24,971). The charity has placed £1,300,000 on longer term deposits with its bankers to improve the investment return from cash deposits, which are included within current asset investments.

The charity needs to maintain reserves 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 student numbers and funding.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

PLANS FOR FUTURE PERIODS

Education

In September 2023 the DofE agreed for us to increase our capacity from 72 to 100. This has enabled us to increase our number of Key Stage 2 students as well as facilitating a new Inclusion unit which is now part of our local offer to maintain places of our more challenging students. The upcoming academic year will see us embed this increase in numbers with the support of the Inclusion classroom.

To offer a curriculum that provides an education for those students who are capable of obtaining at least 5 GCSEs, whilst also enabling the students, who are less able, to achieve. This particularly refers to vocational and employability skills however we are also introducing English Literature at GCSE level and the Double GCSE Science award.

Increase the opportunity for outdoor learning with outdoor classrooms and a forest schools' area. We have three staff undertaking their training and a dedicated area on the school site for Forest schools. A new outdoor classroom was donated to provide further opportunities for outdoor learning.

We have applied for the "Trauma Informed School Award" which we hope to achieve this year (2024/25).

Following the year end we have increased our vocational offer and moved the school day from 5 lessons a day to 6 in January 2025, with the 6th being a lesson dedicated to life skills and wellbeing which will be offered to all year groups.

We are also looking to relocate our school library to a more accessible location for the students so that we can further enhance reading across the school.

Care

We aim to continue to promote the importance of our residential experience in supporting students in learning through a 24-hour curriculum. Here the focus is on social and independent skills to enable the students to become adults that succeed in society. Whilst this is a focus for our work with our residential pupils, we also look to offer pastoral care to all our day pupils, supporting them in their journey into adulthood. A new social, emotional and learning record has been launched (Sept 2024) to record all students progress in this area.

Premises

Development of the school grounds is ongoing and forms part of the five-year maintenance and development plan for the whole site. This will enhance the opportunities for enrichment and outdoor learning, whilst it improves the security and safety of the school site.

Internal refurb of residential accommodation is taking place to enable us to provide individual bedrooms and create a more homely, modern provision.

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The Trustees 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 and the Companies' Acts.

The Articles of Association were rewritten and adopted on 25 November 2024. Trustees now agree and accept the accounts and, elect Trustees as and when appropriate. 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 duty to maintain an appropriately balanced provision for the students.

The Trustees, who are also the Directors for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---------------------|------------------------------|
| J E Bowry | (Resigned 16 November 2023) |
| S G Deane | (Resigned 31 August 2024) |
| M Gibrill | (Resigned 16 November 2023) |
| C S Johns | |
| N M S G Bartholomew | |
| A J Smith | (Appointed 19 November 2024) |

Following the year-end, the following changes occurred in the Board of Trustees:

- K B Larkins and S A Larkins served as trustees from 02 September 2024 to 19 November 2024.

Recruitment and Appointment of new Trustees

The Trustees have explored the barriers in place locally and nationally on recruitment and retention and looking at getting the right people around the table. We have been successful in the recruitment of some new Trustees.

Having the right mix of people and skills on the board enables the Trustees to have multiple perspectives, and are able to debate issues robustly, and who then speak with unity of voice and message about the decisions made.

On appointment all new Trustees are provided with an induction and information pack and meet with the Chair to talk about responsibilities

Induction and training of new Trustees

The Board have access to training via The Key for Governors and the National Governance Association, as well as the opportunity to attend in-house training with the school staff.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational structure

The Trustees meet at least six times a year. The Trust Board is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers in a largely strategic leadership role in the running of the School.

The Board:

- undertakes policy development and strategic planning;
- ensures sound management and administration of the academy;
- ensures that managers are equipped with relevant skills and guidance;
- ensures compliance with legal requirements;
- establishes and maintains effective internal controls;
- manages the academy's financial, human and other resources (in particular control over the spending identified in the School's development plan);
- monitors performance and the achievement of objectives, and ensures that plans for improvement are acted upon;
- provides a framework for the School to be responsive to the needs of parents and the community;
- sets the School's standards of conduct and values.

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.

Disclosure of information to auditor

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 them selves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

This report was approved by the Board of Trustees. In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.



C S Johns

Trustee

Dated: 24 March 2025

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST

Opinion

We have audited the financial statements of Farney Close School Limited for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2024 and of its incoming resources and application of resources 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
 - the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.
-

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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;
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption; and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FARNEY EDUCATIONAL TRUST**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Mr Mark Cummins
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor



The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

| | | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ |
|---|-----------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income from: | | | | | | | |
| Donations and legacies | 3 | 2,550 | 24,861 | 27,411 | 1,184 | 11,066 | 12,250 |
| Charitable activities | 4 | 5,005,973 | 55,376 | 5,061,349 | 4,234,473 | 31,722 | 4,266,195 |
| Investments | 5 | 51,852 | - | 51,852 | 24,971 | - | 24,971 |
| Other income | 6 | 136 | - | 136 | (596) | - | (596) |
| Total income | | 5,060,511 | 80,237 | 5,140,748 | 4,260,032 | 42,788 | 4,302,820 |
| Expenditure on: | | | | | | | |
| Charitable activities | 7 | 4,592,444 | 24,754 | 4,617,198 | 4,003,457 | 18,522 | 4,021,979 |
| Other expenditure | 11 | 4,574 | - | 4,574 | - | - | - |
| Total resources expended | | 4,597,018 | 24,754 | 4,621,772 | 4,003,457 | 18,522 | 4,021,979 |
| Net incoming resources before transfers | | 463,493 | 55,483 | 518,976 | 256,575 | 24,266 | 280,841 |
| Gross transfers between funds | 21 | 22,861 | (22,861) | - | - | - | - |
| Net income for the year/ Net movement in funds | | 486,354 | 32,622 | 518,976 | 256,575 | 24,266 | 280,841 |
| Reconciliation of funds: | | | | | | | |
| Fund balances at 1 September 2023 | | 5,729,212 | 52,935 | 5,782,147 | 5,472,637 | 28,669 | 5,501,306 |
| Fund balances at 31 August 2024 | 23 | 6,215,566 | 85,557 | 6,301,123 | 5,729,212 | 52,935 | 5,782,147 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The allocation of the comparative figures between funds is explained in the notes to these accounts.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 30 form part of these financial statements.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
BALANCE SHEET**

AS AT 31 AUGUST 2024

| | Notes | 2024 | | 2023 | |
|--|-------|-------------|-----------|-------------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | | 4,389,146 | | 4,211,572 |
| Current assets | | | | | |
| Debtors | 17 | 1,490,716 | | 245,018 | |
| Investments | 16 | 1,300,000 | | - | |
| Cash at bank and in hand | | 913,547 | | 2,882,891 | |
| | | | 3,704,263 | | 3,127,909 |
| Creditors: amounts falling due within one year | 18 | (1,765,439) | | (1,505,874) | |
| Net current assets | | | 1,938,824 | | 1,622,035 |
| Total assets less current liabilities | | | 6,327,970 | | 5,833,607 |
| Creditors: amounts falling due after more than one year | 19 | | (26,847) | | (51,460) |
| Net assets | | | 6,301,123 | | 5,782,147 |
| The funds of the charity | | | | | |
| Restricted income funds | 21 | | 85,557 | | 52,935 |
| Unrestricted funds | 22 | | 6,215,566 | | 5,729,212 |
| | | | 6,301,123 | | 5,782,147 |

The notes on pages 16 to 30 form part of these financial statements.

The financial statements were approved by the Trustees on 24 March 2025



C S Johns
Trustee

Company registration number 00543113 (England and Wales)

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|--|-------|-------------|----------------|-------------|------------------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 28 | | (359,429) | | 477,354 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | 14 | (362,067) | | (1,020,607) | |
| Proceeds from disposal of tangible fixed assets | | 300 | | 4,960 | |
| Purchase of current asset investments | 15 | (1,300,000) | | - | |
| Interest received | 5 | 51,852 | | 24,971 | |
| Net cash used in investing activities | | | (1,609,915) | | (990,676) |
| Net decrease in cash and cash equivalents | | | (1,969,344) | | (513,322) |
| Cash and cash equivalents at beginning of year | | | 2,882,891 | | 3,396,213 |
| Cash and cash equivalents at end of year | | | <u>913,547</u> | | <u>2,882,891</u> |

The notes on pages 16 to 30 form part of these financial statements.

The charity had no debt during the year

FARNEY EDUCATIONAL TRUST FORMERLY FARNEY CLOSE SCHOOL LIMITED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Farney Educational Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

2.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 including irrecoverable VAT are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-----------------|
| Freehold buildings | 2-10% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20-33% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.6 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

2.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

2 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.10 Retirement benefits

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 26, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for two former members of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

2.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total Unrestricted funds | Restricted funds | Total |
|---------------------|-----------------------|---------------------|-----------------------------|---------------------|-----------|
| | 2024 £ | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
| Donations and gifts | 2,550 | 24,861 | 27,411 | 1,184 | 12,250 |

4 Charitable activities

| | 2024 £ | 2023 £ |
|--|------------------|------------------|
| School fees within charitable activities | 5,005,973 | 4,234,473 |
| Pupil Premium | 55,376 | 31,722 |
| | <u>5,061,349</u> | <u>4,266,195</u> |
| Analysis by fund | | |
| Unrestricted funds | 5,005,973 | |
| Restricted funds | 55,376 | |
| | <u>5,061,349</u> | |
| For the year ended 31 August 2023 | | |
| Unrestricted funds | | 4,234,473 |
| Restricted funds | | 31,722 |
| | | <u>4,266,195</u> |

5 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2024 £ | 2023 £ |
| Interest receivable | 51,852 | 24,971 |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

6 Other income

| | Unrestricted funds | Unrestricted funds |
|---|-----------------------|-----------------------|
| | 2024 | 2023 |
| | £ | £ |
| Net gain on disposal of tangible fixed assets | - | (817) |
| Miscellaneous income | 136 | 221 |
| | <u>136</u> | <u>(596)</u> |

7 Charitable activities

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Staff costs | 14,252 | - |
| Establishment | 890,752 | 737,683 |
| School expenses | 2,878,698 | 2,648,237 |
| | <u>3,783,702</u> | <u>3,385,920</u> |
| Share of support costs (see note 10) | 765,277 | 591,705 |
| Share of governance costs (see note 10) | 68,219 | 44,354 |
| | <u>4,617,198</u> | <u>4,021,979</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,592,444 | |
| Restricted funds | 24,754 | |
| | <u>4,617,198</u> | |
| For the year ended 31 August 2023 | | |
| Unrestricted funds | | 4,003,457 |
| Restricted funds | | 18,522 |
| | | <u>4,021,979</u> |

8 Net movement in funds

| | 2024 | 2023 |
|--|----------------|----------------|
| | £ | £ |
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 19,860 | 14,720 |
| Depreciation of owned tangible fixed assets | 179,620 | 125,602 |
| Loss on disposal of tangible fixed assets | 4,574 | 817 |
| | <u>194,054</u> | <u>141,139</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

9 Trustees

During the year five trustees claimed £5,255 (2023: six trustees £2,713) of expenses which relate to training, travel costs and trustee meetings.

10 Support costs

| | Support costs | Governance costs | 2024 | 2023 |
|------------------------|----------------------|-------------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Depreciation | 179,620 | - | 179,620 | 125,602 |
| Salaries | 445,924 | - | 445,924 | 355,232 |
| Staff training | 9,590 | - | 9,590 | 11,980 |
| Sundry | 4,801 | 5,665 | 10,466 | 7,430 |
| Telephone | 16,844 | - | 16,844 | 6,722 |
| Office costs | 14,803 | - | 14,803 | 8,467 |
| Motor expenses | 18,783 | - | 18,783 | 16,983 |
| Computer expenses | 50,360 | - | 50,360 | 46,949 |
| Payroll | 4,707 | - | 4,707 | 4,515 |
| Professional fees | 18,635 | - | 18,635 | 9,809 |
| Bank charges | 1,211 | - | 1,211 | 1,235 |
| Audit fees | - | 19,860 | 19,860 | 14,720 |
| Accountancy | - | 18,170 | 18,170 | 18,679 |
| Legal and professional | - | 24,523 | 24,523 | 7,736 |
| | <u>765,278</u> | <u>68,218</u> | <u>833,496</u> | <u>636,059</u> |

Auditor's remuneration in relation to audit services was £15,600 (2023 - £17,820) including VAT.

11 Other expenditure

| | Unrestricted funds | Unrestricted funds |
|---|---------------------------|---------------------------|
| | 2024 | 2023 |
| | £ | £ |
| Net loss on disposal of tangible fixed assets | <u>4,574</u> | <u>-</u> |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

12 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2024 | 2023 |
|----------------|---------------|---------------|
| | Number | Number |
| School | 58 | 57 |
| Establishment | 12 | 11 |
| Administration | 8 | 6 |
| | <u>78</u> | <u>74</u> |

Employment costs

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,683,736 | 2,435,388 |
| Social security costs | 263,909 | 236,711 |
| Other pension costs | 268,422 | 213,004 |
| Benefits in kind - healthcare | 18,625 | 22,573 |
| Change in present value for pension obligation | (14,907) | (13,377) |
| | <u>3,219,785</u> | <u>2,894,299</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2024 | 2023 |
|-------------------|---------------|---------------|
| | Number | Number |
| £60,000 - £69,999 | 1 | - |
| £70,000 - £79,999 | 1 | 1 |
| £90,000 - £99,999 | 1 | - |
| | <u>3</u> | <u>1</u> |

The total employer pension contributions paid in respect of these employees was £42,197 (prior year: £20,434).

The key management personnel of the charity comprise the Trustees and the senior management team, which comprised 4 roles (2023 - 4 roles); the Principal, Vice-Principal, Head of Education and Head of Care. The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the trust was £357,452 (2023 - £314,757).

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

| 14 Tangible fixed assets | Freehold buildings £ | Plant and equipment £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|---|----------------------------|-----------------------------|-------------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 September 2023 | 6,371,989 | 230,961 | 305,024 | 49,677 | 6,957,652 |
| Additions | 225,102 | 1,178 | 119,888 | 15,900 | 362,067 |
| Disposals | - | (15,297) | (48,111) | (9,500) | (72,908) |
| At 31 August 2024 | <u>6,597,091</u> | <u>216,842</u> | <u>376,801</u> | <u>56,077</u> | <u>7,246,811</u> |
| Depreciation and impairment | | | | | |
| At 1 September 2023 | 2,333,272 | 207,106 | 171,772 | 33,929 | 2,746,079 |
| Depreciation charged in the year | 120,810 | 7,636 | 45,384 | 5,790 | 179,620 |
| Eliminated in respect of disposals | - | (14,059) | (44,475) | (9,500) | (68,034) |
| At 31 August 2024 | <u>2,454,082</u> | <u>200,683</u> | <u>172,681</u> | <u>30,219</u> | <u>2,857,665</u> |
| Carrying amount | | | | | |
| At 31 August 2024 | <u>4,143,009</u> | <u>16,159</u> | <u>204,120</u> | <u>25,858</u> | <u>4,389,146</u> |
| At 31 August 2023 | <u>4,038,717</u> | <u>23,855</u> | <u>133,252</u> | <u>15,748</u> | <u>4,211,572</u> |
| 15 Financial instruments | | | | | |
| | | | 2024 | 2023 | |
| | | | £ | £ | |
| Carrying amount of financial assets | | | | | |
| Instruments measured at fair value through profit or loss | | | <u>1,300,000</u> | <u>-</u> | |
| 16 Current asset investments | | | | | |
| | | | 2024 | 2023 | |
| | | | £ | £ | |
| Short term deposits | | | <u>1,300,000</u> | <u>-</u> | |
| 17 Debtors | | | | | |
| | | | 2024 | 2023 | |
| | | | £ | £ | |
| Amounts falling due within one year: | | | | | |
| School fees receivable | | | 1,416,955 | 221,807 | |
| Other debtors | | | 44,272 | - | |
| Prepayments and accrued income | | | 29,489 | 23,211 | |
| | | | <u>1,490,716</u> | <u>245,018</u> | |

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

18 Creditors: amounts falling due within one year

| | 2024 | 2023 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Fees in advance (see note 19) | 1,613,411 | 1,315,503 |
| Trade creditors | 78,187 | 92,842 |
| Other creditors | 50,690 | 40,090 |
| Accruals and deferred income | 23,151 | 57,439 |
| | <u>1,765,439</u> | <u>1,505,874</u> |

19 Creditors: amounts falling due after more than one year

| | 2024 | 2023 |
|---|---------------|---------------|
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 26) | <u>26,847</u> | <u>51,460</u> |

20 Fees in advance

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 autumn term:

| | 2024 | 2023 |
|--|------------------|------------------|
| | £ | £ |
| Fees in advance at 1 September 2023 | 1,315,503 | 1,327,785 |
| Recognised as income in 2023-24 year | (1,315,503) | (1,327,785) |
| Fees invoiced prior to 31 August 2024, and carried forward to 2024-25. | <u>1,613,411</u> | <u>1,315,503</u> |
| Fees in advance at 31 August 2024 | <u>1,613,411</u> | <u>1,315,503</u> |

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

| | At 1 September 2023 | Incoming resources | Resources expended | Transfers | At 31 August 2024 |
|---------------------------------|---------------------------|-----------------------|-----------------------|-----------------|----------------------|
| | £ | £ | £ | £ | £ |
| Pupil Premium | 40,109 | 55,376 | (24,754) | - | 70,731 |
| Vocational building & equipment | 8,453 | 2,000 | - | - | 10,453 |
| Media suite | 105 | - | - | - | 105 |
| Fair Fax & Morrisons | 3,228 | - | - | - | 3,228 |
| Vaccination funding | 1,040 | - | - | - | 1,040 |
| Outdoor classroom | - | 22,861 | - | (22,861) | - |
| | <u>52,935</u> | <u>80,237</u> | <u>(24,754)</u> | <u>(22,861)</u> | <u>85,557</u> |

| Previous year: | At 1 September 2022 | Incoming resources | Resources expended | Transfers | At 31 August 2023 |
|---------------------------------|---------------------------|-----------------------|-----------------------|-----------|----------------------|
| | £ | £ | £ | £ | £ |
| Pupil Premium | 11,859 | 35,011 | (6,761) | - | 40,109 |
| Vocational building & equipment | 6,487 | 7,277 | (5,311) | - | 8,453 |
| Media suite | 105 | - | - | - | 105 |
| Education and childcare | 50 | - | (50) | - | - |
| Fair Fax & Morrisons | 9,128 | 100 | (6,000) | - | 3,228 |
| Vaccination funding | 1,040 | - | - | - | 1,040 |
| Coronation grant | - | 400 | (400) | - | - |
| | <u>28,669</u> | <u>42,788</u> | <u>18,522</u> | <u>-</u> | <u>52,935</u> |

The restricted funds include Pupil Premium monies provided for enrichment by local authorities.

Other grants included as "Vocational building and equipment", "Media suite", "Education and childcare", and "Fair Fax and Morrisons" represented grants to support the purchase of equipment in support of student's learning and enrichment in the areas listed above.

Vaccination funding was a specific grant.

The grants received in respect of providing an outdoor classroom have been used to fund outdoor equipment which has been capitalised. As such there is a transfer to close the restricted fund.

The Coronation Grant enabled celebration activities.

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2024

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 September 2023 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 31 August 2024 £ |
|-----------------------|--------------------------------|----------------------------|----------------------------|----------------|---------------------------|
| General funds | 5,729,212 | 5,060,511 | (4,597,018) | 22,861 | 6,215,566 |
| Previous year: | | | | | |
| | At 1 September 2022 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 31 August 2023 £ |
| General funds | 5,472,637 | 4,260,032 | (4,003,457) | - | 5,729,212 |

23 Analysis of net assets between funds

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|--|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 August 2024 are represented by: | | | |
| Tangible assets | 4,389,146 | - | 4,389,146 |
| Current assets | 1,853,267 | 85,557 | 1,938,824 |
| Long term liabilities | (26,847) | - | (26,847) |
| | <u>6,215,566</u> | <u>85,557</u> | <u>6,301,123</u> |
| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ |
| Fund balances at 31 August 2023 are represented by: | | | |
| Tangible assets | 4,211,572 | - | 4,211,572 |
| Current assets | 1,569,100 | 52,935 | 1,622,035 |
| Long term liabilities | (51,460) | - | (51,460) |
| | <u>5,729,212</u> | <u>52,935</u> | <u>5,782,147</u> |

24 Capital commitments

At the year end the Charity had no material commitments for capital additions at the school (2023:£Nil).

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2024 | 2023 |
|----------------------------|--------------|---------------|
| | £ | £ |
| Within one year | 7,008 | 9,048 |
| Between two and five years | 2,664 | 9,672 |
| | <u>9,672</u> | <u>18,720</u> |

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

26 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Remuneration totalling £149,676 (2023 - £110,868) was paid to five (2023 - four) related parties connected as close family members to either Trustees or Senior Management Personnel at any point during the year. All were employed at the School on standard employment terms.

27 Pension costs

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 2016.

The pension cost charge for the year ended 31 August 2024 was £207,714 (2023: £169,670). Contributions amounting to £22,089 (2023: £22,089) 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 2024 was £45,429 (2023: £43,334). An amount of £62 (2023: £8,152) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for one former member of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company. The commitment in respect of one former employee ceases in the next financial year.

The key financial estimates and assumptions are that the benefits will continue until the former employee reaches the age of 89, increase at 2.75% per annum, and to reflect fair value, are discounted at 2.7% per annum.

The total obligation at the year end was £36,183 (2023: £57,146), £4,000 is due within one year and the balance of £32,183 in more than one year.

Teachers' Pension Scheme

Introduction

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

**FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

27 Pension costs

(Continued)

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.

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 1 April 2024, with the previous figures as at 31 March 2016. The valuation report was published by the Department for Education on 21 November 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% (previously 23.68%) of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion (previously £218 billion), and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion (previously £196 billion giving a notional past service deficit of £39.8 billion (previously £22 billion)).
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% (previously 2.4%) above the rate of CPI.

The employer's pension costs paid to the TPS in the period amounted to £285,038 (2023: £238,991)
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

FARNEY EDUCATIONAL TRUST
FORMERLY FARNEY CLOSE SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

| 28 Cash generated from operations | 2024 | 2023 |
|---|------------------|----------------|
| | £ | £ |
| Surplus for the year | 518,976 | 280,841 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (51,852) | (24,971) |
| Loss on disposal of tangible fixed assets | 4,574 | 817 |
| Depreciation and impairment of tangible fixed assets | 179,620 | 125,602 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (1,245,698) | 449,000 |
| Increase/(decrease) in creditors | 234,951 | (353,935) |
| Cash (absorbed by)/generated from operations | (359,429) | 477,354 |

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity registration number 307024

Company registration number 00543113 (England and Wales)

FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

FARNEY CLOSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | S G Deane C S Johns N M S G Bartholomew |
| Charity number | 307024 |
| Company number | 00543113 |
| Registered office and principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN |
| Accountant | Moore (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP |

FARNEY CLOSE SCHOOL LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 7 |
| Independent auditor's report | 8 - 10 |
| Statement of financial activities | 11 |
| Balance sheet | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 - 30 |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Farney Close School's aim is to provide educational and social development opportunities for boys and girls aged 9 -18 who, following the introduction of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health or associated needs. All students who attend the school are referred by a range of Local Authorities across the South and Southeast of England.

Our key objectives are to:

- Provide an academic, vocational, and socially learning environment that supports students to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst students.
- Provide students with a full entitlement to the National Curriculum and a range of examination subjects at levels that match their abilities and intellectual/cognitive capacity.
- Provide students with a package of care that supports and develops their emotional maturity and meets their social educational needs.
- Provide students 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,
 - Regular quality staff training and professional development opportunities,
 - Conducting quality assurance exercises and the collection and review of 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 schools' policies and procedures.

Anti-discrimination and Equality

Provided they have an Education, Health & Care Plan, Farney Close is open to students who are referred and funded 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.

Public Benefit

In setting our objectives and planning our activities, the Trustees 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, social education and on fee-charging.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its students. This focus is shared by all Trustees and staff. As part of this, the school's Designated Safeguarding Leads undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

A Safeguarding team is in place and consists of :

Designated Safeguarding Lead (Principal),

Two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker),

SENCO,

Nurse,

Vice Principal,

Head of Education (also the schools CEOP's ambassador),

Referrals and Inclusion Officer,

A Safeguarding Governor representative (an Ex-Head of Care).

Both the Principal and the Schools Social Worker are registered with Social Work England. The School Social Worker works with all students that benefit from social work input. The School Nurse and our Referrals and Inclusion Officer support with Safeguarding related matters surrounding new pupils but has a particular focus on assessment of potential new pupils and ensuring high attendance is maintained.

The school continues to use an embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increased over the last couple of years and plays a vital part in both the academic and social progress of all students. The school is on a journey to become a Trauma Informed school with training having taken place for all staff, two staff members undertaking the Trauma informed diploma and a review of behaviour policies having taken place as a result of this.

We celebrate diversity throughout the year. We have successfully been reissued our Rainbow Flag Award this year. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. Any episodes of bullying are recorded, and work is undertaken with these students to help them move forward. Weekly culture capital days enable us to not only educate our students but to also celebrate different cultures.

Incidents of student's sexual harassment are recorded, addressed, tracked and action put in place in line with recent Government requirements.

We run a 24-hour curriculum to ensure that our students are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our students during the evening.

Various opportunities are offered to our students to ensure that their voice is heard for example Annual Questionnaires, regular meetings with the Link Workers, in therapy or counselling, tutor time, School Council, annual reviews and House meetings. We ensure that their views are heard and responded to.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Leadership team.

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.

The most significant financial risk concerns the cost of providing services not being fully matched by the income from fees. The academic year (2021/2022) saw us open our day provision and take in day pupils so our numbers are significantly increasing which will inevitably financially support the school and enable us to enhance our offer. The key to meeting the needs of our students is recruiting skilled and empathetic staff, this continues to be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the students to be less testing and as a result they show less challenging behaviour.

The SLT are supported with half termly visits for our School Improvement Partner (SIP) and our National minimum Standards Independent Visitor. Both parties produce reports from their visits with any advisories so support us moving forward.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for students with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our students.

ACHIEVEMENTS AND PERFORMANCE

The school has continued its journey forward. In the Autumn term of 2022, the school welcomed both Ofsted Education and Ofsted Social Care through our doors. Both sets of inspections recognised all the hard work and dedication put into the school and provided us with a "GOOD" rating in both inspections.

The opening comment from the Ofsted Social Care inspection in January 2022 reads as follows: "Young people receive good-quality, comprehensive and individualised care from skilled staff who know them well". It goes on to say, "This high level of care contributes to a culture that supports the young people to engage with their learning and to make progress".

Of our year 11 class of 2023, there were 7.

- 3 students achieved a GCSE at level 4 or higher.
- 5 students, all achieved at least a GCSE qualification in all their subjects (71.4%)
- 1 student achieved a GCSE qualification in 1 of their subjects (14.3%)
- 1 student achieved a GCSE qualification in 4 of their subjects (14.3%)

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

Financial Management and Sustainability

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of students placed by various funding bodies.

The result of the operating plan for the academic year was a surplus on unrestricted funds of £256,868 (2022: £553,292), taking unrestricted funds to £5,729,505 (2022: £5,472,637).

Of the total funds, £4,211,865 (2022: £3,322,344) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds less the revaluation reserve) was stated at £1,425,232 (2022: £2,057,576). The restricted funds increased by £24,266 (2022 - £16,060) as a result of pupil premium monies and equipment grants and donations. Restricted funds of £52,935 (2022: £24,266) were carried forward for expenditure in future periods.

A total of £1,020,607 (2022 - £664,156) was invested in fixed assets in the year, on major building works and projects, and upgrading of facilities. The major works to the main buildings were completed in the summer of 2023.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained very low in the current financial period with interest earned on funds of £24,971 (2022 - £17,067).

The charity needs to maintain reserves 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 student numbers and funding.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR FUTURE PERIODS

Education

To increase our capacity from 72 to 100. This will support an increase of Key Stage 2 students as well as facilitating a new Inclusion unit which will be part of our local offer to maintain places of our more challenging students.

To offer a curriculum that provides an education for those students who are capable of obtaining at least 5 GCSEs, whilst also enabling the students, who are less able, to achieve. This particularly refers to vocational and employability skills.

To further embed our primary provision, increasing our numbers in Key Stage 2 from 8 to 16. This includes continuing our journey to ensuring that our KS2 offer marries with the whole school approach and ensures a smooth transition between all Key Stages.

Increase the opportunity for outdoor learning with outdoor classrooms and a forest schools' area.

Achieve our Trauma Informed School award.

Care

We aim to continue to promote the importance of our residential experience in supporting students in learning through a 24-hour curriculum. Here the focus is on social and independent skills to enable the students to become adults that succeed in society. Whilst this is a focus for our work with our residential pupils, we also look to offer pastoral care to all our day pupils, supporting them in their journey into adulthood.

Premises

Development of the school grounds is ongoing and forms part of the five year maintenance and development plan for the whole site. This will enhance the opportunities for enrichment and outdoor learning, whilst it improves the security and safety of the school site. The work has included an 8ft fence around the perimeter of the school and tree work in our wooded area.

Renovation of the outside of the main school building was completed at the end of the 2022-23 school year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The Trustees 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 and the Companies' Acts.

The Articles of Association were rewritten and adopted on 10 July 2021. Trustees now agree and accept the accounts and, elect Trustees as and when appropriate. 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 duty to maintain an appropriately balanced provision for the students.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also the Directors for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---------------------|-----------------------------|
| J E Bowry | (Resigned 16 November 2023) |
| S G Deane | |
| M Gibrill | (Resigned 16 November 2023) |
| C S Johns | |
| N M S G Bartholomew | |

Recruitment and appointment of new Trustees

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

Recruitment – Governors for school – active networking

Induction and training of new Trustees

The Board receives training via The Key, National Governance Association and Educare, as well as attending in school training with members of the staff team.

All school day-to-day matters are delegated to the Principal, who is supported by the Vice Principal, Head of Education and Head of Care. Companies House requirements are now administered by our Finance Officer.

Organisational structure

The Trustees meet at least six times a year and whenever required, to review strategy and performance and to set operating plans and budgets. The Board of Trustees appoint Trustees when a vacancy arises. Governing Board members have designated areas of responsibilities that match their skills and knowledge. They conduct monitoring visits in their focussed area. They record their findings, provide the Principal with feedback and offer any recommendations that they feel would support the school in continuing to move forward. These areas are their focus, and they report back to the main body.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

Disclosure of information to auditor

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 them selves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Trustees. In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.



C S Johns

Trustee

Dated: 23.5.24

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Farney Close School Limited for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2023 and of its incoming resources and application of resources 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
 - the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.
-

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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;
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption; and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

TC Group

Mr Mark Cummins
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor

29 May 2024
.....
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total Unrestricted funds 2023 £ | Restricted funds 2022 £ | Total 2022 £ |
|---|-----------|------------------------------------|----------------------------------|--|----------------------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 3 | 1,184 | 11,066 | 12,250 | 10,493 | 36,983 |
| Charitable activities | 5 | 4,234,473 | 31,722 | 4,266,195 | 4,228,230 | 4,242,624 |
| Other trading activities | 4 | - | - | - | (1,770) | (1,770) |
| Investments | 6 | 24,971 | - | 24,971 | 17,067 | 17,067 |
| Other income | 7 | (596) | - | (596) | 15,990 | 15,990 |
| Total income | | 4,260,032 | 42,788 | 4,302,820 | 4,270,010 | 4,310,894 |
| Expenditure on: | | | | | | |
| Raising funds | 8 | - | - | - | 3,086 | 3,086 |
| Charitable activities | 9 | 4,003,457 | 18,522 | 4,021,979 | 24,824 | 3,738,456 |
| Total resources expended | | 4,003,457 | 18,522 | 4,021,979 | 24,824 | 3,741,542 |
| Net income for the year/ Net movement in funds | | 256,575 | 24,266 | 280,841 | 553,292 | 569,352 |
| Fund balances at 1 September 2022 | | 5,472,637 | 28,669 | 5,501,306 | 12,609 | 4,931,954 |
| Fund balances at 31 August 2023 | 22 | 5,729,212 | 52,935 | 5,782,147 | 28,669 | 5,501,306 |

The allocation of the comparative figure between funds is explained in the notes to these accounts.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

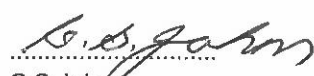
FARNEY CLOSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

| | Notes | 2023 | | 2022 | |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | | 4,211,572 | | 2,572,344 |
| Investment property | 15 | | - | | 750,000 |
| | | | <u>4,211,572</u> | | <u>3,322,344</u> |
| Current assets | | | | | |
| Debtors | 16 | 245,018 | | 694,018 | |
| Cash at bank and in hand | | 2,882,891 | | 3,396,213 | |
| | | <u>3,127,909</u> | | <u>4,090,231</u> | |
| Creditors: amounts falling due within one year | 17 | 1,505,874 | | 1,840,475 | |
| Net current assets | | | <u>1,622,035</u> | | <u>2,249,756</u> |
| Total assets less current liabilities | | | <u>5,833,607</u> | | <u>5,572,100</u> |
| Creditors: amounts falling due after more than one year | 18 | | (51,460) | | (70,794) |
| Net assets | | | <u><u>5,782,147</u></u> | | <u><u>5,501,306</u></u> |
| The funds of the charity | | | | | |
| Restricted income funds | 20 | | 52,935 | | 28,669 |
| Unrestricted funds | | | 5,729,212 | | 5,472,637 |
| | | | <u><u>5,782,147</u></u> | | <u><u>5,501,306</u></u> |

The financial statements were approved by the Trustees on 23.5.24


C S Johns
Trustee

Company registration number 00543113 (England and Wales)

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-------------|-------------------------|-----------|-------------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 27 | | 477,354 | | 1,166,149 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | 14 | (1,020,607) | | (664,156) | |
| Proceeds on disposal of tangible fixed assets | | 4,960 | | - | |
| Interest received | 6 | 24,971 | | 1,502 | |
| Rent received | | - | | 15,565 | |
| Net cash used in investing activities | | | <u>(990,676)</u> | | <u>(647,089)</u> |
| Net (decrease)/increase in cash and cash equivalents | | | (513,322) | | 519,060 |
| Cash and cash equivalents at beginning of year | | | <u>3,396,213</u> | | <u>2,877,153</u> |
| Cash and cash equivalents at end of year | | | <u><u>2,882,891</u></u> | | <u><u>3,396,213</u></u> |

The charity had no net debt during the year.

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

Farney Close School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

2.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

2.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 including irrecoverable VAT are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-----------------|
| Freehold land and buildings | 2-10% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20-33% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss. During the year, the investment property was brought into use by the charity and reclassified as Freehold Land and Buildings.

2.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

2.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 Retirement benefits

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 26, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for two former members of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

2.12 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total Unrestricted funds | Restricted funds | Total |
|---------------------|--------------------|------------------|--------------------------|------------------|---------------|
| | 2023 | 2023 | 2023 | 2022 | 2022 |
| | £ | £ | £ | £ | £ |
| Donations and gifts | 1,184 | 11,066 | 12,250 | - | 26,490 |
| Grants | - | - | - | 10,493 | - |
| | <u>1,184</u> | <u>11,066</u> | <u>12,250</u> | <u>10,493</u> | <u>36,983</u> |

4 Income from other trading activities

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| | £ | £ |
| Letting and licensing arrangements | - | (1,770) |
| | <u>-</u> | <u>(1,770)</u> |

The debit balance in 2022 related to a refund for board and lodgings.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Charitable activities

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| School fees within charitable activities | 4,234,473 | 4,228,230 |
| Pupil Premium | 31,722 | 14,394 |
| | <u>4,266,195</u> | <u>4,242,624</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,234,473 | |
| Restricted funds | 31,722 | |
| | <u>4,266,195</u> | |
| For the year ended 31 August 2022 | | |
| Unrestricted funds | | 4,228,230 |
| Restricted funds | | 14,394 |
| | | <u>4,242,624</u> |

6 Investments

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---------------------|------------------------------------|------------------------------------|
| Rental income | - | 15,565 |
| Interest receivable | 24,971 | 1,502 |
| | <u>24,971</u> | <u>17,067</u> |

Rental income arose from letting Redwoods, the Charity's investment property during 2022. The property was brought into use by the school during the year.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Other income

| | Unrestricted funds | Unrestricted funds |
|---|-----------------------|-----------------------|
| | 2023 | 2022 |
| | £ | £ |
| Net gain on disposal of tangible fixed assets | (817) | - |
| Miscellaneous income | 221 | 1,241 |
| Insurance claims | - | 14,749 |
| | <u>(596)</u> | <u>15,990</u> |

8 Raising funds

| | 2023 | 2022 |
|---------------------------|----------|--------------|
| | £ | £ |
| Investment property costs | - | 3,086 |
| | <u>-</u> | <u>3,086</u> |

During the period, the investment property was brought into use by the school and there were no costs associated with the letting.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Establishment | 737,683 | 672,778 |
| School expenses | 2,648,237 | 2,480,445 |
| | <u>3,385,920</u> | <u>3,153,223</u> |
| Share of support costs (see note 10) | 591,705 | 526,532 |
| Share of governance costs (see note 10) | 44,354 | 58,701 |
| | <u>4,021,979</u> | <u>3,738,456</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,003,457 | |
| Restricted funds | 18,522 | |
| | <u>4,021,979</u> | |
| For the year ended 31 August 2022 | | |
| Unrestricted funds | | 3,713,632 |
| Restricted funds | | 24,824 |
| | | <u>3,738,456</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Support costs

| | Support costs | Governance costs | 2023 | 2022 |
|------------------------|----------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Depreciation | 125,602 | - | 125,602 | 99,632 |
| Salaries | 355,232 | - | 355,232 | 299,895 |
| Staff training | 11,980 | - | 11,980 | 18,186 |
| Sundry | 4,211 | 3,219 | 7,430 | 8,201 |
| Telephone | 6,722 | - | 6,722 | 31,035 |
| Office costs | 8,467 | - | 8,467 | 9,997 |
| Motor expenses | 16,983 | - | 16,983 | 17,299 |
| Computer expenses | 46,949 | - | 46,949 | 27,800 |
| Payroll | 4,515 | - | 4,515 | 3,153 |
| Professional fees | 9,809 | - | 9,809 | 13,646 |
| Bank charges | 1,235 | - | 1,235 | 1,015 |
| Audit fees | - | 14,720 | 14,720 | 13,560 |
| Accountancy | - | 18,679 | 18,679 | 17,471 |
| Legal and professional | - | 7,736 | 7,736 | 24,343 |
| | <u>591,705</u> | <u>44,354</u> | <u>636,059</u> | <u>585,233</u> |

Auditor's remuneration in relation to audit services was £14,720 (2022- £13,560) including VAT.

11 Trustees

During the year six trustees claimed £2,713 (2022: three trustees £1,751) of expenses which relate to training, travel costs and trustee meetings.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|----------------|----------------|----------------|
| School | 57 | 59 |
| Establishment | 11 | 12 |
| Administration | 6 | 6 |
| | <u>74</u> | <u>77</u> |

Employment costs

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Wages and salaries | 2,435,388 | 2,365,999 |
| Social security costs | 236,711 | 221,640 |
| Other pension costs | 213,004 | 201,433 |
| Benefits in kind - healthcare | 22,573 | 22,076 |
| Change in present value for pension obligation | (13,377) | (123,554) |
| | <u>2,894,299</u> | <u>2,687,594</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2023 Number | 2022 Number |
|-------------------|----------------|----------------|
| £60,000 - £69,999 | - | 1 |
| £70,000 - £79,999 | 1 | - |
| £80,000 - £89,999 | - | 1 |
| | <u>-</u> | <u>1</u> |

The key management personnel of the charity comprise the Trustees and the senior management team, which comprised 4 roles (2022 - 5 roles); the Principal, Vice-Principal, Head of Education and Head of Care (2022 Operations Manager for part of the year). The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the trust was £314,757 (2022 - £333,890).

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|------------------------|--------------------------|-------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2022 | 4,730,429 | 274,866 | 411,257 | 49,677 | 5,466,229 |
| Additions | 919,535 | - | 101,072 | - | 1,020,607 |
| Disposals | (27,975) | (43,905) | (207,305) | - | (279,185) |
| Transfer from investment property | 750,000 | - | - | - | 750,000 |
| At 31 August 2023 | 6,371,989 | 230,961 | 305,024 | 49,677 | 6,957,651 |
| Depreciation and impairment | | | | | |
| At 1 September 2022 | 2,282,992 | 236,614 | 344,550 | 29,729 | 2,893,885 |
| Depreciation charged in the year | 78,255 | 9,461 | 33,686 | 4,200 | 125,602 |
| Eliminated in respect of disposals | (27,975) | (38,969) | (206,464) | - | (273,408) |
| At 31 August 2023 | 2,333,272 | 207,106 | 171,772 | 33,929 | 2,746,079 |
| Carrying amount | | | | | |
| At 31 August 2023 | 4,038,717 | 23,855 | 133,252 | 15,748 | 4,211,572 |
| At 31 August 2022 | 2,447,437 | 38,252 | 66,707 | 19,948 | 2,572,344 |

15 Investment property

| | 2023 £ |
|--------------------------------------|-----------|
| Fair value | |
| At 1 September 2022 | 750,000 |
| Transfers to owner-occupied property | (750,000) |
| At 31 August 2023 | - |

The freehold investment property was purchased in 2015 with some additional works to make it available to rent. It had been valued at cost until 2021, when the Trustees considered that an increase in line with the local property market, taking into account property indexes was appropriate. That value was considered fair value at 31 August 2022.

The tenant vacated the property in July 2022, and subsequent to the year end the Trustees made the decision to bring the house into use by the school. The house was transferred to Freehold land and buildings, with the value at 31 August 2022 becoming the deemed cost.

16 Debtors

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| School fees receivable | 221,807 | 642,084 |
| Prepayments and accrued income | 23,211 | 51,934 |
| | 245,018 | 694,018 |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Fees in advance (see note 19) | 1,315,503 | 1,327,785 |
| Trade creditors | 92,842 | 386,020 |
| Other creditors | 40,090 | 47,684 |
| Accruals and deferred income | 57,439 | 78,986 |
| | <u>1,505,874</u> | <u>1,840,475</u> |

18 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|---|---------------|---------------|
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 26) | <u>51,460</u> | <u>70,794</u> |

19 Fees in advance

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 autumn term:

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Fees in advance at 1 September 2022 | 1,327,785 | 1,343,423 |
| Recognised as income in 2022-23 year | (1,327,785) | (1,343,423) |
| Fees invoiced prior to 31 August 2023, and carried forward to 2023-24 | <u>1,315,503</u> | <u>1,327,785</u> |
| Fees in advance at 31 August 2023 | <u>1,315,503</u> | <u>1,327,785</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

| | At 1 September 2022 | Incoming resources | Resources expended | At 31 August 2023 |
|---------------------------------|---------------------------|-----------------------|-----------------------|----------------------|
| | £ | £ | £ | £ |
| Pupil Premium | 11,859 | 35,011 | (6,761) | 40,109 |
| Vocational building & equipment | 6,487 | 7,277 | (5,311) | 8,453 |
| Media suite | 105 | - | - | 105 |
| Education and childcare | 50 | - | (50) | - |
| Fair Fax & Morrisons | 9,128 | 100 | (6,000) | 3,228 |
| Vaccination funding | 1,040 | - | - | 1,040 |
| Coronation grant | - | 400 | (400) | - |
| | <u>28,669</u> | <u>42,788</u> | <u>(18,522)</u> | <u>52,935</u> |
| Previous year: | | | | |
| | At 1 September 2021 | Incoming resources | Resources expended | At 31 August 2022 |
| | £ | £ | £ | £ |
| Pupil Premium | 3,874 | 14,394 | (6,409) | 11,859 |
| Vocational building & equipment | 6,899 | 200 | (612) | 6,487 |
| Media suite | 105 | - | - | 105 |
| Education and childcare | 623 | 16,750 | (17,323) | 50 |
| Fair Fax | 1,108 | 8,500 | (480) | 9,128 |
| Vaccination funding | - | 1,040 | - | 1,040 |
| | <u>12,609</u> | <u>40,884</u> | <u>(24,824)</u> | <u>28,669</u> |

The restricted funds include Pupil Premium monies provided for enrichment by local authorities.

Other grants included as "Vocational building and equipment", "Media suite", "Education and childcare", and "Fair Fax and Morrisons" represented grants to support the purchase of equipment in support of student's learning and enrichment in the areas listed above.

Vaccination funding was a specific grant.

The Coronation Grant enabled celebration activities.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 September 2022 | Incoming resources | Resources expended | At 31 August 2023 |
|-----------------------|------------------------------------|-------------------------------|-------------------------------|------------------------------|
| | £ | £ | £ | £ |
| General funds | 5,472,637 | 4,260,032 | (4,003,457) | 5,729,212 |
| | <u>5,472,637</u> | <u>4,260,032</u> | <u>(4,003,457)</u> | <u>5,729,212</u> |
| Previous year: | At 1 September 2021 | Incoming resources | Resources expended | At 31 August 2022 |
| | £ | £ | £ | £ |
| General funds | 4,919,345 | 4,270,010 | (3,716,718) | 5,472,637 |
| | <u>4,919,345</u> | <u>4,270,010</u> | <u>(3,716,718)</u> | <u>5,472,637</u> |

22 Analysis of net assets between funds

| | Unrestricted funds 2023 | Restricted funds 2023 | Total 2023 |
|--|--|--------------------------------------|-----------------------|
| | £ | £ | £ |
| Fund balances at 31 August 2023 are represented by: | | | |
| Tangible assets | 4,211,572 | - | 4,211,572 |
| Current assets | 1,569,100 | 52,935 | 1,622,035 |
| Long term liabilities | (51,460) | - | (51,460) |
| | <u>5,729,212</u> | <u>52,935</u> | <u>5,782,147</u> |
| | <u>5,729,212</u> | <u>52,935</u> | <u>5,782,147</u> |
| | Unrestricted funds 2022 | Restricted funds 2022 | Total 2022 |
| | £ | £ | £ |
| Fund balances at 31 August 2022 are represented by: | | | |
| Tangible assets | 2,572,344 | - | 2,572,344 |
| Investment properties | 750,000 | - | 750,000 |
| Current assets | 2,221,087 | 28,669 | 2,249,756 |
| Long term liabilities | (70,794) | - | (70,794) |
| | <u>5,472,637</u> | <u>28,669</u> | <u>5,501,306</u> |
| | <u>5,472,637</u> | <u>28,669</u> | <u>5,501,306</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Acquisition of property, plant and equipment | - | 480,642 |

At the year end the Charity had completed a major renovation of the main school buildings, with the comparative relating to commitments at the prior balance sheet date.

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2023 £ | 2022 £ |
|----------------------------|---------------|--------------|
| Within one year | 9,048 | 6,237 |
| Between two and five years | 9,672 | - |
| | <u>18,720</u> | <u>6,237</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

25 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Remuneration totalling £110,868 (2022 - £163,185) was paid to four (2022 - five) related parties connected as close family members to either Trustees or Senior Management Personnel at any point during the year. All were employed at the School on standard employment terms.

26 Pension costs

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 2016.

The pension cost charge for the year ended 31 August 2023 was £169,670 (2022: £159,868). Contributions amounting to £22,089 (2022: £38,703) 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 2023 was £43,334 (2022: £41,565). An amount of £8,152 (2022: £nil) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for one former member of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company, the commitment in respect of one former employee ceases in the next financial year.

The key financial estimates and assumptions are that the benefits will continue until the former employee reaches the age of 89, increase at 2.75% per annum, and to reflect fair value, are discounted at 2.7% per annum.

The total obligation at the year end was £57,146 (2022: £78,385), £5,686 is due within one year and the balance of £51,460 in more than one year.

Teachers' Pension Scheme

Introduction

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

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

26 Pension costs

(Continued)

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.

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 1 April 2024, with the previous figures as at 31 March 2016. The valuation report was published by the Department for Education on 21 November 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% (previously 23.68%) of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion (previously £218 billion), and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion (previously £196 billion giving a notional past service deficit of £39.8 billion (previously £22 billion)).
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% (previously 2.4%) above the rate of CPI.

The employer's pension costs paid to the TPS in the period amounted to £238,991 (2022: £226,197)
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

| 27 Cash generated from operations | 2023 £ | 2022 £ |
|---|----------------|------------------|
| Surplus for the year | 280,841 | 569,352 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (24,971) | (17,067) |
| Loss on disposal of tangible fixed assets | 817 | - |
| Depreciation and impairment of tangible fixed assets | 125,602 | 99,632 |
| Movements in working capital: | | |
| Decrease in debtors | 449,000 | 352,428 |
| (Decrease)/increase in creditors | (353,935) | 161,804 |
| Cash generated from operations | <u>477,354</u> | <u>1,166,149</u> |

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity registration number 307024

Company registration number 00543113 (England and Wales)

FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

FARNEY CLOSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Trustees | J E Bowry S Deane M Gibrill C Johns N M S G Bartholomew |
| Charity number | 307024 |
| Company number | 00543113 |
| Registered office and principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN |
| Accountant | Moore (South) LLP 9st Johns Place Newport Isle of Wight PO30 1LH |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP |

FARNEY CLOSE SCHOOL LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 7 |
| Independent auditor's report | 8 - 10 |
| Statement of financial activities | 11 |
| Balance sheet | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 - 28 |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Farney Close School's aim is to provide educational and social development opportunities for boys and girls aged 9 -18 who, following the introduction of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health or associated needs. All young people who attend the school are referred by a range of Local Authorities across the South and Southeast of England.

Our key objectives are to:

- Provide an academic, vocational, and socially learning environment that supports children and young people to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst children & young people.
- Provide children and young people with a full entitlement to the National Curriculum and a range of examination subjects at levels that match their abilities and intellectual/cognitive capacity.
- Provide young people with a package of care that supports and develops their emotional maturity and meets their social educational needs.
- Provide young people 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,
 - Regular quality staff training and professional development opportunities,
 - Conducting quality assurance exercises and the collection and review of 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 schools' policies and procedures.

Anti-discrimination and Equality

Provided they have an Education, Health & Care Plan, Farney Close is open to young people who are referred and funded 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.

Public Benefit

In setting our objectives and planning our activities, the Trustees 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, social education and on fee-charging.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its young people. This focus is shared by all Trustees and staff. As part of this, the school's Designated Safeguarding Leads undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

A Safeguarding and Well Being team (SEND) is in place and consists of a Designated Safeguarding Lead (Principal), two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker), A Safeguarding Governor representative (an Ex-Head of Care) and support team (The Schools SENCO, School Nurse, Vice Principal and the Referrals and Inclusion Officer). This team meets weekly to look at the Safeguarding and Wellbeing of the school young people and employees.

Both the Principal and the Schools Social Worker are registered with Social Work England. The School Social Worker works with all children and young people that benefit from social work input. The School Nurse and our Referrals and Inclusion Officer support with Safeguarding related matters surrounding new pupils but has a particular focus on assessment of potential new pupils and ensuring high attendance is maintained.

The school continues to use an embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increase over the last couple of years and plays a vital part in both the academic and social progress of all young people.

We celebrate diversity throughout the year. In the next academic year will we be updating our Rainbow Flag Award as part of this. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. All bullying episodes are recorded, and work is undertaken with bullies and the bullied to help them move forward. Weekly culture capital days enable us to not only educate our young people but to also celebrate different cultures.

Incidents of pupil's sexual harassment are recorded, addressed, tracked and action put in place in line with recent Government requirements.

We run a 24-hour curriculum to ensure that our young people are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our young people during the evening.

Various opportunities are offered to our young people to ensure that their voice is heard for example Annual Questionnaires, regular meetings with the Link Workers, in therapy or counselling, tutor time, School Council, annual reviews and House meetings. We ensure that their views are heard and responded to.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Leadership team.

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.

The most significant financial risk concerns the cost of providing services not being fully matched by the income from fees. The academic year (2021/2022) has seen us open our day provision and take in day pupils so our numbers are significantly increasing which will inevitably financially support the school and enable us to enhance our offer. The key to meeting the needs of our children is recruiting skilled and empathetic staff, this continues to be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the young people to be less testing and as a result they show less challenging behaviour.

The Trustees worked hard with the existing Leadership team and have increased their capacity this year, not only appointing an Operations Manager (new post) but also a Head of Education. All members of the Senior Leadership Team (SLT) have been appointed since April 2019 and are now settled into their roles. The SLT are supported with half termly visits for our School Improvement Partner (SIP) and our National minimum Standards Independent Visitor. Both of these parties produce reports from their visits with any advisories so support us moving forward.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for young people with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our young people.

ACHIEVEMENTS AND PERFORMANCE

The school has continued its journey forward. In the Autumn term of 2022, the School welcomed both Ofsted Education and Ofsted Social Care through our doors. Both sets of inspections recognised all the hard work and dedication put into the School and provided us with a "GOOD" rating in both inspections.

The opening comment from the Ofsted Social Care inspection in January 2022 reads as follows: "Young people receive good-quality, comprehensive and individualised care from skilled staff who know them well". It goes on to say, "This high level of care contributes to a culture that supports the young people to engage with their learning and to make progress".

Of our Y11 class of 2022, there were 8 leavers this year:

- 3 pupils achieved 2 GCSEs at level 4 or higher, all-in the core subjects (37.5%)
- 7 pupils, all achieved at least one GCSE qualification in all their subjects (87.5%)
- 1 pupil achieved a GCSE qualification in 2 of their subjects (12.5%)

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Financial Management and Sustainability

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of young people placed by various funding bodies.

The result of the operating plan for the academic year was a surplus on unrestricted funds of £553,292 (2021: £211,519), taking unrestricted funds to £5,472,637 (2021: £4,919,345). The investment property was not revalued in the period - the tenant left in July 2022, and the Trustees made the decision to bring the asset back into school use during 2022-23.

Of the total funds, £3,322,344 (2021: £2,757,820) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds) was stated at £2,150,293 (2021: £2,161,525). The restricted funds increased by £16,060 (2021 decreased by - £12,873) as a result of expenditure on equipment, and the spending of pupil premium monies. Restricted funds of £28,669 (2021: £12,609) were carried forward.

A total of £664,156 (2021 - £236,531) was invested in fixed assets in the year, on building works and equipment. In particular some major renovations were underway at the year end on works to the buildings at the school, and following assessment of the trees in the grounds significant tree works were undertaken and the perimeter fence replaced.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained very low in the current financial period.

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 aim of the next financial year is to review our offer and consider expansion of the school, both within the Primary and Secondary provision. The Trustees have always had in mind that the Senior Leadership team need room to manoeuvre to achieve their aims and objectives and are fully committed to supporting their Leaders.

PLANS FOR FUTURE PERIODS

Education

To offer a curriculum that provides an education for those young people who are capable of obtaining at least 5 GCSEs, whilst also enabling the young people, who are less able, to achieve. This particularly refers to vocational and employability skills.

To embed our primary provision, which has now been open a year. This will include ensuring that the children who attend our primary unit have a smooth transition into our secondary provision.

Care

We aim to continue to promote the importance of our residential experience in supporting children in learning through a 24-hour curriculum. Here the focus is on social and independent skills to enable the young people to become adults that succeed in society. Whilst this is a focus for our work with our residential pupils, we also look to offer pastoral care to all our day pupils, supporting them in their journey into adulthood.

Premises

Development of the school grounds is taking place and due to be completed during the next academic year. This is to enhance the opportunities for enrichment and outdoor learning, whilst improving the security and safety of the school site. The work has included an 8ft fence around the perimeter of the school and tree work in our wooded area.

Renovation of the main school building is taking place and due for completion over the next academic year. A 5-year maintenance and development plan for the whole site is in place.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The Trustees 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 and the Companies' Acts.

The Articles of Association were rewritten and adopted on 10 July 2021. Trustees now agree and accept the accounts and, elect Trustees as and when appropriate. 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 duty to maintain an appropriately balanced provision for the young people in its care. Due to the increasingly varied, complex needs of the children and young people, and with the numbers on our school roll increasing, the school needs to broaden the therapeutic care available.

Mrs S Deane stepped down as Chair of the Trustees on 25 September 2021 and was replaced by Mrs C Johns. N Bartholomew took the post of Vice-chair on 8 April 2022.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the Directors for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

J E Bowry

S Deane

M Gibrill

C Johns

N M S G Bartholomew

Mr B C Robinson

(Resigned 15 September 2021)

Mr S T Lashley

(Resigned 26 March 2022)

Recruitment and appointment of new Trustees

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

Induction and training of new Trustees

The Board receives training via The Key, National Governance Association and Educare, as well as attending in school training with members of the staff team.

All school day-to-day matters are delegated to the Principal, who is supported by the Vice Principal, Head of Education and Head of Care. The Company House requirements are now administered by our Finance Officer.

Organisational structure

The Trustees meet formally six times a year and if required on an ad hoc basis, to review strategy and performance and to set operating plans and budgets. The board of Trustees appoint Trustees when a vacancy arises. A skills audit has been undertaken by the present Chair to establish where there are gaps, and these have now been addressed. Board members have designated areas of responsibilities that match their skills and knowledge. They conduct monitoring visits in their focussed area, each half term (at least). They record their findings, provide the Principal with feedback and offer any recommendations that they feel would support the school in continuing to move forward. These areas are their main focus, and they report back to the main body. All Board members are invited to the half-termly finance meetings, as is the Principal and Finance Officer.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.

Disclosure of information to auditor

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 them selves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Trustees. In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.



C Johns

Trustee

Dated: 18 May 2023

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Farney Close School Limited for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2022 and of its incoming resources and application of resources 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
 - the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.
-

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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;
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption; and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

TC Group

Mr Mark Cummins
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor

23 May 2023

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|----|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 10,493 | 26,490 | 36,983 | 112,364 | 15,485 | 127,849 |
| Charitable activities | 5 | 4,228,230 | 14,394 | 4,242,624 | 3,397,213 | 21,357 | 3,418,570 |
| Other trading activities | 4 | (1,770) | - | (1,770) | 1,838 | - | 1,838 |
| Investments | 6 | 17,067 | - | 17,067 | 16,564 | - | 16,564 |
| Other income | 7 | 15,990 | - | 15,990 | 4,037 | - | 4,037 |
| Total income | | 4,270,010 | 40,884 | 4,310,894 | 3,532,016 | 36,842 | 3,568,858 |
| Expenditure on: | | | | | | | |
| Raising funds | 8 | 3,086 | - | 3,086 | 2,535 | - | 2,535 |
| Charitable activities | 9 | 3,713,632 | 24,824 | 3,738,456 | 3,410,680 | 52,094 | 3,462,774 |
| Total resources expended | | 3,716,718 | 24,824 | 3,741,542 | 3,413,215 | 52,094 | 3,465,309 |
| Net gains/(losses) on investments | 13 | - | - | - | 92,718 | - | 92,718 |
| Gross transfers between funds | 20 | - | - | - | (2,379) | 2,379 | - |
| Net income for the year/ Net movement in funds | | 553,292 | 16,060 | 569,352 | 209,140 | (12,873) | 196,267 |
| Fund balances at 1 September 2021 | | 4,919,345 | 12,609 | 4,931,954 | 4,710,205 | 25,482 | 4,735,687 |
| Fund balances at 31 August 2022 | | 5,472,637 | 28,669 | 5,501,306 | 4,919,345 | 12,609 | 4,931,954 |

The statement of financial activities includes all gains and losses recognised in the year.

The allocation of the comparative figure between funds is explained in the notes to these accounts.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FARNEY CLOSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|--------------------|---|--------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 14 | 2,572,344 | | 2,007,820 | |
| Investment properties | 15 | 750,000 | | 750,000 | |
| | | <u>3,322,344</u> | | <u>2,757,820</u> | |
| Current assets | | | | | |
| Debtors | 16 | 694,018 | | 1,046,446 | |
| Cash at bank and in hand | | 3,396,213 | | 2,877,153 | |
| | | <u>4,090,231</u> | | <u>3,923,599</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(1,840,475)</u> | | <u>(1,547,836)</u> | |
| Net current assets | | 2,249,756 | | 2,375,763 | |
| Total assets less current liabilities | | <u>5,572,100</u> | | <u>5,133,583</u> | |
| Creditors: amounts falling due after more than one year | 18 | (70,794) | | (201,629) | |
| Net assets | | <u>5,501,306</u> | | <u>4,931,954</u> | |
| Income funds | | | | | |
| Restricted funds | 20 | 28,669 | | 12,609 | |
| Unrestricted funds | | 5,472,637 | | 4,919,345 | |
| | | <u>5,501,306</u> | | <u>4,931,954</u> | |

The financial statements were approved by the Trustees on 18 May 2023



C Johns
Trustee

Company registration number 00543113

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|--|-------|-----------|------------------|-----------|------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 27 | | 1,166,149 | | 574,714 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (664,156) | | (236,531) | |
| Proceeds on disposal of tangible fixed assets | | - | | 3,900 | |
| Interest received | | 1,502 | | 9 | |
| Rent received | | 15,565 | | 16,555 | |
| Net cash used in investing activities | | | (647,089) | | (216,067) |
| Net increase in cash and cash equivalents | | | 519,060 | | 358,647 |
| Cash and cash equivalents at beginning of year | | | 2,877,153 | | 2,518,506 |
| Cash and cash equivalents at end of year | | | <u>3,396,213</u> | | <u>2,877,153</u> |

The charity had no net debt during the year.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Farney Close School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 including irrecoverable VAT are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|--------------|
| Freehold land and buildings | 2% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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 21, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for two former members of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

1.12 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------------|--------------------|------------------|---------------|--------------------|------------------|----------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Donations and gifts | - | 26,490 | 26,490 | - | 15,485 | 15,485 |
| Grants | 10,493 | - | 10,493 | 112,364 | - | 112,364 |
| | <u>10,493</u> | <u>26,490</u> | <u>36,983</u> | <u>112,364</u> | <u>15,485</u> | <u>127,849</u> |

4 Other trading activities

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|--------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Letting and licensing arrangements | <u>(1,770)</u> | <u>1,838</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Charitable activities

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| School fees within charitable activities | 4,228,230 | 3,397,213 |
| Pupil Premium | 14,394 | 21,357 |
| | <u>4,242,624</u> | <u>3,418,570</u> |
| Analysis by fund | | |
| Unrestricted funds | 4,228,230 | |
| Restricted funds | 14,394 | |
| | <u>4,242,624</u> | |
| For the year ended 31 August 2021 | | |
| Unrestricted funds | | 3,397,213 |
| Restricted funds | | 21,357 |
| | | <u>3,418,570</u> |

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2022 £ | 2021 £ |
| Rental income | 15,565 | 16,555 |
| Interest receivable | 1,502 | 9 |
| | <u>17,067</u> | <u>16,564</u> |

Rental income arose from letting Redwoods, the Charity's investment property during the year.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Other income

| | Unrestricted funds | Unrestricted funds |
|---|-----------------------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Net gain on disposal of tangible fixed assets | - | 3,900 |
| Miscellaneous income | 1,241 | 137 |
| Insurance claims | 14,749 | - |
| | <u>15,990</u> | <u>4,037</u> |

8 Raising funds

| | 2022 | 2021 |
|---------------------------|--------------|--------------|
| | £ | £ |
| Investment property costs | 3,086 | 2,535 |
| | <u>3,086</u> | <u>2,535</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Establishment | 672,779 | 485,690 |
| School expenses | 2,480,445 | 2,553,204 |
| | <u>3,153,224</u> | <u>3,038,894</u> |
| Share of support costs (see note 10) | 562,885 | 405,482 |
| Share of governance costs (see note 10) | 22,347 | 18,398 |
| | <u>3,738,456</u> | <u>3,462,774</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,713,632 | |
| Restricted funds | 24,824 | |
| | <u>3,738,456</u> | |
| For the year ended 31 August 2021 | | |
| Unrestricted funds | | 3,410,680 |
| Restricted funds | | 52,094 |
| | | <u>3,462,774</u> |

10 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | 2021 £ |
|-------------------|-----------------------|--------------------------|----------------|----------------|
| Depreciation | 99,632 | - | 99,632 | 65,347 |
| Salaries | 299,895 | - | 299,895 | 190,230 |
| Staff training | - | - | - | 888 |
| Sundry | 4,874 | 3,327 | 8,201 | 1,563 |
| Telephone | 31,035 | - | 31,035 | 17,093 |
| Office costs | 9,997 | - | 9,997 | 8,435 |
| Motor expenses | 17,299 | - | 17,299 | 18,296 |
| Computer expenses | 27,800 | - | 27,800 | 54,089 |
| Payroll | 3,153 | - | 3,153 | 3,324 |
| Professional fees | 68,185 | - | 68,185 | 47,395 |
| Bank charges | 1,015 | - | 1,015 | 652 |
| Audit fees | - | 13,560 | 13,560 | 12,368 |
| Accountancy | - | 5,460 | 5,460 | 4,200 |
| | <u>562,885</u> | <u>22,347</u> | <u>585,232</u> | <u>423,880</u> |

Auditor's remuneration in relation to audit services was £13,560 (2021- £12,368) including VAT.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees

During the year three trustees claimed £1,751 (2021: three trustees £1,127) of expenses which relate to training, travel costs and trustee meetings.

The following payments were made to Trustees during the year:

- £Nil (2021: £2,000) was paid from the general fund to M Gibrill in respect of his professional services.

- £Nil (2021: £20,000) was paid from the general fund to Mrs C Johns, a Trustee in respect of her professional services.

The school has followed the guidance issued by the charity commission on making payments to Trustees for services provided in their professional capacity.

12 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|----------------|----------------|----------------|
| School | 59 | 57 |
| Establishment | 12 | 10 |
| Administration | 6 | 6 |
| | <u>77</u> | <u>73</u> |

Employment costs

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Wages and salaries | 2,365,999 | 2,231,915 |
| Social security costs | 221,640 | 203,475 |
| Other pension costs | 201,433 | 217,313 |
| Benefits in kind - healthcare | 22,076 | 27,965 |
| Change in present value for pension obligation | (123,554) | 16,595 |
| | <u>2,687,594</u> | <u>2,697,263</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2022 Number | 2021 Number |
|-------------------|----------------|----------------|
| £60,000 - £69,999 | 1 | 1 |
| £80,000 - £89,999 | 1 | - |
| £90,000 - £99,999 | - | 1 |
| | <u>-</u> | <u>1</u> |

The key management personnel of the charity comprise the Trustees and the senior management team, which comprised 5 roles (2021 - 4 roles); the Principal, Vice-Principal, Heads of Education, and Care, and for part of the period an Operations Manager. The total amount of employee benefits (including employer NI and pension contributions) received by key management personnel for their services to the trust was £333,890 (2021, as revised - £306,465).

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Net gains/(losses) on investments

| | Total | Unrestricted funds |
|--------------------------------------|-------|-----------------------|
| | 2022 | 2021 |
| | £ | £ |
| Revaluation of investment properties | - | 92,718 |

14 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|------------------------|--------------------------|-------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2021 | 4,138,842 | 262,561 | 371,991 | 28,679 | 4,802,073 |
| Additions | 591,587 | 12,305 | 39,266 | 20,998 | 664,156 |
| At 31 August 2022 | 4,730,429 | 274,866 | 411,257 | 49,677 | 5,466,229 |
| Depreciation and impairment | | | | | |
| At 1 September 2021 | 2,219,682 | 224,922 | 320,970 | 28,679 | 2,794,253 |
| Depreciation charged in the year | 63,310 | 11,692 | 23,580 | 1,050 | 99,632 |
| At 31 August 2022 | 2,282,992 | 236,614 | 344,550 | 29,729 | 2,893,885 |
| Carrying amount | | | | | |
| At 31 August 2022 | 2,447,437 | 38,252 | 66,707 | 19,948 | 2,572,344 |
| At 31 August 2021 | 1,919,160 | 37,639 | 51,021 | - | 2,007,820 |

15 Investment property

| | 2022 |
|--|---------|
| | £ |
| Fair value | |
| At 1 September 2021 and 31 August 2022 | 750,000 |

The freehold investment property was purchased in 2015 with some additional works to make it available to rent. It had been valued at cost until 2021, when the Trustees considered that an increase in line with the local property market, taking into account property indexes was appropriate. That value is considered fair value at 31 August 2022.

The tenant vacated the property in July 2022, and subsequent to the year end the Trustees made the decision to bring the house into use by the school. Some works will be necessary to the property, and it will be transferred to school land and buildings in 2022-23.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

| | | |
|---|------------------|------------------|
| 16 Debtors | 2022 | 2021 |
| | £ | £ |
| Amounts falling due within one year: | | |
| School fees receivable | 642,084 | 988,134 |
| Prepayments and accrued income | 51,934 | 58,312 |
| | <u>694,018</u> | <u>1,046,446</u> |
| | | |
| 17 Creditors: amounts falling due within one year | 2022 | 2021 |
| | £ | £ |
| Payments received on account | 1,327,785 | 1,343,423 |
| Trade creditors | 386,020 | 172,453 |
| Other creditors | 47,684 | 13,120 |
| Accruals and deferred income | 78,986 | 18,840 |
| | <u>1,840,475</u> | <u>1,547,836</u> |
| | | |
| 18 Creditors: amounts falling due after more than one year | 2022 | 2021 |
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 26) | 70,794 | 201,629 |
| | <u>70,794</u> | <u>201,629</u> |
| | | |
| 19 Fees in advance | | |
| 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 autumn term: | | |
| | 2022 | 2021 |
| | £ | £ |
| Fees in advance at 1 September 2021 | 1,343,423 | 1,027,196 |
| Recognised as income in 2021-22 year | (1,343,423) | (1,027,196) |
| Fees invoiced prior to 31 August 2022, and carried forward to 2022-23 | 1,327,785 | 1,343,423 |
| | <u>1,327,785</u> | <u>1,343,423</u> |

FARNEY CLOSE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 September 2020 | | Movement in funds | | Transfers | | Balance at 1 September 2021 | | Movement in funds | | Balance at 31 August 2022 | |
|---------------------------------|-----------------------------------|---|-----------------------|-----------------------|--------------|---|-----------------------------------|---------------|-----------------------|-----------------------|---------------------------------|---|
| | £ | £ | Incoming resources | Resources expended | £ | £ | £ | £ | Incoming resources | Resources expended | £ | £ |
| Pupil Premium | 19,836 | | 21,357 | (37,319) | - | | 3,874 | 14,394 | (6,409) | | 11,859 | |
| Vocational building & equipment | 4,967 | | 10,740 | (10,528) | 1,720 | | 6,899 | 200 | (612) | | 6,487 | |
| Media suite | - | | 3,605 | (3,500) | - | | 105 | - | - | | 105 | |
| Education and childcare | 571 | | 140 | (747) | 659 | | 623 | 16,750 | (17,323) | | 50 | |
| Fair Fax | 108 | | 1,000 | - | - | | 1,108 | 8,500 | (480) | | 9,128 | |
| Vaccination funding | - | | - | - | - | | - | 1,040 | - | | 1,040 | |
| | <u>25,482</u> | | <u>36,842</u> | <u>(52,094)</u> | <u>2,379</u> | | <u>12,609</u> | <u>40,884</u> | <u>(24,824)</u> | | <u>28,669</u> | |

The restricted funds include Pupil Premium monies provided for enrichment by local authorities plus specific equipment grants generated from grants and donations along with fundraising.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Analysis of net assets between funds

| | Unrestricted | Restricted funds | Total | Unrestricted | Restricted funds | Total |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 August 2022 are represented by: | | | | | | |
| Tangible assets | 2,572,344 | - | 2,572,344 | 2,007,820 | - | 2,007,820 |
| Investment properties | 750,000 | - | 750,000 | 750,000 | - | 750,000 |
| Current assets/(liabilities) | 2,221,087 | 28,669 | 2,249,756 | 2,363,154 | 12,609 | 2,375,763 |
| Long term liabilities | (70,794) | - | (70,794) | (201,629) | - | (201,629) |
| | <u>5,472,637</u> | <u>28,669</u> | <u>5,501,306</u> | <u>4,919,345</u> | <u>12,609</u> | <u>4,931,954</u> |

22 Financial commitments, guarantees and contingent liabilities

These accounts include an amount which was part of a settlement agreement with a former employee. As part of that settlement agreement the amount of the payment is confidential.

23 Capital commitments

At 31 August 2022 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

| | 2022 | 2021 |
|--|----------------|----------|
| | £ | £ |
| Acquisition of property, plant and equipment | <u>480,642</u> | <u>-</u> |

At the year end the Charity was part way through a major renovation of the main school buildings, with original committed funds of £787,148 (2021 - £nil). The above commitment will be expended in the 2022-23 financial year.

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2022 | 2021 |
|----------------------------|--------------|---------------|
| | £ | £ |
| Within one year | 6,237 | 7,985 |
| Between two and five years | - | 6,479 |
| | <u>6,237</u> | <u>14,464</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Remuneration totalling £163,185 (2021 - as revised £86,833) was paid to five (2021 - four) related parties connected as close family members to either Trustees or Senior Management Personnel at any point during the year. All were employed at the School on standard employment terms.

26 Pension costs

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 2022 was £159,868 (2021: £175,676). Contributions amounting to £38,703 (2021: £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 2022 was £41,565 (2021: £41,637). An amount of £nil (2021: £nil) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for two former members of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company. The commitment in respect of one former employee ceases in the next financial year.

The key financial estimates and assumptions are that the benefits will continue until the former employee reaches the age of 89, increase at 2.75% per annum, and to reflect fair value, are discounted at 2.7% per annum.

The total obligation at the year end was £78,385 (2021: £213,882), £7,591 is due within one year and the balance of £70,794 in more than one year.

Teachers' Pension Scheme

Introduction

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension costs

(Continued)

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The pension costs paid to the TPS in the period amounted to £226,197 (2021: £238,485)

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

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

Valuation of the Teachers' Pension Scheme

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

26 Pension costs

(Continued)

Pension and similar obligations

The key elements of the latest valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 20/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

| 27 Cash generated from operations | 2022 £ | 2021 £ |
|---|------------------|----------------|
| Surplus for the year | 569,352 | 196,267 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (17,067) | (16,564) |
| Gain on disposal of tangible fixed assets | - | (3,900) |
| Fair value gains and losses on investment properties | - | (92,718) |
| Depreciation and impairment of tangible fixed assets | 99,632 | 65,347 |
| Movements in working capital: | | |
| Decrease in debtors | 352,428 | 24,177 |
| Increase in creditors | 161,804 | 402,105 |
| Cash generated from operations | 1,166,149 | 574,714 |

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity Registration No. 307024

Company Registration No. 00543113 (England and Wales)

FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

FARNEY CLOSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--|--|------------------------------|
| Trustees | J E Bowry S Deane M Gibrill C Johns N M S G Bartholomew Mr S T Lashley | (Appointed 14 February 2021) |
| Charity number | 307024 | |
| Company number | 00543113 | |
| Registered office and principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD | |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN | |
| Accountant | Moore (South) LLP 9st Johns Place Newport Isle of Wight PO30 1LH | |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP | |

FARNEY CLOSE SCHOOL LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 11 |
| Independent auditor's report | 12 - 14 |
| Statement of financial activities | 15 |
| Balance sheet | 16 |
| Statement of cash flows | 17 |
| Notes to the financial statements | 18 - 32 |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Farney Close School is an independent special school with charitable status for boys and girls aged 9 to 18 years, who have social, emotional and mental health needs (SEMH) or associated needs such as Autism, Asperger or Tourette's Syndrome, moderate learning difficulties, dyslexia or moderate speech and language difficulties.

The majority of our pupils are residential Monday to Friday during term time with others attending on a daily basis.

Our key objectives are to:

- Provide an academic, vocational and socially learning environment that supports children and young people to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst young people.
- Provide children and young people with a full entitlement to the National Curriculum and a range of examination subjects at a level that match their abilities and intellectual/cognitive capacity.
- Provide young people with a package of care that supports and develops their emotional maturity and social needs.
- Provide young people 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,
 - Regular quality staff training and professional development,
 - Conducting quality assurance exercises and maintain appropriate data to inform planning.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

What are the schools aims?

The school's aim is to provide educational and social development opportunities for boys and girls aged 9 -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 associated needs. All young people who attend the school are referred to the school by a range of Local Authorities across the South and Southeast of England. Our vision and aims are as follows:

VISION STATEMENT

At Farney Close we strive for all our children and young people to meet their full academic, social, emotional and physical potential through building solid foundations during this chapter in their lifelong learning journey.

VALUES DRIVEN AIMS

Our vision for Farney Close School is underpinned by a set of values-based aims which we endeavour to live out each and every day.

| WE VALUE | WE AIM TO |
|-----------------------|---|
| LEARNING | <ul style="list-style-type: none">• Create nurturing, challenging and empowering learning opportunities for children, young people, staff and parents |
| INCLUSION | <ul style="list-style-type: none">• Offer a broad, balanced curriculum that is relevant and accessible for all children and young people. |
| ACHIEVEMENT | <ul style="list-style-type: none">• Celebrate the achievements and successes of each individual |
| COMMUNICATION | <ul style="list-style-type: none">• Ensure everyone has a voice and their contribution is valued |
| RESPONSIBILITY | <ul style="list-style-type: none">• Secure the accountability of all through distributive leadership, rigorous monitoring and evaluation |
| REFLECTION | <ul style="list-style-type: none">• Improve future performance through the continuous evaluation of our practice |
| CREATIVITY | <ul style="list-style-type: none">• Think outside the box and try new ideas to continuously raise standards |
| COMMUNITY | <ul style="list-style-type: none">• Foster positive working relationships with parents, multi-agency professionals and the local community |
| DIVERSITY | <ul style="list-style-type: none">• Promote tolerance and respect for individual differences, abilities, needs and beliefs |
| WELL-BEING | <ul style="list-style-type: none">• Create a safe, caring environment in which everyone is healthy, happy and ready to learn |
| TRANSITION | <ul style="list-style-type: none">• Equip children, young people and families with the knowledge, skills, independence and resilience to face future challenges |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our Ethos, Strategy and Policies

The charity aims to meet its objectives by carrying out its activities in line with the schools' policies and procedures.

Anti-discrimination and Equality

Provided they have an Education, Health & Care Plan, Farney Close is open to young people who are referred and funded 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.

Public Benefit

In setting our objectives and planning our activities, the Directors 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, social education and on fee-charging.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its young people. This focus is shared by all Directors and staff. As part of this, the school's designated Child Protection Officers undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

A Safeguarding and Well Being team (SEND) is in place and consists of a Designated Safeguarding Lead (Principal & DSL), two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker), A Safeguarding Governor representative (an Ex-Head of Care) and support team (The Schools SENCO, School Nurse, Vice Principal and the Referrals and Inclusion Officer). This team meets weekly to look at the Safeguarding and Wellbeing of the school young people and employees.

The Principal is the Designated Safeguarding Lead and the Deputy Designated Safeguarding Leads are the Head of Care and the Schools Social Worker. Both the Principal and the Schools Social Worker are registered with Social Work England. The School Social Worker works with all children and young people that benefit from social work input. The School Nurse and our Referrals and Inclusion Officer support with Safeguarding related matters surrounding new pupils but has a particular focus on assessment of potential new pupils and ensuring high attendance is maintained.

The school continues to use an embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increase over the last couple of years and plays a vital part in both the academic and social progress of all young people.

We celebrate diversity throughout the year. In the next academic year will we be updating our Rainbow Flag Award as part of this. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. All bullying episodes are recorded, and work is undertaken with bullies and the bullied to help them move forward. Weekly culture capital days enable us to not only educate our young people but to also celebrate different cultures.

Incidents of pupil's sexual harassment are recorded, addressed, tracked and action put in place in line with recent Government requirements.

We run a 24-hour curriculum to ensure that our young people are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our young people during the evening.

Various opportunities are offered to our young people to ensure that their voice is heard for example Annual Questionnaires, regular meetings with the Link Workers, in therapy or counselling, tutor time, School Council, annual reviews and House meetings. We ensure that their views are heard and responded to.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Training

Training is a vital part of all staff members ongoing professional development, as well as us being able to ensure that staff are skilled to a level that enables them to be able to meet the presenting needs of all of our young people. Over the academic year 2019/20 until COVID struck we had a full schedule of face-to-face training which has focussed on the subject of Child Protection and Safeguarding. First Aid and Mental Health awareness were also a focus. Most of our training then went to virtual learning and e-learning. Through the spring and summer of 2021, we reverted back to more face-to-face training whilst also maintaining our online learning. Team Teach remains our preferred method of supporting young people in managing their behaviour.

Over the academic year 2020 to 2021 training has taken place in subjects such as, child protection and safeguarding, fire awareness, fire marshal training, the Prevent agenda, mental health awareness, safe recruitment, the single central register, Prevent bullying, seizures, autopen injecting, ligature removal and self harm.

All training undertaken by staff members is recorded on a training data base which clearly informs who has accessed which training and when compulsory training is due for renewal. A schedule is in place detailing training to occur moving forward.

Policies continue to be created, reviewed and updated according to the schedule of review that we have in place. All Policies can be accessed by staff on the schools Management Information System (CPOMs), via hard copies in folders in common areas and most are also available to the general public via our school website or upon request.

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Leadership team. The Operations Manager, appointed March 2021, is NEBOSH qualified.

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.

The most significant financial risk concerns the cost of providing services not being fully matched by the income from fees. The new academic year (2021/2022) has seen us open our day provision and take in day pupils so our numbers are significantly increasing which will inevitably financially support the school and enable us to enhance our offer. The key to meeting the needs of our children is recruiting skilled and empathetic staff, this continues to be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the young people to be less testing and as a result they show less challenging behaviour.

The Directors worked hard with the existing Leadership team and have increased their capacity this year, not only appointing an Operations Manager (new post) but also a Head of Education. All members of the Senior Leadership Team (SLT) have been appointed since April 2019 and are now settled into their roles. The SLT are supported with half termly visits for our School Improvement Partner (SIP) and our National minimum Standards Independent Visitor. Both of these parties produce reports from their visits with any advisories so support us moving forward.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for young people with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our young people.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Quality Assurance

The school continually evaluates progress and looks to quality assurance 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 young people in order to set targets and measure improvement and progress over time; the introduction of the assessment tool B-Squared has ensured that this process is clearer and swifter than our previous assessment process.

Termly reports are sent out with feedback forms for parent and carers, and a virtual or physical parents and carers evening coincides with these reports to enable opportunity for all parties to discuss academic and social progress. These meetings are held between parents / carers, the child, their tutor and their Link-Worker. Furthermore, we reach out to parents and carers formally once a year and informally (questionnaire) throughout the year to gain their views and comments about what we do well and what we could do better.

The voice of the young person is one that we ensure we listen to. This is undertaken in a variety of means including individually, on their residential house groups, in class tutor time, at reviews of their EHCPs, in annual questionnaires and also via the school council which meets twice each half term. Multiple examples of change brought about by the voice of the child this year includes menu planning, activity and trip planning (including trips and activities for our termly enrichment day), fundraising opportunities and educational options.

Despite COVID-19 hampering learning slightly the school's commitment to raising young people's academic attainment and social progress continued, with a clear message of well-being support for all young people, their families and our staff members throughout this very difficult time.

The school Directors have continued to employ an Independent Visitor who visits the school on their behalf, reporting to them every half term on the standard of care and safeguarding. The regular visits reinforce a long and established history of high standards in both these areas. At the start of the new academic year (2020 / 2021) the Governors employed a School Improvement Partner (SIP) to work with the Principal and other members of the SLT to further enhance the academic provision within the school.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE

In 2020 – 2021 the following awards were gained at GCSE:

| Number of pupils and exams gained | GCSE Fine Art | GCSE Biology | GCSE Design & Technology | GCSE English Language | GCSE Food | GCSE Maths | Total GCSEs Level 4 and above per child |
|--|---------------|--------------|--------------------------|-----------------------|-----------|------------|---|
| A | Level 4 | Level 5 | | Level 5 | | Level 6 | 4 |
| B | | | Level 3 | Level 4 | Level 5 | Level 4 | 3 |
| C | | Level 2 | | Level 3 | | Level 4 | 1 |
| D | | | Level 4 | | Level 4 | Level 4 | 3 |
| E | | Level 1 | | Level 1 | | Level 2 | 0 |
| F | | Level 4 | Level 5 | Level 4 | | Level 6 | 4 |
| G | | | | | | Level 1 | 0 |
| H | | | | | | Level 1 | 0 |
| I | | | Level 2 | | | | 0 |
| J (Year 10) | | | | | | Level 6 | 1 |
| Total GCSE Level 4 & above per subject | 100% | 50% | 50% | 60% | 100% | 66% | |

The 2021 year 11 leavers all had placements at colleges. Four remained in our Post 16 provision whilst the rest returned home attending college local to them. One year 12 moved onto college local to home and one year 13 left to live at home and study a third year at college.

Farney Close remained open throughout the academic year 2020/2021 with the exception of one week in October 2020 when we had to shut due to having COVID-19 in school and needing a circuit break. We ran a slightly reduced timetable until the spring break 2021 when we returned to a fulltime table working in two bubbles which we maintained for the rest of the academic year. Full assessments took place so that we could identify lost learning and after school learning was put in place to support with catch up learning.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Community Links and Fund Raising

The aim is to help young people gain a wider understanding of the needs of others, and to support 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.

Donations are received by various sources in the guise of books, games, school equipment and resources for the vocational classrooms. The Fund-raising officer continues to work tirelessly to support the school in being able to offer those extra bits to our pupils that supports their development.

Wellesley Wealth Advisory project managed and met the costs of a conversion of one of the school's residential units into a Primary School classroom. This was completed in time for the new academic year Sept 2021. At present this provision enables us to take in 8 children in years 5 & 6.

PROGRESS UPDATE ON 2020 – 21 AIMS:

- We appointed an Operations Manager in March 2021 to strengthen and support the Senior Management Team by managing the support services within the school.
- We have embedded the academic assessment tool called B-Squared to enable us to evaluate progress far more efficiently.
- We have launched our Primary Provision and are now considering expanding this provision further.
- We have not updated three of our residential provisions to offer single rooms with en-suite bathrooms. This has been placed on hold until other required building repairs have occurred.
- We have embedded the role of Referrals and Inclusion Officer and undertaken a review of our referral process. This has led to a rise of the number on roll and the attendance of pupils already on roll.
- We are effectively using our School Improvement Partner and our NMS Independent visitor to improve our practice.

Over the next year, the school aims to:

- Focus on COVID catch up for those children and young people that have lost learning or have not progressed as expected.
- Review our Curriculum offer and ensure that we are able to provide challenge for our gifted and talented children and young people.
- Consider increasing the number of children and young people that we can have on roll (presently 72)
- Ensure that the proposed building repairs are undertaken as per the structural survey results which took place in August 2021.
- Consider other ways to use our provision to maximise the experience that children and young people have whilst on roll at our school e.g. use of school grounds and empty rooms.
- Embed the Board members newly adapted monitoring visits to the school.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Financial Management and Sustainability

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of young people placed by various funding bodies.

The result of the operating plan for the academic year was a surplus on unrestricted funds of £211,519 (2020: deficit of £199,564), taking unrestricted funds to £4,919,345 (2020: £4,710,205). This included an upward revaluation of the investment property of £92,718.

Of the total funds, £2,757,820 (2020: £2,493,918) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds) was stated at £2,161,525 (2020: £2,216,287). The restricted funds decreased by £12,873 (2020 - £13,799) as a result of expenditure on equipment, and the spending of pupil premium monies. Restricted funds of £12,609 (2020: £25,482) were carried forward.

A total of £236,531 (2020 - £51,050) was invested in fixed assets in the year, on equipment, £106,069 of which was in respect of an in kind donation to prepare a classroom for primary education.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained very low in the current financial period. With the on-going concerns around COVID-19, the Trustees decided this was not the time to transfer some of the funds into high-risk investments.

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 aim of the next financial year is to review our offer and consider expansion of the school, both within the Primary and Secondary provision. The Trustees have always had in mind that the Senior Leadership team need room to manoeuvre to achieve their aims and objectives and are fully committed to supporting their Leaders.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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.

The Articles of Association have changed this year. The changes were accepted at the last Annual General Meeting. Trustees now agree and accept the accounts and, elect Trustees as and when appropriate. 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 duty to maintain an appropriately balanced provision for the young people in its care. It is clear that due to the increasingly varied complex needs of the children and with the number on our school roll increasing, that the school needs to broaden the therapeutic care available.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also the directors for the purposes of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---------------------|---|
| S Burt | (Resigned 5 May 2021) |
| J E Bowry | |
| S Deane | |
| M Gibrill | |
| C Johns | |
| N M S G Bartholomew | |
| Mr B C Robinson | (Appointed 5 October 2020 and resigned 15 September 2021) |
| Mr S T Lashley | (Appointed 14 February 2021) |

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. On appointment, all new trustees are provided with a detailed information pack providing material on both the responsibilities and liabilities of trustees and the school's history. All trustees are encouraged to attend a virtual induction course on "what is Governance" and complete other training offered by the schools various training resources.

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 information pack providing material on both the responsibilities and liabilities of trustees and the school's history.

The trustees meet formally six times a year and if required on an ad hoc basis, to review strategy and performance and to set operating plans and budgets. The board of trustees appoint trustees when a vacancy arises. A skills audit has been undertaken by the present Chair to establish where there are gaps, and these have now been addressed. Board members have designated areas of responsibilities that match their skills and knowledge. They conduct monitoring visits in their focussed area, each half term (at least). They record their findings, provide the Principal with feedback and offer any recommendations that they feel would support the school in continuing to move forward. These areas are their main focus, and they report back to the main body. All Board members are invited to the monthly finance meetings, as is the Principal and Finance Officer.

Educational matters on a day-to-day basis are delegated to the Principal, who is supported by the Vice Principal and Head of Care. Our Company secretary resigned on 4 December 2020, and the Companies House requirements are now administered by our Finance Officer.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Disclosure of information to auditor

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 them selves aware of all relevant audit information, and to establish that the company's auditors are aware of that information.

This report was approved by the Board of Trustees on and the company secretary was authorised to sign it on their behalf. In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.


C Johns

Trustee

Dated: 30 March 2022

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Farney Close School Limited for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.
-

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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;
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption; and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charity's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 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.

TC Group

Mr Mark Cummins
(Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditor

14 April 2022

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|----|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | | | |
| Donations and legacies | 3 | 112,364 | 15,485 | 127,849 | 5,819 | 33,984 | 39,803 |
| Charitable activities | 4 | 3,397,213 | 21,357 | 3,418,570 | 3,237,363 | 13,238 | 3,250,601 |
| Other trading activities | 5 | 1,838 | - | 1,838 | - | - | - |
| Investments | 6 | 16,564 | - | 16,564 | 29,688 | - | 29,688 |
| Other income | 7 | 4,037 | - | 4,037 | 371 | - | 371 |
| Total income | | 3,532,016 | 36,842 | 3,568,858 | 3,273,241 | 47,222 | 3,320,463 |
| <u>Expenditure on:</u> | | | | | | | |
| Raising funds | 8 | 2,535 | - | 2,535 | 2,746 | - | 2,746 |
| Charitable activities | 9 | 3,410,680 | 52,094 | 3,462,774 | 3,481,488 | 49,592 | 3,531,080 |
| Total resources expended | | 3,413,215 | 52,094 | 3,465,309 | 3,484,234 | 49,592 | 3,533,826 |
| Net gains/(losses) on investments | 13 | 92,718 | - | 92,718 | - | - | - |
| Net incoming/ (outgoing) resources before transfers | | 211,519 | (15,252) | 196,267 | (210,993) | (2,370) | (213,363) |
| Gross transfers between funds | 20 | (2,379) | 2,379 | - | 11,429 | (11,429) | - |
| Net income/(expenditure) for the year/ Net movement in funds | | 209,140 | (12,873) | 196,267 | (199,564) | (13,799) | (213,363) |
| Fund balances at 1 September 2020 | | 4,710,205 | 25,482 | 4,735,687 | 4,909,769 | 39,281 | 4,949,050 |
| Fund balances at 31 August 2021 | | 4,919,345 | 12,609 | 4,931,954 | 4,710,205 | 25,482 | 4,735,687 |

The statement of financial activities includes all gains and losses recognised in the year.

The allocation of the comparative figure between funds is explained in the notes to these accounts.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

FARNEY CLOSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

| | Notes | 2021 | | 2020 | |
|--|-------|--------------------|---|--------------------|---|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | 2,007,820 | | 1,836,636 | |
| Investment properties | 15 | 750,000 | | 657,282 | |
| | | <u>2,757,820</u> | | <u>2,493,918</u> | |
| Current assets | | | | | |
| Debtors | 16 | 1,046,446 | | 1,070,623 | |
| Cash at bank and in hand | | 2,877,153 | | 2,518,506 | |
| | | <u>3,923,599</u> | | <u>3,589,129</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(1,547,836)</u> | | <u>(1,149,769)</u> | |
| Net current assets | | 2,375,763 | | 2,439,360 | |
| Total assets less current liabilities | | 5,133,583 | | 4,933,278 | |
| Creditors: amounts falling due after more than one year | 18 | (201,629) | | (197,591) | |
| Net assets | | <u>4,931,954</u> | | <u>4,735,687</u> | |
| Income funds | | | | | |
| Restricted funds | 20 | 12,609 | | 25,482 | |
| Unrestricted funds | | 4,919,345 | | 4,710,205 | |
| | | <u>4,931,954</u> | | <u>4,735,687</u> | |

The financial statements were approved by the Trustees on 30 March 2022


C Johns
Trustee

Company Registration No. 00543113

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-------------------------|-----------|-------------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 26 | | 574,714 | | (481,959) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (236,531) | | (51,050) | |
| Proceeds on disposal of tangible fixed assets | | 3,900 | | 160 | |
| Interest received | | 9 | | 11,337 | |
| Rent received | | 16,555 | | 18,351 | |
| Net cash used in investing activities | | | <u>(216,067)</u> | | <u>(21,202)</u> |
| Net increase/(decrease) in cash and cash equivalents | | | 358,647 | | (503,161) |
| Cash and cash equivalents at beginning of year | | | <u>2,518,506</u> | | <u>3,021,667</u> |
| Cash and cash equivalents at end of year | | | <u><u>2,877,153</u></u> | | <u><u>2,518,506</u></u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Farney Close School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Despite the disruption caused by coronavirus, and the national lockdown, at the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 including irrecoverable VAT are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|--------------|
| Freehold land and buildings | 2% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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 21, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for two former members of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

1.12 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------------|--------------------|------------------|----------------|--------------------|------------------|---------------|
| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
| | £ | £ | £ | £ | £ | £ |
| Donations and gifts | - | 15,485 | 15,485 | - | 33,984 | 33,984 |
| Grants | 112,364 | - | 112,364 | 5,819 | - | 5,819 |
| | <u>112,364</u> | <u>15,485</u> | <u>127,849</u> | <u>5,819</u> | <u>33,984</u> | <u>39,803</u> |

4 Charitable activities

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| School fees within charitable activities | 3,397,213 | 3,237,363 |
| Pupil Premium | 21,357 | 13,238 |
| | <u>3,418,570</u> | <u>3,250,601</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,397,213 | |
| Restricted funds | 21,357 | |
| | <u>3,418,570</u> | |
| For the year ended 31 August 2020 | | |
| Unrestricted funds | | 3,237,363 |
| Restricted funds | | 13,238 |
| | | <u>3,250,601</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

| | Unrestricted funds | Total |
|------------------------------------|-----------------------|-----------|
| | 2021 £ | 2020 £ |
| Letting and licensing arrangements | 1,838 | - |

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2021 £ | 2020 £ |
| Rental income | 16,555 | 18,351 |
| Interest receivable | 9 | 11,337 |
| | <u>16,564</u> | <u>29,688</u> |

7 Other income

| | Unrestricted funds | Unrestricted funds |
|---|-----------------------|-----------------------|
| | 2021 £ | 2020 £ |
| Net gain on disposal of tangible fixed assets | 3,900 | 160 |
| Miscellaneous income | 137 | 211 |
| | <u>4,037</u> | <u>371</u> |

8 Raising funds

| | 2021 £ | 2020 £ |
|---------------------------|--------------|--------------|
| Investment property costs | 2,535 | 2,746 |
| | <u>2,535</u> | <u>2,746</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Establishment | 485,690 | 528,556 |
| School expenses | 2,553,204 | 2,577,707 |
| | <u>3,038,894</u> | <u>3,106,263</u> |
| Share of support costs (see note 10) | 405,482 | 406,487 |
| Share of governance costs (see note 10) | 18,398 | 18,330 |
| | <u>3,462,774</u> | <u>3,531,080</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,410,680 | |
| Restricted funds | 52,094 | |
| | <u>3,462,774</u> | |
| For the year ended 31 August 2020 | | |
| Unrestricted funds | | 3,481,488 |
| Restricted funds | | 49,592 |
| | | <u>3,531,080</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Support costs

| | Support costs | Governance costs | 2021 | 2020 |
|-------------------|----------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Depreciation | 65,347 | - | 65,347 | 65,662 |
| Salaries | 190,230 | - | 190,230 | 179,983 |
| Staff training | - | 888 | 888 | 2,473 |
| Sundry | 621 | 942 | 1,563 | 3,755 |
| Telephone | 17,093 | - | 17,093 | 16,837 |
| Office costs | 8,435 | - | 8,435 | 8,357 |
| Motor expenses | 18,296 | - | 18,296 | 22,550 |
| Computer expenses | 54,089 | - | 54,089 | 34,902 |
| Payroll | 3,324 | - | 3,324 | 3,391 |
| Professional fees | 47,395 | - | 47,395 | 69,776 |
| Bank charges | 652 | - | 652 | 931 |
| Audit fees | - | 12,368 | 12,368 | 12,000 |
| Accountancy | - | 4,200 | 4,200 | 4,200 |
| | <u>405,482</u> | <u>18,398</u> | <u>423,880</u> | <u>424,817</u> |

Auditor's remuneration in relation to audit services was £12,368 (2020- £12,000).

11 Trustees

During the year three trustees claimed £1,127 (2020: Seven trustees £1,950) of expenses which relate to training, travel costs and trustee meetings.

The following related party transactions took place in the year:

- £2,000 (2020: £8,228) was paid from the general fund to M Gibrill in respect of his professional services.
- £20,000 (2020: £40,200) was paid from the general fund to Mrs C Johns, a Trustee in respect of her professional services. Mr G Johns, her son was appointed in residential / site maintenance roles in January 2021. During the period £17,913 was paid in respect of his role, with £537 paid by way of employer's pension contributions.
- Mr S Lashley was appointed as a Trustee during the year, and his spouse Mrs N Lashley was appointed in February 2021 as Finance Officer. During the period £15,784 was paid in respect of her role, with £499 paid by way of pension contributions. In addition his sister (Miss D Lashley) was appointed as Operations Manager in March 2021. During the period £22,089 was paid in respect of her role, and £663 paid by way of employer's pension contributions.

The school has followed the guidance issued by the charity commission on making payments to Trustees for services provided in their professional capacity.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| School | 57 | 72 |
| Establishment | 10 | 9 |
| Administration | 6 | 4 |
| | <u>73</u> | <u>85</u> |

Employment costs

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Wages and salaries | 2,231,915 | 2,101,750 |
| Social security costs | 203,475 | 188,825 |
| Other pension costs | 217,313 | 187,008 |
| Benefits in kind - healthcare | 27,965 | 37,195 |
| Change in present value for pension obligation | 16,595 | 4,945 |
| | <u>2,697,263</u> | <u>2,519,723</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2021 Number | 2020 Number |
|-------------------|----------------|----------------|
| £60,000 - £69,999 | 1 | 2 |
| £90,000 - £99,999 | 1 | - |
| | <u>2</u> | <u>2</u> |

The key management personnel of the charity comprise the Trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £248,236 (2020, £243,552).

13 Net gains/(losses) on investments

| | Unrestricted funds | Total |
|--------------------------------------|-----------------------|-----------|
| | 2021 £ | 2020 £ |
| Revaluation of investment properties | <u>92,718</u> | <u>-</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|------------------------|--------------------------|-------------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2020 | 3,931,723 | 278,282 | 371,991 | 49,179 | 4,631,175 |
| Additions | 207,119 | 29,412 | - | - | 236,531 |
| Disposals | - | (45,133) | - | (20,500) | (65,633) |
| At 31 August 2021 | 4,138,842 | 262,561 | 371,991 | 28,679 | 4,802,073 |
| Depreciation and impairment | | | | | |
| At 1 September 2020 | 2,176,887 | 263,802 | 306,632 | 47,218 | 2,794,539 |
| Depreciation charged in the year | 42,795 | 6,253 | 14,338 | 1,961 | 65,347 |
| Eliminated in respect of disposals | - | (45,133) | - | (20,500) | (65,633) |
| At 31 August 2021 | 2,219,682 | 224,922 | 320,970 | 28,679 | 2,794,253 |
| Carrying amount | | | | | |
| At 31 August 2021 | 1,919,160 | 37,639 | 51,021 | - | 2,007,820 |
| At 31 August 2020 | 1,754,836 | 14,480 | 65,359 | 1,961 | 1,836,636 |

15 Investment property

| | 2021 £ |
|--|-----------|
| Fair value | |
| At 1 September 2020 | 657,282 |
| Net gains or losses through fair value adjustments | 92,718 |
| At 31 August 2021 | 750,000 |

The freehold investment property was purchased in 2015 with some additional works to make it available to rent. It has been valued at cost until the current year. The trustees consider that an increase in line with the local property market, taking into account property indexes is appropriate, and have assessed the fair value at 31 August 2021 at £750,000 for rental purposes.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

| | 2021 £ | 2020 £ |
|--------------------------|-----------|-----------|
| Cost | 657,282 | 657,282 |
| Accumulated depreciation | - | - |
| Carrying amount | 657,282 | 657,282 |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| | | |
|---|------------------|------------------|
| 16 Debtors | | |
| | 2021 | 2020 |
| Amounts falling due within one year: | £ | £ |
| School fees receivable | 988,134 | 1,027,198 |
| Prepayments and accrued income | 58,312 | 43,425 |
| | <u>1,046,446</u> | <u>1,070,623</u> |
| 17 Creditors: amounts falling due within one year | | |
| | 2021 | 2020 |
| | £ | £ |
| Other taxation and social security | - | 18,429 |
| Payments received on account | 1,343,423 | 1,027,196 |
| Trade creditors | 172,453 | 62,257 |
| Other creditors | 13,120 | 12,952 |
| Accruals and deferred income | 18,840 | 28,935 |
| | <u>1,547,836</u> | <u>1,149,769</u> |
| 18 Creditors: amounts falling due after more than one year | | |
| | 2021 | 2020 |
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 23) | 201,629 | 197,591 |
| | <u>201,629</u> | <u>197,591</u> |
| 19 Fees in advance | | |
| 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 autumn term: | | |
| | 2021 | 2020 |
| Fees in advance at 1 September 2020 | 1,027,196 | 1,093,554 |
| Recognised as income in 2020-21 year | (1,027,196) | (1,093,554) |
| Fees invoiced prior to 31 August 2021, and carried forward to 2021-22 | <u>1,343,423</u> | <u>1,027,196</u> |
| Fees in advance at 31 August 2021 | <u>1,343,423</u> | <u>1,027,196</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 September 2019 | | Movement in funds | | | Movement in funds | | | Balance at 31 August 2021 | | |
|---------------------------------|-----------------------------------|--------|-----------------------|-----------------------|-----------|-----------------------------------|-----------------------|-----------------------|---------------------------------|--------|---|
| | £ | £ | Incoming resources | Resources expended | Transfers | Balance at 1 September 2020 | Incoming resources | Resources expended | Transfers | £ | £ |
| Pupil Premium | 19,503 | 13,238 | 13,238 | (12,905) | - | 19,836 | 21,357 | (37,319) | - | 3,874 | |
| Vocational building & equipment | 6,574 | 5,499 | 5,499 | (7,106) | - | 4,967 | 10,740 | (10,528) | 1,720 | 6,899 | |
| Media suite | 5,319 | 15,268 | 15,268 | (16,692) | (3,895) | - | 3,605 | (3,500) | - | 105 | |
| Education and childcare | 1,684 | 8,111 | 8,111 | (4,082) | (5,142) | 571 | 140 | (747) | 659 | 623 | |
| Equipment donations | 2,156 | 2,606 | 2,606 | (4,762) | - | - | - | - | - | - | |
| Fair Fax | 4,045 | 2,500 | 2,500 | (4,045) | (2,392) | 108 | 1,000 | - | - | 1,108 | |
| | | | | | | | | | | | |
| | 39,281 | 47,222 | 47,222 | (49,592) | (11,429) | 25,482 | 36,842 | (52,094) | 2,379 | 12,609 | |

The restricted funds include Pupil Premium monies provided for enrichment by local authorities plus specific equipment grants generated from grants and donations along with fundraising.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|--|-------------------|-----------------|------------------|
| Fund balances at 31 August 2021 were represented by: | | | |
| Tangible assets | 2,007,820 | - | 2,007,820 |
| Investment properties | 750,000 | - | 750,000 |
| Current assets/(liabilities) | 2,363,154 | 12,609 | 2,375,763 |
| Long term liabilities | (201,629) | - | (201,629) |
| | <u>4,919,345</u> | <u>12,609</u> | <u>4,931,954</u> |

Analysis of net assets between funds comparative

| | Unrestricted £ | Restricted £ | Total £ |
|--|-------------------|-----------------|------------------|
| Fund balances at 31 August 2020 were represented by: | | | |
| Tangible assets | 1,826,317 | 10,319 | 1,836,636 |
| Investment properties | 657,282 | - | 657,282 |
| Current assets/(liabilities) | 2,428,703 | 15,163 | 2,439,360 |
| Long term liabilities | (197,591) | - | (197,591) |
| | <u>4,714,711</u> | <u>25,482</u> | <u>4,735,687</u> |

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 £ | 2020 £ |
|----------------------------|---------------|---------------|
| Within one year | 7,985 | 7,700 |
| Between two and five years | 6,479 | 13,221 |
| | <u>14,464</u> | <u>20,921</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Pension

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 2021 was £175,676 (2020: £140,437). Contributions amounting to £nil (2020: £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 2021 was £41,637 (2020: £46,571). An amount of £nil (2020: £nil) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for two former members of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company.

The key financial estimates and assumptions are that the benefits will continue until the former employees reach the age of 89, increase at 2.75% per annum, and are discounted at 2.7% per annum.

The total obligation at the year end was £213,882 (2020: £209,228), £11,947 is due within one year and the balance of £201,935 in more than one year.

Teachers' Pension Scheme

Introduction

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 PENSIONS (continued)

Valuation of the Teachers' Pension Scheme

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Pension and similar obligations

The key elements of the latest valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 20/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 PENSIONS (continued)

The pension costs paid to the TPS in the period amounted to £238,485 (2020: £197,667)

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

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

| 26 Cash generated from operations | 2021 £ | 2020 £ |
|---|----------------|------------------|
| Surplus/(deficit) for the year | 196,267 | (213,363) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (16,564) | (29,688) |
| Gain on disposal of tangible fixed assets | (3,900) | (160) |
| Fair value gains and losses on investment properties | (92,718) | - |
| Depreciation and impairment of tangible fixed assets | 65,347 | 65,662 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 24,177 | (164,755) |
| Increase/(decrease) in creditors | 402,105 | (139,655) |
| Cash generated from/(absorbed by) operations | 574,714 | (481,959) |

27 Analysis of changes in net funds

The charity had no debt during the year.

Farney Educational Trust

England & Wales - Charity number 307024

Accounts

Charity Registration No. 307024

Company Registration No. 00543113 (England and Wales)

FARNEY CLOSE SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

FARNEY CLOSE SCHOOL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--|--|--|
| Trustees | S Burt J E Bowry S Deane M Gibrill C Johns N M S G Bartholomew B C Robinson S T Lashley | (Appointed 19 August 2020) (Appointed 5 October 2020) (Appointed 14 February 2021) |
| Charity number | 307024 | |
| Company number | 00543113 | |
| Registered office and Principal address | Bolney Court Crossways Bolney Haywards Heath West Sussex RH17 5RD | |
| Auditor | TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN | |
| Accountant | Moore (South) LLP 9st Johns Place Newport Isle of Wight PO30 1LH | |
| Bankers | NatWest Bank Plc 1 Muster Green Haywards Heath West Sussex RH16 4AP | |

FARNEY CLOSE SCHOOL LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 7 |
| Independent auditor's report | 8 - 10 |
| Statement of financial activities | 11 |
| Balance sheet | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 - 27 |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Farney Close School is an independent residential special school with charitable status for boys and girls aged 9 to 18, who have Social, Emotional and Mental Health needs (SEMH). The school also supports young people whose wellbeing is affected by Autism, Asperger or Tourette's Syndrome, moderate learning difficulties, dyslexia or moderate speech and language difficulties.

The Trustees present their report and the audited financial statements of the Charity for the year ended 31 August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity. This report meets the requirements for the Directors and Strategic Report, as required by Company Law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's articles of association.

STRATEGIC REPORT: OBJECTIVES, AIMS AND ACTIVITIES

Our key objectives are to:

- Provide an academic, vocational and socially supportive framework that enables young people to achieve economic wellbeing, and to be able to make a positive contribution to their family, the local community and to society in general.
- Promote a positive sense of personal wellbeing amongst young people.
- Provide young people 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 young people with a package of care that supports and develops their emotional maturity and social needs.
- Provide young people 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 an Education, Health & Care Plan, Farney Close is open to young people 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 young people 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.

Public Benefit

In setting our objectives and planning our activities, the Directors 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, social education and on fee-charging.

Safeguarding

The school continues to be committed to safeguarding and promoting the welfare of its young people. This focus is shared by all Directors and staff. As part of this, the school's designated Child Protection Officers undertake regular statutory training to support their duties. All members of staff are trained in the school's Child Protection Procedure, as defined within the guidance set by the Local Safeguarding Team, with annual refreshers.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

A Safeguarding and Well Being team is in place and consists of a Designated Safeguarding Lead (Principal & DSL), two Deputy Designated Safeguarding Leads (Head of Care and the Schools Social Worker), A Safeguarding Governor representative (an Ex Head of Care) and support team (The Schools SENCO, School Nurse, Vice Principal and the Referrals and Inclusion Officer). This team meets weekly to look at the Safeguarding and Wellbeing of the school young people and employees.

The school has a now embedded process of recording all Safeguarding concerns, along with all incidents, on our Management Information System - CPOMs. This enables us to record, track and reflect on all incidents and clearly recorded the follow up on all recordings.

The school continues to operate a behaviour approach in a structured manner with clear boundaries and expectations of behaviour in place. Alongside this, therapy and counselling play a vital part in the work that we do. Our SEND team has increase over the last couple of years and plays a vital part in both the academic and social progress of all young people.

We celebrate diversity throughout the year and maintain our Rainbow Flag Award as part of this. Incidents of bullying are kept to a minimum by vigilant staff who intervene when it looks as though incidents may occur. All bullying episodes are recorded, and work is undertaken with bullies and the bullied to help them move forward. Weekly culture capital days enable us to not only educate our young people but to also celebrate different cultures.

We run a 24-hour curriculum ensure that our young people are educated throughout the day about how to keep themselves safe, both in person and online. This input is undertaken through formal lessons such as PSHE and Humanities as well as more informally via input from the adults that work with our young people during the evening.

Various opportunities are offered to our young people to ensure that their voice is heard for example Annual Questionnaires, regular meetings with the Link Workers, in therapy or counselling, tutor time, School Forum, annual reviews and House meetings. We ensure that their views are heard and responded to.

Training

Training is a vital part of all staff members ongoing professional development as well as us ensuring that we are able to meet the presenting needs of all of our young people. Over the COVID period it has been difficult to offer and face to face training for our staff team as a group but it has taken place on a one to one in subjects such as staff supervision and appraisals. We have continued our commitment to training by online learning in subjects such as Child Protection Refreshers, The Prevent agenda, Fire Safety, Equal Opportunities, Epilepsy, and Self-Harm.

Over the academic year 2019/20 until COVID struck we had a full schedule of face to face training which has focussed on the subject of Child Protection and Safeguarding. First Aid and Mental Health awareness were also a focus.

We have an Advanced Team Teach Instructor on staff that keep our staff team up to date with all aspects of Team Teach training. All training undertaken by staff members is recorded on a training data base which clearly informs who has accessed which training. A schedule is in place detailing training to occur moving forward.

Policies continue to be created and updated into a new format and a database clearly alerts us to when Policies are due for update. All Policies can be accessed by staff on the schools Management Information System (CPOMs) and most are available to the general public via our newly launched school website.

Risk management

The Board of Trustees has overall responsibility for overseeing risk management and has a robust mechanism in place, with detailed assessment and management of risk delegated to the Senior Management team.

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.

The most significant financial risk continues that the cost of providing services is not fully matched by the income from fees. The key to meeting the needs of our children is recruiting skilled and empathetic staff, this continues to

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

be a challenge. However, we know that this is not unique to Farney Close School, but a nationwide issue. Nonetheless, the staff retention levels are remarkably stable which brings with it consistency and supports the young people to be less testing and as a result they show less challenging behaviour.

The Directors worked hard with the existing Leadership team and the focus has been to increase the capacity within the team. All three of the present Senior Management Team have come in place since April 2019 and are now settled into their roles. It should be noted that two of them have worked at the school for some considerable years in different positions to the ones they now hold. The external consultants supported throughout the year and whilst still involved are now spending far less time in school due to recognition from the Directors that the SMT no longer require this level of support.

The Trustees believe that the school is as well placed as any other organisation in our specialised section to tackle risk and to continue to thrive. Our reputation as a provider of specialist care for young people with the higher range of social, emotional and mental health needs is well known within the local authorities that use us. The school values all Farney Close employees and recognises the part that each member of staff plays in ensuring that the whole team work together to meet the complex needs of our young people.

Quality Assurance

The school continually evaluates progress and looks to quality assurance 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 young people in order to set targets and measure improvement and progress over time; the introduction of BSquared will ensure that this process is clearer and swifter than our previous assessment process.

Furthermore, we reach out to parents and carers formally once a year and informally (questionnaire) throughout the year to gain their views and comments about what we do well and what we could do better.

The voice of the young person is one that we ensure we listen to. This is undertaken in a variety of means including individually, on their residential house groups, in class tutor time, at reviews of their EHCPs, in annual questionnaires and also via the school forum that meets at least each half term. Multiple examples of change brought about by the voice of the child this year includes menu planning, activity and trip planning, introduction of the Duke of Edinburgh Award, the update of the school gym attached to our sports hall, outdoor gym equipment for the front of the school and scooters being brought for use on and off site.

Despite COVID-19 hampering learning slightly the school's commitment to raising young people's academic attainment and social progress continued, with a clear message of well-being support for all young people, their families and our staff members throughout this very difficult time.

The school Directors have continued to employ an Independent Visitor who visits the school on their behalf, reporting to them every half term on the standard of care and safeguarding. The regular visits reinforce a long and established history of high standards in both these areas. At the start of the new academic year (2020 / 2021) the Governor have employed a School Improvement Partner (SIP) to work with the Principal and further enhance the academic provision within the school. This SIP also undertakes Ofsted Inspections which will further benefit the school.

ACHIEVEMENTS AND PERFORMANCE

In 2019 – 2020 the following awards were gained at GCSE:

- Maths GCSE saw young people in year 9 and 10 join the year 11s and sat their awards early. All 14 candidates gained level 1 and above with 43% gaining a 4 or above.
- English GCSE all young people that entered gain a level 1 or above with 75% of those gaining a Level 4 or above.
- Biology GCSE all young people that entered gained a level 3 or above with 66% of those getting a level 4 or above.
- Art GCSE all young people that were entered gain a level 3 or above.
- Design and Technology GCSE all young people that were entered gained a level 3 or above.

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Furthermore the following subjects were passed at entry level by up to 9 of the years 11s in English, Maths and Science with further awards being gained at foundation level for Food, Hospitality, Media, PSHE, Humanities, PE and ICT and Laser Leap awards for 3 young people in Construction and 2 young people in Vehicle Mechanics.

Within the group of thirteen Year 11 leavers, one went onto to an apprenticeship, eight to college whilst living at home and the other four have returned for the schools sixth form where they are supported to attend college outside of school and also have work undertaken with them to increase independence and employability skills. There were three Year 12, two of whom left at the end of the academic year and have gone on to further education courses and one who has stayed for an extra year in our 6th form whilst accessing a higher level course at college.

With reference to whole school learning within the cores subject's, Spring 2020 data showed that 64% of young people in English (reading and 59% English (writing) were at their expected level or above, 66% in Science and 73% for Maths. Young people entitled to young people premium payments achieve slight below this whilst Children Looked After as achieving less well. In breaking down this data it is clear Children Looked After needed additional support in Science, an area that is being supported and developed with the new Science teacher. Indicators show however, that for English and Maths, young people are improving throughout the whole school. This data evidenced that only 3 pupils had any lost learning over the initial COVID period with many making progress despite the disruption that COVID brought with it.

We did shut for a short amount of time when COVID sent the country into its first lock-down but we virtually supported the young people with their learning and their mental well-being. Following the Easter break we reopened to Keyworkers children and our most vulnerable and gradually reopened to all our pupils so that by the second half of the summer term we were offering every young person half a week in school and half a week virtual learning. In September 2020 we reopened full time. The Curriculum map has been adjusted to take lost learning into consideration and a fulltime table is being taught.

Community Links and Fund Raising

The aim is to help young people gain a wider understanding of the needs of others, and to support 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.

Donations are received by various sources in the guise of books, school equipment and resources for the vocational classrooms. The Fund-raising officer continues to work tirelessly to support the school in being able to offer those extra bits to our pupils that help with their development.

The Wellesley Wealth Advisory are project managing and meeting the costs of a conversion of one of the school's residential units into a Primary School classroom. This will enable the school to open for years 5 and 6 which has already been agreed by the Dfe. We aim to have this up and running by September 2021.

FINANCIAL REVIEW

Financial Management and Sustainability

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 duty to maintain an appropriately balanced provision for the young people in its care. It is clear that due to the increasingly varied complex needs of the children, that the school needs to broaden the therapeutic care available.

Income is derived from school fees negotiated with sponsoring local authorities and funding bodies. The school's budget is based on the school achieving a set number of young people placed by various funding bodies.

The result of the operating plan for the academic year was a deficit on unrestricted funds of £(199,564) (2019: surplus £126,327), taking unrestricted funds to £4,710,205 (2019: £4,909,769). Of the total funds, £2,493,918 (2019: £2,508,530) was in respect of buildings and fixed assets. Free reserves as the year end (net current assets in unrestricted funds) was stated at £2,216,287 (2019: £2,401,239). The restricted funds decreased by £13,799

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

(2019 - £5,467) as a result of expenditure on equipment. Restricted funds of £25,482 (2019: £39,281) were carried forward.

A total of £51,050 (2019 - £52,866) was invested in fixed assets in the year, on equipment.

The school has always had a cautious investment policy, with investments in short term bank deposits. The return on investments has remained very low in the current financial period. With the on-going concerns around Brexit, the Trustees decided this was not the time to transfer some of the funds into high risk investments.

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 aim of the next financial year is to secure a new leadership team with the right support to move the school forward with achieving its aims and objectives. The Trustees have always had in mind that the new leadership team will need some room to manoeuvre to achieve their aims and objectives.

PROGRESS UPDATE ON 2019 - 20 AIMS:

- We welcomed a new Vice Principal in January 2020. This person is now an embedded part of the Senior Management team.
- All areas in both our education and social care inspections have now been addressed. A further Social Care Ofsted assurance visit in September 2020 identified that all breaches of the national minimum standards from the September 2019 Inspection had been met.
- A full review of the Curriculum has taken place however COVID-19 has halted our progress surrounding increasing the employability skills within our young people.
- The school Business Plan clearly identifies ways to further improve and expand the provision we offer and supports the School Self-Evaluation Form (SEF) which details how we best meet the presenting needs of our client group and areas that we need to further develop.

Over the next year, the school aims to:

- Employ an Operation Manager to strengthen and support the Senior Management Team by managing the support services within the school.
- Embed the academic assessment tool called BSquared to enable us to evaluate progress far more efficiently.
- Launch our Primary Provision which is in the process of being renovated.
- Update three of our residential provisions to offer single rooms with on suite bathrooms which will in turn allow us to enhance our Safeguarding of young people during the night-time.
- Embed the role of Referrals and Inclusion Officer and undertake a review of our referral process.
- Use external monitoring to further improve our practice e.g. our newly appointed School Improvement Partner and our Standard 20 visitor who has been working with us for the last two years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

| Trustees | Relevant comments |
|---------------|----------------------------|
| S Deane | |
| C Johns | |
| M Gibrill | |
| J E Bowry | |
| S Burt | |
| S Urwin | Resigned 10 January 2020 |
| M Bowlby | Resigned 2 September 2019 |
| M Bennett | Resigned 18 November 2019 |
| N Bartholomew | Appointed 19 August 2020 |
| B Robinson | Appointed 5 October 2020 |
| S Lashley | Appointed 14 February 2021 |

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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. On appointment, all new trustees are provided with a detailed information pack providing material on both the responsibilities and liabilities of trustees and the school's history. All trustees are encouraged to attend a virtual induction course on "what is Governance" and complete other training offered by the schools various training resources.

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 information pack providing material 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 for finance and staffing or/and human resources, care, education, maintenance 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 Principal, who is supported by the Vice Principal and Head of Care. S Hack was the Acting Head Teacher between September 2018 and April 2019 and appointed Principal on 23 April 2019.

Company secretary A Carrington resigned on 4 December 2020.

What are the schools aims?

The school's aim is to provide educational and social development opportunities for boys and girls aged 9 -18 who, as of the institution of the Children & Families Act 2014, have an Education, Health & Care Plan for Social, Emotional and Mental Health needs. All young people 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 ensure;

"That all young peoples should have the opportunity to receive an education that supports each of them to become the best version of themselves. If this is achieved, then we feel that our young people will have the tools that will enable them to be successful in social and educational environments without feeling isolated, academically or personally marginalised, or to experience a loss of self-esteem."

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:

FARNEY CLOSE SCHOOL LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

Disclosure of information to auditor

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.

In approving the Trustees Annual Report, the Trustees also approve the Strategic Report included therein, in our capacity as Company Directors.

This report was approved by the Board of Trustees on 30 April 2021.



S Deane
Trustee

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Opinion

We have audited the financial statements of Farney Close School Limited (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of its incoming resources and application of resources, 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

FARNEY CLOSE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FARNEY CLOSE SCHOOL LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 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.

TC Group

Mark Cummins
(Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

12 May 2021

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

| | | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|---|--------------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 3 | 5,819 | 33,984 | 39,803 | - | 23,164 | 23,164 |
| Charitable activities | 4 | 3,237,363 | 13,238 | 3,250,601 | 3,275,209 | 11,812 | 3,287,021 |
| Investments | 5 | 29,688 | - | 29,688 | 31,759 | - | 31,759 |
| Other income | 6 | 371 | - | 371 | 300 | - | 300 |
| Total income | | 3,273,241 | 47,222 | 3,320,463 | 3,307,268 | 34,976 | 3,342,244 |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 2,746 | - | 2,746 | 9,343 | - | 9,343 |
| Charitable activities | 8 | 3,481,488 | 49,592 | 3,531,080 | 3,188,868 | 23,353 | 3,212,221 |
| Total resources expended | | 3,484,234 | 49,592 | 3,533,826 | 3,198,211 | 23,353 | 3,221,564 |
| Net(outgoing)/incoming resources before transfers | | (210,993) | (2,370) | (213,363) | 109,057 | 11,623 | 120,680 |
| Gross transfers between funds | 18 | 11,429 | (11,429) | - | 17,270 | (17,270) | - |
| Net (expenditure)/income for the year/ Net movement in funds | | (199,564) | (13,799) | (213,363) | 126,327 | (5,647) | 120,680 |
| Fund balances at 1 September 2019 | | 4,909,769 | 39,281 | 4,949,050 | 4,783,442 | 44,928 | 4,828,370 |
| Fund balances at 31 August 2020 | | 4,710,205 | 25,482 | 4,735,687 | 4,909,769 | 39,281 | 4,949,050 |

The statement of financial activities includes all gains and losses recognised in the year.

The allocation of the comparative figure between funds is explained in the notes to these accounts.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


FARNEY CLOSE SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

| | Notes | 2020 | | 2019 | |
|--|-------|--------------------|---|--------------------|---|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | 1,836,636 | | 1,851,248 | |
| Investment properties | 13 | 657,282 | | 657,282 | |
| | | <u>2,493,918</u> | | <u>2,508,530</u> | |
| Current assets | | | | | |
| Debtors | 14 | 1,070,623 | | 905,868 | |
| Cash at bank and in hand | | 2,518,506 | | 3,021,667 | |
| | | <u>3,589,129</u> | | <u>3,927,535</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(1,149,769)</u> | | <u>(1,282,067)</u> | |
| Net current assets | | 2,439,360 | | 2,645,468 | |
| Total assets less current liabilities | | 4,933,278 | | 5,153,998 | |
| Creditors: amounts falling due after more than one year | 16 | (197,591) | | (204,948) | |
| Net assets | | <u>4,735,687</u> | | <u>4,949,050</u> | |
| Income funds | | | | | |
| Restricted funds | 18 | 25,482 | | 39,281 | |
| Unrestricted funds | | 4,710,205 | | 4,909,769 | |
| | | <u>4,735,687</u> | | <u>4,949,050</u> | |

The financial statements were approved by the Trustees on 30 April 2021, and signed on their behalf.


S Deane
Trustee

Company Registration No. 00543113

FARNEY CLOSE SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 21 | | (481,959) | | (178,951) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (51,050) | | (52,866) | |
| Proceeds on disposal of tangible fixed assets | | 160 | | 300 | |
| Interest received | | 11,337 | | 17,624 | |
| Rent received | | 18,351 | | 14,135 | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in investing activities | | | (21,202) | | (20,807) |
| Financing activities | | | | | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in financing activities | | | - | | - |
| Net decrease in cash and cash equivalents | | | (503,161) | | (199,758) |
| Cash and cash equivalents at beginning of year | | | 3,021,667 | | 3,221,425 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of year | | | 2,518,506 | | 3,021,667 |
| | | | <u> </u> | | <u> </u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Farney Close School Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Bolney Court, Crossways, Bolney, Haywards Heath, West Sussex, RH17 5RD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles, the Companies Act 2006 and the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" issued in October 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Despite the disruption caused by coronavirus, and the national lockdown, at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

School fees are recognised over the academic year to which the fees apply, on a term by term basis.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Additions of individual items in excess of £1,000 including irrecoverable VAT are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|--------------|
| Freehold land and buildings | 2% per annum |
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20% on cost |
| Motor vehicles | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Also included is a 2 year bond.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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 21, 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.

The school also operates a defined contribution scheme in respect of the care and administration staff, which is an auto-enrolment scheme. The contributions are met from the employers and employees contributions and the assets are held externally to the company.

The school also has an unfunded defined benefit constructive obligation to provide benefit arrangements for two former members of staff whereby the school has committed to make pension payments and make healthcare provision in the future.

1.12 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Restricted funds |
|---------------------|--------------------|------------------|---------------|------------------|
| | 2020 | 2020 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Donations and gifts | - | 33,984 | 33,984 | 23,164 |
| Grants | 5,819 | - | 5,819 | - |
| | <u>5,819</u> | <u>33,984</u> | <u>39,803</u> | <u>23,164</u> |

4 Charitable activities

| | 2020 | 2019 |
|--|------------------|------------------|
| | £ | £ |
| School fees within charitable activities | 3,237,363 | 3,275,209 |
| Pupil Premium | 13,238 | 11,812 |
| | <u>3,250,601</u> | <u>3,287,021</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,237,363 | |
| Restricted funds | 13,238 | |
| | <u>3,250,601</u> | |
| For the year ended 31 August 2019 | | |
| Unrestricted funds | | 3,275,209 |
| Restricted funds | | 11,812 |
| | | <u>3,287,021</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-------------------------------|-----------------------|
| | 2020 | 2019 |
| | £ | £ |
| Rental income | 18,351 | 14,135 |
| Interest receivable | 11,337 | 17,624 |
| | <u>29,688</u> | <u>31,759</u> |

6 Other income

| | Unrestricted funds | Unrestricted funds |
|---|-------------------------------|-----------------------|
| | 2020 | 2019 |
| | £ | £ |
| Net gain on disposal of tangible fixed assets | 160 | 300 |
| Miscellaneous income | 211 | - |
| | <u>371</u> | <u>300</u> |

7 Raising funds

| | 2020 | 2019 |
|---------------------------|--------------|--------------|
| | £ | £ |
| Investment property costs | 2,746 | 9,343 |
| | <u>2,746</u> | <u>9,343</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Establishment | 528,556 | 480,010 |
| School expenses | 2,577,707 | 2,355,166 |
| | <u>3,106,263</u> | <u>2,835,176</u> |
| Share of support costs (see note 9) | 406,487 | 350,449 |
| Share of governance costs (see note 9) | 18,330 | 26,596 |
| | <u>3,531,080</u> | <u>3,212,221</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,481,488 | |
| Restricted funds | 49,592 | |
| | <u>3,531,080</u> | |
| For the year ended 31 August 2019 | | |
| Unrestricted funds | | 3,188,868 |
| Restricted funds | | 23,353 |
| | | <u>3,212,221</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Support costs

| | Support costs | Governance costs | 2020 | 2019 |
|-------------------|----------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Depreciation | 65,662 | - | 65,662 | 58,572 |
| Salaries | 179,983 | - | 179,983 | 173,151 |
| Staff training | 343 | 2,130 | 2,473 | 4,247 |
| Sundry | 3,755 | - | 3,755 | 8,901 |
| Telephone | 16,837 | - | 16,837 | 16,363 |
| Office costs | 8,357 | - | 8,357 | 9,793 |
| Motor expenses | 22,550 | - | 22,550 | 24,935 |
| Computer expenses | 34,902 | - | 34,902 | 35,120 |
| Payroll | 3,391 | - | 3,391 | 3,160 |
| Professional fees | 69,776 | - | 69,776 | 23,304 |
| Bank charges | 931 | - | 931 | 899 |
| Audit fees | - | 12,000 | 12,000 | 13,200 |
| Accountancy | - | 4,200 | 4,200 | 5,400 |
| | <u>406,487</u> | <u>18,330</u> | <u>424,817</u> | <u>377,045</u> |

Auditor's remuneration in relation to audit services was £12,000 (2019 - £13,200).

10 Trustees

During the year seven trustees claimed £1,950 (2019: six trustees £4,640) of expenses which relate to training, travel costs and trustee meetings.

During the year £8,228 (2019: £10,844) was paid from the general fund to M Gibrill in respect of their professional services.

During the year £40,200 (2019: £13,600) was paid from the general fund to C Johns in respect of their professional services. In addition the sum of £3,393 (2019: £640) was paid to G Johns, a family member, for maintenance services.

The school has followed the guidance issued by the charity commission on making payments to Trustees for services provided in their professional capacity.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|----------------|----------------|----------------|
| School | 72 | 67 |
| Establishment | 9 | 7 |
| Administration | 4 | 4 |
| | <u>85</u> | <u>78</u> |

Employment costs

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Wages and salaries | 2,101,750 | 1,946,270 |
| Social security costs | 188,825 | 186,629 |
| Other pension costs | 187,008 | 119,019 |
| Benefits in kind - healthcare | 37,195 | 39,043 |
| Change in present value for pension obligation | 4,945 | (103,828) |
| | <u>2,519,723</u> | <u>2,187,133</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2020 Number | 2019 Number |
|-------------------|----------------|----------------|
| £60,000 - £69,999 | <u>2</u> | <u>1</u> |

The key management personnel of the charity comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £243,552 (2019, £167,523).

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|------------------------|-----------------------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2019 | 3,931,723 | 276,218 | 330,357 | 49,179 | 4,587,477 |
| Additions | - | 7,416 | 43,634 | - | 51,050 |
| Disposals | - | (5,352) | (2,000) | - | (7,352) |
| At 31 August 2020 | 3,931,723 | 278,282 | 371,991 | 49,179 | 4,631,175 |
| Depreciation and impairment | | | | | |
| At 1 September 2019 | 2,137,089 | 261,836 | 292,048 | 45,256 | 2,736,229 |
| Depreciation charged in the year | 39,798 | 7,318 | 16,584 | 1,962 | 65,662 |
| Eliminated in respect of disposals | - | (5,352) | (2,000) | - | (7,352) |
| At 31 August 2020 | 2,176,887 | 263,802 | 306,632 | 47,218 | 2,794,539 |
| Carrying amount | | | | | |
| At 31 August 2020 | 1,754,836 | 14,480 | 65,359 | 1,961 | 1,836,636 |
| At 31 August 2019 | 1,794,634 | 14,382 | 38,309 | 3,923 | 1,851,248 |

13 Investment property

| | 2020 £ |
|--|-----------|
| Fair value | |
| At 1 September 2019 and 31 August 2020 | 657,282 |

The investment property was bought on the open market in 2015, and the trustees consider that the purchase and additional costs incurred in preparing for rental represent the fair value of the property. The property has not been independently valued at 31 August 2020. The trustees believe that the value remains and has not materially changed.

| | 2020 £ | 2019 £ |
|----------|-----------|-----------|
| Freehold | 657,282 | 657,282 |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

| | 2020 | 2019 |
|---|------------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| School fees receivable | 1,027,198 | 855,343 |
| Prepayments and accrued income | 43,425 | 50,525 |
| | <u>1,070,623</u> | <u>905,868</u> |

15 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Other taxation and social security | 18,429 | 63,828 |
| Payments received on account for future terms (see note 17) | 1,027,196 | 1,093,554 |
| Education/Care supplies payable | 62,257 | 97,591 |
| Other creditors (see note 23) | 12,952 | 11,351 |
| Accruals | 28,935 | 15,743 |
| | <u>1,149,769</u> | <u>1,282,067</u> |

16 Creditors: amounts falling due after more than one year

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Future liabilities in respect of former staff obligations (see note 23) | 197,591 | 204,948 |
| | <u>197,591</u> | <u>204,948</u> |

17 Fees in advance

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 autumn term:

| | 2020 | 2019 |
|--|------------------|------------------|
| Fees in advance at 1/09/2019 | 1,093,554 | 997,165 |
| Recognised as income in 2019-20 year | (1,093,554) | (997,165) |
| Fees invoiced prior to 31 August 2020, and carried forward to 2020-21 | <u>1,027,196</u> | <u>1,093,554</u> |
| Fees in advance at 31 August 2020 | <u>1,027,196</u> | <u>1,093,554</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | Balance at 31 August 2020 £ |
|---------------------------------|--|----------------------------|----------------------------|-----------------|--------------------------------------|
| | Balance at 1 September 2019 £ | Incoming resources £ | Resources expended £ | Transfers £ | |
| Pupil Premium | 19,503 | 13,238 | (12,905) | - | 19,836 |
| Vocational building & equipment | 6,574 | 5,499 | (7,106) | - | 4,967 |
| IT | 5,319 | 15,268 | (16,692) | (3,895) | - |
| Education and childcare | 1,684 | 8,111 | (4,082) | (5,142) | 571 |
| Equipment donations | 2,156 | 2,606 | (4,762) | - | - |
| Fair Fax | 4,045 | 2,500 | (4,045) | (2,392) | 108 |
| | <u>39,281</u> | <u>47,222</u> | <u>(49,592)</u> | <u>(11,429)</u> | <u>25,482</u> |

Restricted funds are provided from Local Authorities in relation to pupil premium to enhance the experience of pupils, together with donations for equipment to support students learning and living expenses. The majority of equipment funds carried forward is in respect of sensory room.

Restricted funds comparative

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | | | Balance at 31 August 2019 £ |
|---------------------------------|--|----------------------------|----------------------------|-----------------|--------------------------------------|
| | Balance at 1 September 2018 £ | Incoming resources £ | Resources expended £ | Transfers £ | |
| Pupil Premium | 17,147 | 11,812 | (9,456) | - | 19,503 |
| Vocational building & equipment | 11,404 | 13,042 | (602) | (17,270) | 6,574 |
| IT | 7,150 | - | (1,831) | - | 5,319 |
| Education and childcare | 835 | 6,122 | (5,273) | - | 1,684 |
| Equipment donations | 3,724 | - | (1,568) | - | 2,156 |
| Fair Fax | 4,668 | 4,000 | (4,623) | - | 4,045 |
| | <u>44,928</u> | <u>34,976</u> | <u>(23,353)</u> | <u>(17,270)</u> | <u>39,281</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|--|-------------------|-----------------|------------------|
| Fund balances at 31 August 2020 were represented by: | | | |
| Tangible assets | 1,826,317 | 10,319 | 1,836,636 |
| Investment properties | 657,282 | - | 657,282 |
| Current assets/(liabilities) | 2,428,703 | 15,163 | 2,439,360 |
| Long term liabilities | (197,591) | - | (197,591) |
| | <u>4,714,711</u> | <u>25,482</u> | <u>4,735,687</u> |

Analysis of net assets between funds comparative

| | Unrestricted £ | Restricted £ | Total £ |
|--|-------------------|-----------------|------------------|
| Fund balances at 31 August 2019 were represented by: | | | |
| Tangible assets | 1,851,248 | - | 1,851,248 |
| Investment properties | 657,282 | - | 657,282 |
| Current assets/(liabilities) | 2,606,187 | 39,281 | 2,645,468 |
| Long term liabilities | (204,948) | - | (204,948) |
| | <u>4,909,769</u> | <u>39,281</u> | <u>4,949,050</u> |

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2020 £ | 2019 £ |
|----------------------------|---------------|---------------|
| Within one year | 5,984 | 6,581 |
| Between two and five years | 11,956 | 19,594 |
| | <u>17,940</u> | <u>26,175</u> |

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

| 21 | Cash generated from operations | 2020 | 2019 |
|----|---|------------------|------------------|
| | | £ | £ |
| | (Deficit)/surplus for the year | (213,363) | 120,680 |
| | Adjustments for: | | |
| | Investment income recognised in statement of financial activities | (29,688) | (31,759) |
| | Gain on disposal of tangible fixed assets | (160) | (300) |
| | Depreciation and impairment of tangible fixed assets | 65,662 | 58,572 |
| | Movements in working capital: | | |
| | (Increase) in debtors | (164,755) | (297,282) |
| | (Decrease) in creditors | (139,655) | (28,862) |
| | Cash absorbed by operations | <u>(481,959)</u> | <u>(178,951)</u> |
| 22 | Analysis of changes in net funds | | |
| | The charity had no debt during the year. | | |

23 Pension

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 2020 was £140,437, (2019: £88,456). Contributions amounting to £nil (2019: £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 2020 was £46,571 (2019: £30,563). An amount of £nil (2019: £nil) was due to this scheme at the year end.

The school has an unfunded constructive obligation to provide a defined benefit arrangement for two former members of staff whereby the school has committed to provide benefits. The provision is recognised using discounted cash flow methods, to provide a present value for the future benefits payable by the company.

The key financial estimates and assumptions are that the benefits will continue until the former employees reach the age of 89, increase at 2.75% per annum, and are discounted at 2.7% per annum.

The total obligation at the year end was £209,228 (2019: £216,172), £11,637 is due within one year and the balance of £197,591 in more than one year.

Teachers' Pension Scheme

Introduction

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

FARNEY CLOSE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 PENSIONS (continued)

Valuation of the Teachers' Pension Scheme

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Pension and similar obligations

The key elements of the latest valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 20/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £197,667 (2019: £140,166)

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

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