

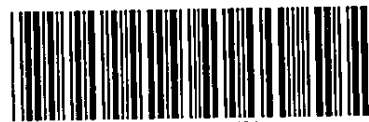
FELTHAM COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012

Amended.

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COMPANIES HOUSE

COMPANY REGISTRATION NUMBER:
07798639 (ENGLAND AND WALES)

FELTHAM COMMUNITY COLLEGE
FINANCIAL STATEMENTS
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

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FELTHAM COMMUNITY COLLEGE

REFERENCE AND ADMINISTRATIVE DETAILS

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Registered charity name	Feltham Community College
Company registration number	07798639
Principal and registered office	Feltham Community College Browells Lane Feltham Middlesex TW13 7EF
Chairman of Governors	Nicolas Grant
Other governors (Trustees)	Kenneth Batty Mark Bayliss Victoria Eadie (Headteacher and Accounting Officer) Victoria Griffin Joanna Houghton Paul Jabbal Dennis Jones Sureshkumar Kandangwa Jason Lockwood Harprit Sekhon Marjorie Semple David Snaddon Susan Stone Karen West Penny Wilson Charlene Woodcock

All of the governors were appointed effect 1 November 2011, unless otherwise stated

Company Secretary	John Dixon (resigned 1 October 2012) Penny Davies (appointed 1 October 2012)
Independent Auditor	Day Smith and Hunter Batchworth House Batchworth Place Church Street Rickmansworth WD3 1JE
Bankers	HSBC Group Plc 8-14 Canada Square London E14 5HQ
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

The Governors present their annual report together with the financial statements and auditors' report of Feltham Community College (the Charitable Company) for the period ended 31 August 2012

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 5 October 2011 and became an Academy Trust on 1 November 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as trustees for the charitable activities of Feltham Community College and are also the directors and members of the Charitable Company for the purposes of company law. The Charitable Company is known as Feltham Community College.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

In accordance with normal commercial practice the Academy has purchased Governors liability insurance to protect them from claims arising from negligent acts, errors or omissions occurring whilst acting in good faith on Academy business.

Principal Activities

The principal object and activity of the charitable company is the operation of Feltham Community College, to provide education for pupils of differing abilities between the ages of 11 and 19.

Method of Recruitment and Appointment or Election of Governors

The members of the Academy Trust comprise the signatories to the Memorandum, one person appointed by the Secretary of State (in the event that the Secretary of State appoints a person for this purpose), the Chair of Governors and the Headteacher.

The number of governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Academy Trust shall have the following governors: up to one governor (appointed under Article 50 of the Articles of Association), up to one LA governor, six parent governors, up to two staff governors, up to four partnership governors, up to three community governors, the Head Teacher, any additional governors, up to one Co-opted governor. The Members may appoint up to one Governor save that no more than one third of the total number of individuals appointed as governors shall be employees of the Academy Trust (including the Head Teacher).

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Method of Recruitment and Appointment or Election of Governors (continued)

The term of office for any governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review the Governors held two meetings. The training and induction provided for new governors depends on their existing experience. All new governors are given a tour of the school and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure consists of three levels: the governors, Senior Leadership Team ('SLT'), Heads of Faculty/Departments and Year Achievement Co-ordinators. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The SLT comprises the Headteacher, Deputy Headteachers and Assistant Headteachers. These leaders control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The SLT divides into three working groups: Outstanding Teaching and Learning, Aspirations and Health and Well Being. Each Team is linked directly to named governors who are 'experts' in the working of that team. The SLT line manage Curriculum Faculty / Department areas and Year Achievement Co-ordinators. SLT Teams are responsible for the Academy's Self-evaluation (SEF) and the Academy's Development Plan.

The Academy has a strong middle leadership which includes, Heads of Faculty, Heads of Department and Achievement Coordinators. Budgets are allocated to Middle Leaders for them to manage.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Auditor

Insofar as the governors are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware, and
- The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Auditor (continued)

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Day Smith and Hunter will therefore continue in office

Objectives and Activities

Objects and Aims

The charitable company's object is specifically restricted to the following

- a To advance, for the public benefit, education in the United Kingdom In particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and
- b To promote for the benefit of individuals living in Hounslow and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

Objectives, Strategies and Activities

Feltham Community College is a large mixed 11-18 Academy Trust school with circa 1,150 students We have a high number, about one third, of students with special educational needs and/or disabilities, of whom 4% have statements of special educational needs We have a physical disability centre as well as an autistic spectrum disorder unit and these students are fully integrated into the main school Around 50% of students are from a minority ethnic background and 25% are on free school meals We are a fully inclusive school and we are determined to break down barriers to learning and success

This is the Academy's first year of operation However, the Key Stage 4 and 5 results in August 2012 continued a strong period of improvement over several years In 2009 42% of our students achieved five GCSEs (or equivalent) at grade A* to C including English and Maths increasing to 62% in 2012, which is above the national average This represents excellent progress from where they started in Year 7 when they entered the Academy with attainment that is well below average Standards of attainment in the sixth form rose dramatically in 2012 and exceeded the 2011 national averages for A* to E at Advanced level (A2) This improvement is significant given that the cohort started the courses with well below-average attainment compared with advanced level courses nationally

To ensure that standards are continually raised we operate a programme of internal and external reviews The latest external review undertaken in October 2012 by Challenge Partners "found indicators that Feltham Community College appears to have moved beyond the good grade as judged by Ofsted in the school's previous Ofsted report in March 2010 and is working within the outstanding grade"

Feltham Community College is a vibrant, dynamic, energetic school We are a centre of excellence for innovative pedagogical development, with every member of our community engaging in reflection, leadership and learning We ensure personalised learning opportunities in an active and creative environment which guarantees success for every young person We are a key partner in the West London Alliance Teaching School hub and Challenge Partnership

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Objectives, Strategies and Activities (continued)

We provide, working in partnerships, powerful support and guidance for all our community to ensure that disadvantage does not create a barrier to future economic health, well-being and achievement. We are the lead School in a trio of schools working on Challenge the Gap.

By the time students leave the college they will be

- Resilient and independent learners with the skills to succeed in a rapidly changing world
- Active and responsible citizens in local, national and global settings with a social conscience and an environmental awareness
- Emotionally intelligent, perceptive to the needs of others, accepting of responsibility in leadership roles
- Creative, enterprising and imaginative with an enthusiasm to take on challenge
- Communicating with fluency and tolerance in different situations
- Leading a healthy active lifestyle

We ensure all our students are prepared and skilled to meet the opportunities and challenges of the future.

The Academy has a very strong set of core values around our motto of *Carpe Diem* and these values form the core of our teaching, learning and ways of working together.

- Courage and Determination
- Excellence and Inspiration
- Friendship and Equality

The Academy will achieve our aims by having the highest expectations of all in our community, with the enjoyment of learning as central to all we do, with a strong emphasis on praise and reward, by adopting a non-confrontational approach when challenges arise, by applying our rules firmly and consistently. Staff and students are expected to take responsibility for their own development and share responsibility for a high quality environment that maximizes opportunities for all.

Public Benefit

The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

This report makes clear that Feltham Community College complies with the principles set out in the Charity Commission public benefit guidance.

There is no harm or detriment being incurred by pursuit of the charities aims.

Beneficiaries are members of the public and include women, men and children, and their communities (both faith and secular) in general. The beneficiaries are therefore appropriate to the aims.

The opportunities for benefit are not unreasonably restricted by geographical or other restrictions or by the ability to pay any fees charged.

People in poverty and low incomes are included in the opportunity to benefit.

There are no private benefits being incurred.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Achievements and Performance

Financial Review

Most of the Academy's income is obtained from the Young People's Learning Agency (YPLA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2012, the excess of income over expenditure for the period was £17,713,325 (before pension scheme adjustments). This includes income of £17,774,129 in respect of fixed assets inherited on conversion.

At 31 August 2012 the net book value of fixed assets was £17,775,898 as shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net asset of £15,649,325.

Financial and Risk Management Objectives and Policies

As an Academy funded directly by the Department for Education funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in Government policy and funding levels. However the key risk is falling numbers. The Governors have a risk management strategy which is managed and reviewed on a regular basis.

Principal risks and uncertainties

The Academy is under subscribed at entry and main school numbers are declining. The Pupil Place Planning Committee for Hounslow project a shortfall in numbers will remain for the next three to four years after which time there is a strong increase in secondary school places required. This does create a medium term risk but is managed by the Academy through robust staffing and curriculum planning and costings. Sixth Form numbers have increased which helps to mitigate the decrease in Sixth Form funding.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Reserves policy

The Academy's unrestricted general fund is its funds after excluding restricted funds. Free reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically unrestricted general reserves represent income to the Academy which is to be spent at the trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Academy's current level of unrestricted general reserves is £82,992.

Demand on the Academy's restricted general reserves will vary over the coming years. The Academy's long term policy is that an appropriate level of reserves should be built up to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition such a reserve can be used to help deal with fluctuations in income caused by changes in student numbers or fluctuations caused by changes to the funding formula.

The Academy's current level of restricted general reserves is (£145,565).

Investment policy

The Governors have resolved to invest any funds available in a short term (no more than 3 months) low risk bank deposit account.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving the Academy with regard to employment or continuing in training or formal education. The Academy continuously strives to be at the forefront of innovation in education and we are perpetually revising our curriculum offer to suit the needs of our students.

Approved on behalf of the Board of Governors on 13 December 2012 and signed on its behalf by



.....
Governor

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Feltham Community College and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met twice during the period. Attendance during the period at meetings of the governing body were as follows:

Governor	Meetings attended	Out of a possible
Kenneth Batty	1	2
Mark Bayliss	1	2
Victoria Eadie	2	2
Nicolas Grant	2	2
Victoria Griffin	1	2
Joanna Houghton	1	2
Paul Jabbal	2	2
Dennis Jones	1	1
Sureshkumar Kandangwa	0	2
Jason Lockwood	2	2
Harprit Sekhon	2	2
Marjorie Semple	1	2
David Snaddon	2	2
Susan Stone	2	2
Karen West	2	2
Penny Wilson	1	2
Charlene Woodcock	0	2

Dennis Jones resigned from the governing body in March 2012.

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Finance Committee

The Finance Committee is a sub-committee of the main governing body. Its purpose is to consider strategic financial issues on behalf of the Governing Body. It has a general role to advise the Headteacher on all matters relating to the finances of the Academy and to abide by the requirements and guidelines of the Education Funding Agency. It also has delegated authority from the Governing Body to authorise expenditure up to £100,000.

Attendance at the meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Victoria Eadie	3	3
Joanna Houghton	3	3
Dennis Jones	0	2
Jason Lockwood	3	3
Harprit Sekhon	3	3
David Snaddon	3	3
Karen West	1	1
Penny Wilson	2	3

Dennis Jones resigned from the governing body in March 2012.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been placed in Feltham Community College Academy Trust for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- Setting targets to measure financial and other performance,
- Clearly defined purchasing (asset purchase or capital investment) guidelines,
- Delegation of authority and segregation of duties,
- Identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Kenneth Batty, a governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. In the period, the RO function has been fully achieved in accordance with the Education Funding Agency's requirements.

Review of Effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- The work of the responsible officer,
- The work of the external auditor,
- The financial management and governance self-assessment process,
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the governing body on 13 December 2012 and signed on its behalf by


Governor


Victoria Eadie
(Accounting Officer)

FELTHAM COMMUNITY COLLEGE

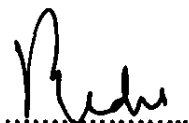
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....
Victoria Eadie
(Accounting Officer)

13 December 2012

FELTHAM COMMUNITY COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

The governors (who act as trustees for charitable activities of Feltham Community College and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees Annual Report, statement of internal controls and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

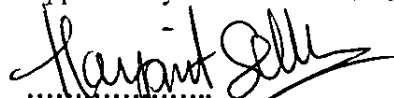
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Young People's Learning Agency/Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the governing body on 13 December 2012 and signed on its behalf by


.....
Governor

FELTHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNING BODY

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

We have audited the financial statements of Feltham Community College for the period from 1 November 2011 to 31 August 2012 on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Young People's Learning Agency.

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the governors, and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

FELTHAM COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE GOVERNING BODY (continued)**

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenses, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report and Governance Statement for the financial period for which the financial statements are prepared are consistent with the financial statements

Matters on which we are required to report by exception

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

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

RICHARD L. LIM FCA (Senior Statutory Auditor)

For and on behalf of

Day Smith and Hunter
Registered Auditors & Chartered Accountants
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire WD3 1JE

13 December 2012

FELTHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO FELTHAM COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

In accordance with the terms of our engagement letter dated 5 October 2011 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Feltham Community College during the period 1 November 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

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

The accounting officer is responsible, under the requirements of Feltham Community College's funding agreement with the Secretary of State for Education dated 29 October 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 November 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 November 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

RICHARD L. LIM FCA (Senior Statutory Auditor)

For and on behalf of
DAY SMITH & HUNTER
Chartered Accountants & Statutory Auditor
Batchworth House, Batchworth Place
Church Street
Rickmansworth
Hertfordshire WD3 1JE

13 December 2012

FELTHAM COMMUNITY COLLEGE
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds for the Period £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	19,743	17,794	36,695	74,232
Assets transferred from local authority on conversion		-	-	17,774,129	17,774,129
Activities for generating funds	4	170,821	-	-	170,821
Investment income	5	768	-	-	768
Incoming resources from charitable activities					
Funding for the academy's educational operations	6	-	7,952,518	22,562	7,975,080
TOTAL INCOMING RESOURCES		191,332	7,970,312	17,833,386	25,995,030
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		-	-	-	-
Charitable activities					
Academy's educational operations	7	91,472	8,102,292	74,356	8,268,120
Governance costs	8	-	13,585	-	13,585
TOTAL RESOURCES EXPENDED	9	91,472	8,115,877	74,356	8,281,705
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		99,860	(145,565)	17,759,030	17,713,325
Gross transfers between funds	2/16	(16,868)	-	16,868	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD		82,992	(145,565)	17,775,898	17,713,325
OTHER RECOGNISED GAINS AND LOSSES					
Inherited deficit on defined benefit pension Scheme		-	(1,554,000)	-	(1,554,000)
Actuarial loss on defined benefit pension scheme	16	-	(510,000)	-	(510,000)
NET MOVEMENT IN FUNDS		82,992	(2,209,565)	17,775,898	15,649,325
RECONCILIATION OF FUNDS					
Total funds carried forward at 31 August 2012		82,992	(2,209,565)	17,775,898	15,649,325

All of the Academy Trust's activities derive from continuing operations during the above financial period

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

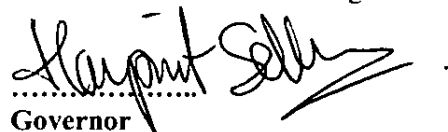
The notes on pages 19 to 34 form part of these financial statements

FELTHAM COMMUNITY COLLEGE
BALANCE SHEET
AS AT 31 AUGUST 2012

	<u>Notes</u>	<u>2012</u> <u>£</u>
Fixed assets		
Tangible fixed assets	13	17,775,898
Current assets		
Debtors	14	535,158
Cash at bank and in hand		647,079
		<u>1,182,237</u>
Creditors: amounts falling due within one year	15	<u>(1,178,810)</u>
Net current assets		3,427
Net assets excluding pension liability		<u>17,779,325</u>
Pension scheme liability	24	<u>(2,130,000)</u>
Net assets including pension liability		<u><u>15,649,325</u></u>
Funds of the academy:		
Restricted income funds		
Fixed asset funds	16	17,775,898
General funds	16	(145,565)
Pension reserve	16	(2,064,000)
Total restricted funds		<u>15,566,333</u>
Unrestricted income funds		
General funds	16	82,992
Total unrestricted funds		<u>82,992</u>
Total funds		<u><u>15,649,325</u></u>

These accounts have been prepared in accordance with the provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The financial statements on pages 16 to 34 were approved by the governors, and authorised for issue on 13 December 2012 and are signed on their behalf by


Governor

Registered Company Number 7798639

The notes on pages 19 to 34 form part of these financial statements

FELTHAM COMMUNITY COLLEGE

CASH FLOW STATEMENT

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

	<u>Notes</u>	<u>2012</u>
Net cash inflow from operating activities	19	663,179
Returns on investments and servicing of finance		
Interest received	20	<u>768</u>
Net cash inflow from returns on investments and servicing of finance		768
Capital expenditure		
Payments to acquire tangible fixed assets	21	<u>(16,868)</u>
Net cash outflow from capital expenditure		(16,868)
Increase in cash	22	<u><u>647,079</u></u>

The notes on pages 19 to 34 form part of these financial statements

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

1. Statement of Accounting policies

Basis of Preparation

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

Incoming resources

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

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

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

Fixed assets transferred to the Academy, from the predecessor establishment, on the date of conversion are included under incoming resources from generated funds. The land and buildings were independently valued at the date of conversion, on a depreciated replacement cost basis in accordance with Financial Reporting Standard 15.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

1. Statement of Accounting policies (continued)

Resources Expended

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

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in letting and other activities that raise funds.

- **Charitable activities**

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

- **Governance costs**

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

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with academy trust's depreciation policy.

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

Equipment, fixtures and fittings	20%	on cost
Computer equipment	33%	on cost
Motor Vehicles	20%	on cost

The Academy maintains its freehold buildings in such a state of repair that in the opinion of the Governors their residual values at the date of acquisition and subsequent improvements will always be at least equal to their book values. Consequently no depreciation is charged on such property.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

1. Statement of Accounting policies (continued)

Tangible Fixed Assets (continued)

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

Land and buildings valued at £17,474,559 were transferred to the Academy from the London Borough of Hounslow on 1 November 2011. These have been entered onto the balance sheet at the value on the date of transfer and are being depreciated over their estimated useful lives.

There were a number of assets valued at £299,570 transferred from the London Borough of Hounslow on 1 November 2011 that are still used by the Academy. These assets are principally school furniture, computers and office equipment.

Operating lease transactions

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation purposes. Accordingly, the academy trust is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The company was acknowledged as a charitable company for tax purposes by HMRC on 7 March 2012.

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

1. Statement of Accounting policies (continued)

Pensions Benefits (continued)

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the Education Funding Agency (EFA), The Department for Education (DfE) or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the EFA and DfE.

Conversion to an academy trust

On 1 November 2011 Feltham Community College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Feltham Community College from the London Borough of Hounslow Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 31.8.2012 £
Tangible fixed assets				
Freehold/leasehold land and buildings	-	-	17,474,559	17,474,559
Other tangible fixed assets	-	-	299,570	299,570
Budget surplus/(deficit) on LA funds	-	-	-	-
Budget surplus/(deficit) on other school funds	-	-	-	-
LGPS pension deficit	-	(1,554,000)	-	(1,554,000)
Borrowing obligations	-	-	-	-
Other identified assets and liabilities	-	-	-	-
Net assets/(liabilities)	-	(1,554,000)	17,774,129	(16,220,129)

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

2. General Annual Grant (GAG)

a. Results and carry forward for the year	2012 £
GAG allocation for the current period	6,959,650
Total GAG available to spend	6,959,650
Recurrent expenditure from GAG	(6,906,768)
Fixed assets purchased from GAG	(16,868)
GAG carried forward to next year	<u>36,014</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(835,158)
GAG to surrender to DfE	<u>(799,144)</u>
(12% rule breached if result is positive)	No breach

3. Voluntary income

	Unrestricted Funds	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 31.8.2012 £
Other Donations	19,743	17,794	-	37,537
Capital Grants	-	-	36,695	36,695
	<u>19,743</u>	<u>17,794</u>	<u>36,695</u>	<u>74,232</u>

4. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total funds £
Hire of facilities	170,821	-	170,821

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

5. Investment income

	Unrestricted Funds £	Restricted Funds £	Total funds £
Short term deposits	768	-	768

6. Funding for the academy's educational operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,959,651	-	6,959,651
Other DfE/EFA grants	-	511,203	22,562	533,765
	-	7,470,854	22,562	7,493,416
Other Government grants				
Special educational projects	-	481,664	-	481,664
	-	7,952,518	22,562	7,975,080

7. Charitable activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total funds £
Direct costs			
Teaching and educational support staff costs	55,661	5,511,010	5,566,671
Depreciation	-	74,356	74,356
Educational supplies	13,999	319,829	333,828
Examination fees	-	62,000	62,000
Staff development	-	30,976	30,976
Educational consultancy	-	15,538	15,538
Other direct costs	3,034	181,817	184,851
	72,694	6,195,526	6,268,220
Allocated support costs			
Support staff costs	-	34,167	34,167
Recruitment and support	-	4,597	4,597
Maintenance of premises and equipment	18,703	1,244,131	1,262,834
Cleaning	-	124,177	124,177
Rent and rates	-	39,725	39,725
Insurance	-	64,202	64,202
Security and transport	-	29,842	29,842
Catering	-	75,355	75,355
Bank interest and charges	-	698	698
Other support cost	75	364,228	364,303
	18,778	1,981,122	1,999,900
	91,472	8,176,648	8,268,120

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total funds £
Legal and professional fees	-	-	-
Auditor's remuneration			
Audit of financial statements	-	7,115	7,115
Responsible officer audit		1,500	1,500
Other services	-	4,935	4,935
Governors reimbursed expenses	-	35	35
	<u>-</u>	<u>13,585</u>	<u>13,585</u>

9. Resources Expended

	Staff Costs £	Premises £	Other Costs £	Total £
Academy's educational operations	5,586,938	1,402,142	1,269,040	8,268,120
	<u>5,586,938</u>	<u>1,402,142</u>	<u>1,269,040</u>	<u>8,268,120</u>
Governance costs including allocated support costs	-	-	13,585	13,585
	<u>5,586,938</u>	<u>1,402,142</u>	<u>1,296,210</u>	<u>8,281,705</u>

Incoming/outgoing resources for the year include:

	2012 £
Fees payable to auditor	
Audit	7,115
Other fees payable to auditor	6,435
	<u>13,550</u>

10. Staff costs and emoluments

Staff costs during the period were

	2012 £
Wages and salaries	3,366,861
Social security costs	1,367,946
Pension costs	852,131
	<u>5,586,938</u>
Supply teacher costs	31,296
	<u>5,618,234</u>

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

10 Staff costs and emoluments (continued)

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

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

	2012 No
£60,001 - £70,000	3
£70,001 - £80,000	4
£80,001 >	<u>1</u>

98 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £273,546. 59 employees participated in the Local Government Pension Scheme, pension contributions amounted to £210,000.

11. Governors' remuneration and expenses

The head teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

Head teacher	£83,804
Other staff governor	£41,527
Other staff governor	£27,924

During the period ended 31 August 2012, travel and subsistence expenses totalling £41.50 were reimbursed to One governor.

Other related party transactions involving the trustees are set out in note 25.

12. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2012 was £40,210.

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

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

13. Tangible fixed assets

	Motor vehicles £	Computer equipment £	Freehold land and buildings £	Equipment, fixtures and fittings £	Total £
Cost					
Assets transferred from local authority on conversion	-	-	17,474,559	299,570	17,774,129
Additions	36,695	33,630	-	5,800	76,125
At 31 August 2012	<u>36,695</u>	<u>33,630</u>	<u>17,474,559</u>	<u>305,370</u>	<u>17,850,254</u>
Depreciation					
Charge for the period	1,835	11,210	-	61,311	74,356
At 31 August 2012	<u>1,835</u>	<u>11,210</u>	<u>-</u>	<u>61,311</u>	<u>74,356</u>
Net book value					
At 31 August 2012	<u>34,860</u>	<u>22,420</u>	<u>17,474,559</u>	<u>244,059</u>	<u>17,775,898</u>

14. Debtors

	2012
	£
Trade debtors	19,920
Other debtors	131,596
Prepayments and accrued income	383,642
	<u>535,158</u>

15. Creditors: Amounts falling due within one year

	2012
	£
Trade creditors	853,096
Taxation and social security	139,048
Other creditors	88,789
Accruals	97,877
	<u>1,178,810</u>

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

16. Funds

	Incoming resources £	Gains, losses & transfers £	Resources expended £	Balance at 31 August 2012 £
Restricted general funds				
General Annual Grant (GAG)	6,959,650	-	6,923,636	36,014
Transfer from local authority on conversion (pension liability)	-	-	1,554,000	(1,554,000)
Other DfE/EFA grants	511,203	-	596,121	(84,918)
Other income	499,459	-	596,120	(96,661)
Pension reserve	-	(510,000)	-	(510,000)
	<u>7,970,312</u>	<u>(510,000)</u>	<u>9,669,877</u>	<u>(2,209,565)</u>
Restricted fixed asset funds				
DfE/EFA capital grants	59,258	-	70,030	(10,772)
Transfer from local authority on conversion	17,774,128	-	-	17,774,128
Capital expenditure from GAG	-	16,868	4,326	12,542
	<u>17,833,386</u>	<u>16,868</u>	<u>74,356</u>	<u>17,775,898</u>
Total restricted funds	<u>25,803,698</u>	<u>(493,132)</u>	<u>9,744,233</u>	<u>15,566,333</u>
Unrestricted funds				
Unrestricted funds	<u>191,332</u>	<u>(16,868)</u>	<u>91,472</u>	<u>82,992</u>
Total unrestricted funds	<u>191,332</u>	<u>(16,868)</u>	<u>91,472</u>	<u>82,992</u>
Total funds	<u>25,995,030</u>	<u>(510,000)</u>	<u>9,835,705</u>	<u>15,649,325</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	17,775,898	17,775,898
Current assets	82,992	1,099,245	-	1,182,237
Current liabilities	-	(1,178,810)	-	(1,178,810)
Pension scheme liability	-	(2,130,000)	-	(2,130,000)
Total Funds	<u>82,992</u>	<u>(2,209,565)</u>	<u>17,775,898</u>	<u>15,649,325</u>

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

18. Financial commitments

Operating leases

At 31 August 2012 the academy has annual commitments under non-cancellable operating leases as follows

	2012
	£
<u>Other</u>	
Expiring within one year	185,924
Expiring within two and five years inclusive	166,564
Expiring in over five years	-

19. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012
	£
Net income	17,713,325
Depreciation (note 13)	74,356
Capital grants from DfE and other capital income	(17,833,386)
Interest receivable (note 5)	(768)
FRS 17 pension cost less contributions payable (note 24)	10,000
FRS 17 pension finance income (note 24)	56,000
(Increase)/decrease in debtors	(535,158)
Increase/(decrease) in creditors	1,178,810
Net cash inflow from operating activities	<u>663,179</u>

20. Returns on investments and servicing of finance

	2012
	£
Interest received	768
Net cash inflow from returns on investment and servicing of finance	<u>768</u>

21. Capital expenditure and financial investment

	2012
	£
Purchase of tangible fixed assets	(17,850,254)
Capital grants from DfE/EFA	22,562
Capital funding from others	36,695
Assets gifted from local authority	17,774,129
Net cash outflow from capital expenditure and financial investment	<u>(16,868)</u>

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

22. Analysis of changes in net funds

	At 1 November 2012 £	Cash flows £	At 31 Aug 2012 £
Cash in hand and at bank	-	647,079	647,079
	-	647,079	647,079

23. Members' Liability

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

24. Pension and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Hounslow Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was 31 March 2010

There were no outstanding or prepaid contributions at the end of the financial period

Teachers' Pension Scheme

The TPS is statutory, contributory defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under Pensions (Increase) Act are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfounded TPS, teachers' contributions on a 'pay-as-you-go' basis and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

24. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions

The contributions rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1%. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

24. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £274,000, of which employer's contributions totalled £210,000 and employees' contributions totalled £64,000.

Principal Actuarial Assumptions

	At 31 August 2012 % pa
Rate of increase in salaries	4.1
Rate of increase for pensions in payment/inflations	1.9
Discount rate for scheme liabilities	3.9
Inflation assumption (CPI)	1.9

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

	At 31 August 2012
<i>Retiring today</i>	
Males	19.0
Females	23.1
<i>Retiring in 20 years</i>	
Males	21.0
Females	25.0

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

24. Pension and similar obligations (continued)

Principal Actuarial Assumptions (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31.8.2012 % pa	Fair value at 31.8.2012 £
Equities	5.8	709,000
Gilts	2.8	146,000
Other Bonds	3.9	94,000
Property	4.8	31,000
Cash	0.5	63,000
Total market value of assets		1,043,000
Present value of scheme liabilities		
- Funded		3,173,000
Deficit in the scheme		(2,130,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return on bonds is assumed to be in line with redemption yields. The expected returns on equities and properties have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £66,000.

Amounts recognised in the statement of financial activities

	31.8.2012 £
Current service cost (net of employee contributions)	220,000
Past service cost	-
Total operating charge	220,000

Analysis of pension finance income/(costs)

	31.8.2012 £
Expected return on pension scheme assets	37,000
Interest on pension liabilities	(93,000)
Pension finance costs	(56,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £510,000 loss.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

PERIOD FROM 1 NOVEMBER 2011 TO 31 AUGUST 2012

24. Pension and similar obligations (continued)

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

	£
At 1 November 2011	2,270,000
Current service cost	220,000
Interest cost	93,000
Employee contributions	64,000
Actuarial losses	539,000
Benefits paid	(13,000)
Past service cost	-
Curtailments and settlements	-
At 31 August 2012	3,173,000

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

	£
At 1 November 2011	716,000
Expected return on assets	37,000
Actuarial gains	29,000
Employer contributions	210,000
Employee contributions	64,000
Benefit paid	(13,000)
At 31 August 2012	1,043,000

The estimated value of employer contributions for the year ended 31 August 2013 is £275,000

Experience adjustments on share of scheme assets

Amount £nil

Experience adjustments on scheme liabilities

Amount £nil

25. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The academy received works from Metropolitan Construction, a related company as John Dixon's, the business manager, brother owns the company. The invoices throughout the period amounted to £26,675, with £14,580 being outstanding as at the period end.

The academy received works from AC Breeze, a related company as David Snaddon's, a trustee, brother owns the company. The invoices throughout the period amounted to £486, with £277 being outstanding as at the period end.