

Feversham College
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2013



Feversham College

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Ms C A Skelding (Headteacher)
Mr A Jan Haider (Chair)
Miss Y Akhtar
Mr M Ayyaz
Mrs C Baaziz
Mr A Khan
Mr J Khan
Mr P Khan
Prof M K Khan
Mr K Mahmood
Mr M Mushtaq
Mrs J S Scatchard
Ms N Yoqoob
Cllr Amir Hussain

Company Secretary

Mrs L Murphy

Senior Leadership Team

Headteacher
Deputy Head Curriculum
Deputy Head Teacher Teaching & Learning
Business Manager
Assistant Head Behaviour
Assistant Head Student Leadership & Initial
Teacher Training
Islamic Leader

Ms C Skelding
R Shafquat
A Crawshaw
Mrs L Murphy
R Naznine

R Noor
S Khan

Principal and Registered Office

Feversham College
158 Cliffe Road
Undercliffe
Bradford
West Yorkshire
BD3 0LT

Company Registration Number

07697587 (England and Wales)

Independent Auditor

Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG

Bankers

Lloyds Bank
44 Queens Street
Morley
Leeds
LS27 9BR

Solicitors

Dickinson Dees
One Trinity
Broad Chare
Newcastle
NE1 2HF

Feversham College

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2012 to 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 7 July 2011 are the primary governing documents of the academy trust. All governors are directors of the charitable company for the purpose of company law and trustees for the purpose of charity legislation. The academy trust is subject to the requirements of a funding agreement with the Secretary of State for Education dated 29 July 2011 amended by a deed of variation dated 16 July 2013. The Charitable Company is known as Feversham College.

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

Trustees' Indemnities

The academy provides indemnity insurance to cover the liability of trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the academy trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustee knew to be a breach of trust or breach of duty or which was committed by the trustee in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the cost of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as trustee.

Principal Activities

The principal activity of the charitable company is the operation of Feversham College to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on science and maths.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and its practical applications.

Method of Recruitment and Appointment or Election of Trustees

Members of the Academy Trust shall comprise

- the signatories of the Memorandum
- up to 4 persons from amongst and appointed by the trustees
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- The chairman of the trustees
- Any Members with the written consent of the trustees may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

Feversham College

GOVERNORS' REPORT (Continued)

Each person entitled to appoint (as above) shall have the right from time to time by written notice delivered to the office to remove any member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

If any of the persons entitled to appoint

- in case of an individual, die or become legally incapacitated
- in the case of a corporate entity, cease to exist and are not replaced by a successor institution
- becomes insolvent or makes any arrangement or composition with their creditors generally their right to appoint Members under the Articles shall vest in the remaining Members

Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

Feversham College operates a unified management structure. The structure consists of three levels: the trustees, the Senior Leaders and the Middle Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees 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 Senior Leaders are the Head teacher, two Deputy Head teachers, the Business manager, two assistant Head teachers and one Islamic Leader. These leaders control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain a trustee. Some spending control is devolved to members of the Leadership Team, with limits above which a Senior Leader must not breach.

Risk Management

It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The trustees 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 trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Connected Organisations, including Related Party Relationships

Feversham First Steps Nursery is a wholly owned subsidiary of Feversham College.

Feversham College

GOVERNORS' REPORT (Continued)

OBJECTIVES AND ACTIVITIES

Objects and Aims

The academy's principal object is specifically restricted to the following 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 with a designated Islamic religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of Islamism both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the funding agreement)

Objectives, Strategies and Activities

The main objectives of the academy during the year ended 31 August 2013 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness

The academy's main strategy is encompassed in its mission statement which is 'To provide the best quality of education within a secure Islamic all female environment which has access to the best possible teaching facilities and staff' To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- a programme of after school activities for all students, and
- a careers advisory service to help students obtain employment or move on to higher education

Public Benefit

The academy trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties

ACHIEVEMENTS AND PERFORMANCE

The academy conversion was completed on 1 August 2011 Total students in the year ended 31 August 2013 numbered 634 and the Academy has a full complement in all year groups The Academy has obtained agreement from the Department for Education to admit 95 students each year from September 2012, increasing to 120 with effect from September 2013

Examination results for 2013 were very pleasing At A level, candidates achieved an average of 722 UCAS points (675 in 2012) The 100% A-E pass rate was maintained, with 87% of the grades A*-C (compared to 82% in 2012) At GCSE 81% of the grades were A*-C (compared to 80% in 2012) The percentage of students achieving 5+ A*-C passes including English and Maths increased to 60% (compared to 59% in 2012)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future For this reason it continues to adopt the going concern basis in preparing the financial statements Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Feversham College

GOVERNORS' REPORT (Continued)

FINANCIAL REVIEW

Financial report for the year

Most of the academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities

During the year ended 31 August 2013, total expenditure of £4,432,766 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £457,147, however this does not include accounting for the actuarial gain on defined benefit pension scheme of £186,000 or the £385,184 transfer from restricted general funds into restricted fixed asset funds

At 31 August 2013 the net book value of fixed assets was £17,673,401 and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Financial and Risk Management Objectives and Policies

The academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation. Internal audit undertake a termly inspection and oversees a programme of risk review

The Audit, Policy & Finance Committee undertakes a comprehensive review of the risks to which the academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the academy. The Audit, Policy & Finance Committee also consider any risks which may arise as a result of a new area of work being undertaken by the academy

A risk register is held by the academy which is to be reviewed at least annually, by the Audit, Policy & Finance Committee. The register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system

Principal Risks and Uncertainties

Outlined below are a number of potential risks that may affect the academy

- 1) **Government Funding** The Academy has considerable reliance on continued government funding through the EFA. In 2012/13 99% of the Academy's recurrent revenue was publically funded, this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same rate or on the same terms
- 2) **Pension Liabilities** The financial statements report the share of the pension scheme deficit on the academy's balance sheet in line with requirements of FRS 17. We will continue to carefully monitor the level of exposure to the pension fund deficit
- 3) **Minimise the risk of litigation** Leadership and governors are highly focused on the need to ensure that the risks of litigation from employees, customers, suppliers, parents, students and other stakeholders are minimised in order to prevent reputational damage and financial loss
- 4) **Health and Safety compliance** Leadership and trustees are highly focused on the need to ensure risks of damage to property and persons are minimised by adhering to a robust Health and Safety policy and by calling on expert advice in the area where required
- 5) **Ensure ongoing cash solvency** Work closely with external auditors, internal audit checks and Audit, Policy & Finance Committee overview to ensure internal controls are in place to minimise the possibility of unexpected financial losses. There will be continued robust scrutiny of financial information to ensure due diligence in all aspects of financial planning and budgeting to include robust cash management and forecasting

Feversham College

GOVERNORS' REPORT (Continued)

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £380,000. The reason for this is 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. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £824,816 which is sufficient. The academy intends to continue to hold this level of reserves. The pension reserve is in deficit at 31 August 2013 in the sum of £333,000 (2012 £459,000). This does not have an immediate cashflow impact but is likely to result in increased contributions in future years. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Investment policy

The board of trustees have authority to deposit and invest funds not immediately required for the furtherance of the academy's principle object. When considering such transactions observance of Islamic investment principals remains the overriding consideration.

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 its students get jobs or a place in higher education once they leave.

Building Developments

During the year, work was successfully completed on a six classroom extension project which was funded by a grant from the Academies Capital Maintenance Fund (ACMF). To support the needs of the growing student numbers in college a second capital building project commenced during July 2013. This is to create additional accommodation for student support and back office staff.

Pupil Admissions

With the completion of the ACMF project the college admission number has increased from 95 per year to 120 pupils per year with effect from September 2013.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the trustees are aware

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

Approved by order of the members of the board of trustees on 9 December 2013 and signed on its behalf by



Ali Jan Haider
Chairman

Feversham College

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Feversham 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 board of trustees has delegated the day-to-day responsibility to the principal, 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 Feversham College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Ibrahim (Chairman) (resigned 10/9/13)	5	5
Ms C Skelding (principal and accounting officer)	5	5
Mr A Jan Haider (Vice Chair) (appointed Chair 16/9/13)	2	5
Miss Y Akhtar (staff trustee)	4	5
Mr M Ayyaz	4	5
Mrs C Baaziz (staff trustee)	4	5
Miss S Hussain (resigned 16/9/13)	3	5
Mr A Khan	3	5
Mrs J S Scatchard (staff trustee) (appointed 12/10/12)	3	4
Mr J Khan	3	5
Mr P Khan	1	5
Prof M K Khan	1	5
Mr K Mahmood	1	5
Mr M Mushtaq	3	5
Ms N Yaqoob (appointed 21/3/13)	2	2
Cllr Amir Hussain (appointed 27/11/12)	1	4

During the period the Chair, M Ibrahim, resigned and has been replaced by A J Haider.

The **Audit, Policy and Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to ensure Feversham College remains a going concern to enable the delivery of an outstanding education for pupils aged 11-19. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Ibrahim (Chairman) (resigned 10/9/13)	5	5
Ms C Skelding (Head and accounting officer)	5	5
Mr A Jan Haider (Vice Chair) (appointed Chair 16/9/13)	5	5
Prof M K Khan	4	5
Mr P Khan	4	5
Miss S Hussain	5	5
Mr J Khan	5	5
Miss Y Akhtar	5	5

Feversham College

GOVERNANCE STATEMENT (Continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Feversham College for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews by the Audit, Policy & 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, and
- identification and management of risks.

The board of trustees have considered the need for a specific internal audit function and have decided to appoint S Hawker as internal auditor. The auditor'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 auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. There were no material control issues arising as a result of the internal auditor's work.

Feversham College

GOVERNANCE STATEMENT (Continued)

Review of Effectiveness

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

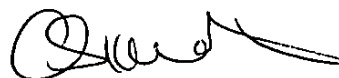
- the work of the internal auditor,
- the work of the external auditor,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Policy and 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 board of trustees on 9/12/13 and signed on its behalf by



Ali Jan Haider
Chairman



C Skelding
Accounting Officer

Feversham College

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



C Skelding
Accounting Officer

Feversham College

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Feversham College and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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 its incoming resources and application of resources, including its income and expenditure, 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 judgments 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 Charitable Company will continue in business

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

The 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 EFA/DfE 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 *9 December 2013* and signed on its behalf by



Ali Jan Haider
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEVERSHAM COLLEGE

We have audited the financial statements of Feversham College for the year ended 31 August 2013 on pages 14 to 37. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding 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 governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 11, the governors (who act as trustees for the charitable activities of the charitable company, and 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEVERSHAM COLLEGE

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

RICHARD LEWIS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

Date *18/12/2013*

Feversham College

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) for the year ended 31 August 2013

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
INCOMING RESOURCES	<i>Notes</i>					
Income from generated funds						
Voluntary income	2	-	-	-	-	995,000
Activities for generating funds	3	28,104	3,215	-	31,319	56,701
Transfer of assets on conversion	27	-	-	-	-	17,653,903
Investment income	4	48,195	-	-	48,195	9,980
Income from charitable activities						
Academy Trust's educational operations	5	124,349	4,307,008	-	4,431,357	4,528,153
Other income	6	13,726	-	-	13,726	7,997
TOTAL INCOMING RESOURCES		214,374	4,310,223	-	4,524,597	23,251,734
RESOURCES EXPENDED						
Cost of generating funds						
Costs of generating voluntary income		7,827	-	-	7,827	914
Costs of activities for generating funds		3,631	-	-	3,631	4,481
Charitable activities						
Academy's Trusts educational operations	8	105,493	3,864,791	365,316	4,335,600	4,443,789
Governance costs	9	-	85,708	-	85,708	63,399
Other resources expended – transfer from local authority on conversion		-	-	-	-	249,000
TOTAL RESOURCES EXPENDED	7	116,951	3,950,499	365,316	4,432,766	4,761,583
NET INCOMING RESOURCES BEFORE TRANSFERS		97,423	359,724	(365,316)	91,831	18,490,151
Gross transfers between funds	18	-	(385,184)	385,184	-	-
NET INCOME FOR YEAR		97,423	(25,460)	19,868	91,831	18,490,151
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit schemes	29	-	186,000	-	186,000	(175,000)
NET MOVEMENT IN FUNDS		97,423	160,540	19,868	277,831	18,315,151
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2012	18	727,393	(65,775)	17,653,533	18,315,151	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013	18	824,816	94,765	17,673,401	18,592,982	18,315,151

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

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

Feversham College

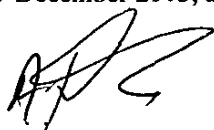
BALANCE SHEET

31 August 2013

Company Registration No. 07697587

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	13	17,673,401	16,896,513
Investments	14	1	1
		<u>17,673,402</u>	<u>16,896,514</u>
CURRENT ASSETS			
Stock	15	1,012	1,812
Debtors	16	156,792	865,462
Cash at bank and in hand		1,200,591	1,166,466
		<u>1,358,395</u>	<u>2,033,740</u>
CREDITORS Amounts falling due within one year	17	(105,815)	(156,103)
NET CURRENT ASSETS		<u>1,252,580</u>	<u>1,877,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,925,982	18,774,151
Pension scheme liability		<u>(333,000)</u>	<u>(459,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>18,592,982</u>	<u>18,315,151</u>
FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS			
Fixed asset fund	18	17,673,401	17,653,533
General fund	18	427,765	393,225
		<u>18,101,166</u>	<u>18,046,758</u>
Restricted funds excluding pension reserve		18,101,166	18,046,758
Pension reserve	18	<u>(333,000)</u>	<u>(459,000)</u>
TOTAL RESTRICTED FUNDS		<u>17,768,166</u>	<u>17,587,758</u>
TOTAL UNRESTRICTED FUNDS	18	<u>824,816</u>	<u>727,393</u>
TOTAL FUNDS		<u>18,592,982</u>	<u>18,315,151</u>

The financial statements on pages 14 to 37 were approved by the governors and authorised for issue on 9 December 2013, and are signed on their behalf by



Ali Jan Haider
Chair

Feversham College
CASH FLOW STATEMENT
for the year ended 31 August 2013

	<i>Notes</i>	2013 £	2012 £
NET CASH IN FLOW FROM OPERATING ACTIVITIES	22	332,134	551,208
Return on investments and servicing of finance	23	48,195	9,980
Capital expenditure	24	(346,204)	(404,475)
Cash transferred on conversion to an academy trust	25	-	1,009,753
INCREASE IN CASH IN THE YEAR	26	<u>34,125</u>	<u>1,166,466</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		34,125	1,166,466
NET FUNDS BROUGHT FORWARD		<u>1,166,466</u>	<u>-</u>
NET FUNDS CARRIED FORWARD		<u>1,200,591</u>	<u>1,166,466</u>

Feversham College

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 Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006

The Governors consider that the results of its subsidiary undertaking, Feversham First Steps Limited, are not material to the group. As a consequence they have considered paragraph 383(C) of the SORP and have not prepared consolidated financial statements. Details of the subsidiary are shown in note 14 of the financial statements

Going Concern

After reviewing financial and other information available, the Governors consider that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements

Incoming resources

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

Grants receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability

Other grants from government agencies and other bodies are recognised in the year in which they are receivable to the extent that the conditions of funding have been met. 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

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the academy in the year in which they are receivable, and where the benefit is both quantifiable and material

Resources expended

Resources expended are recognised in the year in which they are incurred. They have been classified under headings that aggregate all costs relating to that activity

Feversham College

ACCOUNTING POLICIES (Continued)

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the promotion of the assets' use which is utilised by the activity.

Governance costs include the costs attributed to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings. Such costs include both direct and allocated support costs.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets acquired since the academy was established are included in the accounts at cost.

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

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

Long leasehold buildings	50 years on a straight line basis
Long leasehold land	Over the life of the lease
Fixtures, fittings and equipment	5 years on a straight line basis
ICT equipment	3 years on a straight line basis
Motor Vehicles	4 years on a straight line basis

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

Investments

The academy's shareholding in the wholly owned subsidiary, Feversham First Steps Limited, is included in the balance sheet at the cost of the share capital owned.

Feversham College

ACCOUNTING POLICIES (Continued)

Taxation

The academy 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. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Pensions

Academy staff are members of two defined benefit schemes, the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 year 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.

Agency arrangements

The academy trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

Feversham College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

1 COMPARATIVE PERIOD

The comparative period relates to the period from 7 July 2011 to 31 August 2012

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
DfE/EFA capital grant for building	-	-	-	-	995,000
	-	-	-	-	995,000

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Visits	-	-	-	-	7,164
Charitable events	-	3,215	-	3,215	25,699
Miscellaneous	28,104	-	-	28,104	23,838
	28,104	3,215	-	31,319	56,701

Feversham College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

4 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Bank interest received	1,589	-	-	1,589	1,217
Gift aid from subsidiary undertaking	46,606	-	-	46,606	8,763
	<u>48,195</u>	<u>-</u>	<u>-</u>	<u>48,195</u>	<u>9,980</u>

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
General Annual Grant (GAG)	-	4,093,433	-	4,093,433	4,273,012
Other DfE/EFA grants	-	189,707	-	189,707	241,290
	<u>-</u>	<u>4,283,140</u>	<u>-</u>	<u>4,283,140</u>	<u>4,514,302</u>
OTHER GOVERNMENT GRANTS					
Local Authority grants	-	23,868	-	23,868	-
	<u>-</u>	<u>4,307,008</u>	<u>-</u>	<u>4,307,008</u>	<u>4,514,302</u>
CATERING INCOME	124,349	-	-	124,349	13,851
	<u>124,349</u>	<u>4,307,008</u>	<u>-</u>	<u>4,431,357</u>	<u>4,528,153</u>

6 OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Miscellaneous income	9,768	-	-	9,768	4,252
Contributions to visits	3,958	-	-	3,958	3,745
	<u>13,726</u>	<u>-</u>	<u>-</u>	<u>13,726</u>	<u>7,997</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

7 RESOURCES EXPENDED

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Costs of generating voluntary income	-	-	7,827	7,827	914
Cost of activities for generating funds	-	-	3,631	3,631	4,481
Academy's educational operations					
Direct costs (note 8)	2,728,934	-	554,401	3,283,335	3,456,571
Allocated support costs (note 8)	480,551	229,862	341,852	1,052,265	987,218
Other resources expended transfer from local authority on conversion	-	-	-	-	(249,000)
	<u>3,209,485</u>	<u>229,862</u>	<u>907,711</u>	<u>4,347,058</u>	<u>4,698,184</u>
Governance costs including allocated support costs (note 9)	-	-	85,708	85,708	63,399
	<u>3,209,485</u>	<u>229,862</u>	<u>993,419</u>	<u>4,432,766</u>	<u>4,761,583</u>
				Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Net incoming/(outgoing) resources for the year					
Operating leases					
Plant and machinery				5,326	5,326
Fees payable to Baker Tilly UK Audit LLP and its associates for					
Audit				10,250	10,000
Other services				2,950	2,950
				<u>10,250</u>	<u>10,000</u>
				<u>2,950</u>	<u>2,950</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

8 CHARITABLE ACTIVITIES – ACADEMY EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
DIRECT COSTS					
Teaching and educational support staff costs	-	2,728,934	-	2,728,934	2,865,388
Depreciation	-	-	365,316	365,316	351,111
Educational supplies	-	101,077	-	101,077	125,473
Examination fees	-	52,987	-	52,987	83,763
Staff development	-	20,636	-	20,636	18,422
Other direct costs	-	14,385	-	14,385	12,414
	<u>-</u>	<u>2,918,019</u>	<u>365,316</u>	<u>3,283,335</u>	<u>3,456,571</u>
ALLOCATED SUPPORT COSTS					
Support staff costs	-	480,551	-	480,551	503,445
Technology	-	72,355	-	72,355	65,445
Recruitment and support	-	23,330	-	23,330	10,650
Maintenance of premises and equipment	-	101,056	-	101,056	79,765
Cleaning	-	6,823	-	6,823	8,126
Rent and rates	-	104,324	-	104,324	92,604
Insurance	-	46,611	-	46,611	28,209
Security and transport	-	3,439	-	3,439	10,241
Licences & subscriptions	-	8,557	-	8,557	10,974
Photocopying	-	41,675	-	41,675	42,688
Postage & stationery	-	37,066	-	37,066	28,769
Catering	105,493	-	-	105,493	86,774
Telephone	-	11,064	-	11,064	10,230
Other support costs	-	9,921	-	9,921	9,298
	<u>105,493</u>	<u>946,772</u>	<u>-</u>	<u>1,052,265</u>	<u>987,218</u>
	<u>105,493</u>	<u>3,864,791</u>	<u>365,316</u>	<u>4,335,600</u>	<u>4,443,789</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

9 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2013 £	Total Period ended 31 August 2012 £
Legal & professional fees	-	72,508	-	72,508	52,449
Accountancy fees	-	2,950	-	2,950	2,950
Auditor's remuneration					
Audit of financial statements	-	10,250	-	10,250	8,000
	-	85,708	-	85,708	63,399

10 STAFF COSTS

	Total 2013 £	Total 2012 £
Staff costs during the year were		
Wages and salaries	2,688,162	2,809,333
Social security costs	210,727	221,193
Pension costs	310,596	338,307
	<u>3,209,485</u>	<u>3,368,833</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows

	Total 2013 No	Total 2012 No
Teachers	51	48
Educational support	28	30
Other	34	28
	<u>113</u>	<u>106</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

10 STAFF COSTS (continued)

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

	Total 2013 No	Total 2012 No
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
	<u>4</u>	<u>3</u>

Three of the above employees participate in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £33,376 (2012 - £31,947). One of the above employees participates in the Local Government Pension Scheme. During the year ended 31 August 2013, pension contributions for this staff member amounted to £7,678.

11 GOVERNORS' REMUNERATION AND EXPENSES

Head teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff members under their contracts of employment and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors.

The value of the Head teacher's remuneration was £100,516 in 2013 (2012- £87,407). The Head Teacher is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year amounted to £14,038 (2012 - £12,538).

The 3 staff governors (who are named in the Trustees' report) received £79,767, in respect of their contract of employment with the charity rather than in respect of their services as trustees. One staff governor is also accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £1,867 (2012 - £1,267).

During the year ended 31 August 2013, travel and subsistence expenses totalling £nil (2012- £nil) were reimbursed to governors.

Related party transactions involving the trustees are set out in note 30.

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £742 (2012 - £974).

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

Feversham College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

13 TANGIBLE FIXED ASSETS

	Land & Buildings £	ICT Equipment £	Motor Vehicles £	Fixtures, Fittings & Equipment £	Assets under the course of construction £	Total £
Cost						
1 September 2012	17,102,164	60,876	13,000	68,904	2,680	17,247,624
Transfers	2,680	-	-	-	(2,680)	-
Additions	945,870	3,990	-	21,178	171,166	1,142,204
31 August 2013	<u>18,050,714</u>	<u>64,866</u>	<u>13,000</u>	<u>90,082</u>	<u>171,166</u>	<u>18,389,828</u>
Depreciation						
1 September 2012	330,426	12,444	3,521	4,720	-	351,111
Charged in the year	322,328	20,418	3,250	19,320	-	365,316
31 August 2013	<u>652,754</u>	<u>32,862</u>	<u>6,771</u>	<u>24,040</u>	<u>-</u>	<u>716,427</u>
Net book value 31 August 2013	<u>17,397,960</u>	<u>32,004</u>	<u>6,229</u>	<u>66,042</u>	<u>171,166</u>	<u>17,673,401</u>
Net book value 31 August 2012	<u>16,771,738</u>	<u>48,432</u>	<u>9,479</u>	<u>64,184</u>	<u>2,680</u>	<u>16,896,513</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

14 INVESTMENTS

	Subsidiary undertaking 2013 £	Subsidiary undertaking 2012 £
Cost		
At 1 September 2012	1	-
Addition	-	1
At 31 August 2013	<u>1</u>	<u>1</u>

The investment represents a 100% holding in the issued share capital of Feversham First Steps Limited, a company registered in England and Wales. The principal activity is the operation of a day nursery. The capital and reserves of Feversham First Steps Limited at 31 August 2013 amounted to £1 (2012 - £1). Feversham First Steps Limited gift aids all profits to Feversham College. Consequently, its retained profit for the year ended 31 August 2013 amounted to £nil (2012 - £nil).

15 STOCK

	2013 £	2012 £
Catering	1,012	1,812
	<u>1,012</u>	<u>1,812</u>

16 DEBTORS

	2013 £	2012 £
Amounts due from group undertaking	46,606	9,927
Other debtors	42,130	7,071
Prepayments and accrued income	68,056	848,464
	<u>156,792</u>	<u>865,462</u>

17 CREDITORS

	2013 £	2012 £
Trade creditors	32,071	86,933
Other taxation and social security	55,168	56,054
Other creditors	-	3,116
Amounts owed to Funding Body - EFA	5,376	-
Accruals and deferred income	13,200	10,000
	<u>105,815</u>	<u>156,103</u>

Feversham College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

18 FUNDS

	At 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	At 31 August 2013 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	393,225	4,093,433	(3,673,709)	(385,184)	427,765
Pension reserve	(459,000)	-	(60,000)	186,000	(333,000)
	(65,775)	4,093,433	(3,733,709)	(199,184)	94,765
Other government grants	-	216,790	(216,790)	-	-
	(65,775)	4,310,223	(3,950,499)	(199,184)	94,765
RESTRICTED FIXED ASSET FUNDS					
Depreciation	(351,111)	-	-	351,111	-
Capital expenditure from GAG	-	-	(32,804)	378,421	345,617
Transfer of assets on conversion	17,009,644	-	(324,607)	(344,348)	16,340,689
DfE/EFA capital grants	995,000	-	(7,905)	-	987,095
	17,653,533	-	(365,316)	385,184	17,673,401
TOTAL RESTRICTED FUNDS	17,587,758	4,310,223	(4,315,815)	186,000	17,768,166
UNRESTRICTED FUNDS					
Unrestricted funds	727,393	214,374	(116,951)	-	824,816
TOTAL UNRESTRICTED FUNDS	727,393	214,374	(116,951)	-	824,816
TOTAL FUNDS	18,315,151	4,524,597	(4,432,766)	186,000	18,592,982

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

The General Annual Grant and Other restricted funds were paid specifically to cover the running costs of the Trust for the year to 31 August 2013

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of Feversham College

The restricted Pension Fund related to the deficit on the Local Government Pension Scheme

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2013

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

19 ANALYSIS OF NET ASSET

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 2012 £
Tangible fixed assets	-	-	17,673,401	17,673,401	16,896,513
Investments	1	-	-	1	1
Current assets	824,815	533,580	-	1,358,395	2,033,740
Current liabilities	-	(105,815)	-	(105,815)	(156,103)
Pension scheme liability	-	(333,000)	-	(333,000)	(459,000)
	<u>824,816</u>	<u>94,765</u>	<u>17,673,401</u>	<u>18,592,982</u>	<u>18,315,151</u>

20 CAPITAL COMMITMENTS

	2013 £	2012 £
Contracted for, but not provided in the financial statements	<u>237,550</u>	<u>-</u>

21 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August the Academy had annual commitments under non-cancellable operation leases as follows

	2013 £	2012 £
Other		
Expiring within two and five years	5,326	3,420
Expiring in over five years	-	1,906
	<u>5,326</u>	<u>5,326</u>

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

22 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net income	92,081	18,490,151
Assets transferred on conversion	-	(17,653,903)
Pension liability transferred on conversion	-	249,000
Depreciation (note 13)	365,316	351,111
Capital grants from DfE and others	-	(995,000)
Investment income	(48,195)	(9,980)
FRS 17 pension cost less contributions payable (note 29)	53,000	30,000
FRS 17 pension finance costs (note 29)	7,000	5,000
Decrease /(increase) in stock	800	(1,812)
Increase in debtors	(87,330)	(69,462)
Decrease/(Increase) in creditors	(50,538)	156,103
NET CASH INFLOW FROM OPERATING ACTIVITIES	332,134	551,208

23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013 £	2012 £
Interest received	1,589	1,217
Gift aid from group undertaking	46,606	8,763
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	48,195	9,980

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £	2012 £
Purchase of tangible fixed assets	(1,142,204)	(603,474)
Capital grants from DfE/EFA	796,000	199,000
Purchase of investments	-	(1)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(346,204)	(404,475)

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

25 CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST

	2013 £	2012 £
Cash balance transferred on conversion	-	274,475
Surplus paid over by local council	-	735,278
	<u>-</u>	<u>1,009,753</u>

26 ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August 2012 £	Cashflows £	At 31 August 2013 £
Cash at bank and in hand	1,166,466	34,125	1,200,591
	<u>1,166,466</u>	<u>34,125</u>	<u>1,200,591</u>

27 CONVERSION TO AN ACADEMY TRUST

In the prior period Feversham College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Feversham College (a company limited by guarantee) from the Bradford Metropolitan District Council Local Authority for £nil consideration

The transfer was 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 or resources expended in the Statement of Financial Activities. This resulted in £17,653,903 being recognised as income from generated funds in the prior period SOFA. An amount of £249,000 was also included in other resources expended in connection with this

28 MEMBERS' LIABILITY

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

Feversham College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund 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 31 March 2010

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded 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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions 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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS 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 Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended

The contribution 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%

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Employer and employee contribution rates

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% payable. 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.

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.

The pension costs paid to the TPS in the year amounted to £184,474 (2012: £199,861).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated 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 2013 was £96,000, of which employer's contributions totalled £66,000 and employees' contribution totalled £30,000. The agreed rates for future years are 12.8% for employers and 5.5% to 6.8% for employees.

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions (% per annum)

	31 August 2013	31 August 2012
Rate of increase in salaries*	3.8	4.7
Rate of increase for pensions in payment	2.8	2.2
Rate of increase for deferred pensions	2.8	2.2
Discount rate	4.5	4.2
Inflation (CPI)	2.8	2.2
Inflation (RPI)	3.7	3.2

The salary increase assumption for 2013 is 1% per annum until 31 August 2016 and 4.7% thereafter

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

	31 August 2013	31 August 2012
Retiring today		
Males	22.1	22.0
Females	24.3	24.1
Retiring in 20 years		
Males	23.9	23.8
Females	26.2	26.1

Feversham College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2013 (% pa)	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012 (% pa)	Fair value at 31 August 2012 £'000
Equities	7.9	616	7.5	459
Property	7.4	25	7.0	24
Government bonds	3.4	96	2.5	87
Corporate bonds	4.1	48	3.2	37
Cash	0.9	32	1.3	18
Other	7.9	27	7.5	31
TOTAL MARKET VALUE OF ASSETS		844		656
Present value of scheme liabilities				
- Funded		(1,177)		(1,115)
DEFICIT IN THE SCHEME		(333)		(459)

Feversham College Academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 August 2013.

The actual return on scheme assets was £94,000 (2012: £13,000).

Amounts recognised in the statement of financial activities	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	119	90
Total operating charge	119	90
Analysis of pension finance costs		
Expected return on pension scheme assets	43	45
Interest on pension liabilities	(50)	(50)
Pension finance costs	(7)	(5)

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £11,000 gain (2012 £(175,000 loss))

Movements in the present value of defined benefit obligations were as follows:	2013 £'000	2012 £'000
At 1 September	1,115	-
On conversion	-	805
Current service cost	119	90
Interest cost	50	50
Employee contributions	30	28
Actuarial (gain)/loss	(135)	143
Benefits paid	(2)	(1)
At 31 August	1,177	1,115
Movements in the fair value of Academy Trust's share of scheme assets:		
At 1 September	656	-
On conversion	-	556
Expected return on assets	43	45
Actuarial gain/(loss)	51	(32)
Employer contributions	66	60
Employee contributions	30	28
Benefits paid	(2)	(1)
At 31 August	844	656

The estimated value of employer contributions for the year ended 31 August 2014 is £67,000

Movement in deficit during year

At 1 September	(459)	-
On conversion	-	(249)
Employer service charge	(119)	(90)
Employee contributions	66	60
Net interest	(7)	(5)
Actuarial gain/(loss)	186	(175)
At 31 August	(333)	(459)

Feversham College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	31 August 2013 £'000	31 August 2012 £'000	1 April 2012 £'000
Present value of defined benefit obligations	(1,177)	(1,115)	(805)
Fair value of share of scheme assets	844	656	556
Deficit in the scheme	<u>(333)</u>	<u>(459)</u>	<u>(249)</u>
Experience adjustments on share of scheme assets			
Percentage of assets	6%	(4.9)%	
Amount £'000	51	(32)	
Experience adjustments on scheme liabilities			
Percentage of assets	0.0%	0.0%	
Amount £'000	-	-	

30 RELATED PARTIES

Owing to the nature of the Academy Trust'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 Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

Northern Lights Alliance Ltd – A company in which Clare Skelding, a trustee, is a director. The academy received income amounting to £10,080 (2012: £nil) and paid expenses totalling £2,959 (2012: £nil) to Northern Lights Alliance Limited. There were no amounts outstanding at 31 August 2013 (2012: £nil).

Feversham First Steps Limited – a wholly owned subsidiary of Feversham College. Transactions totalling £46,606 (2012: £8,763), relating to gift aid donated to Feversham College, took place in the year. The following was amount outstanding at 31 August 2013: £46,606 (2012: £8,763).

31 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of EFA. In the year it received £11,704 and disbursed £11,704 with therefore an amount of £nil repayable by the Academy Trust at the 31 August 2013 included in other creditors.