

Company Registration Number: 07697587 (England & Wales)

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

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FEVERSHAM EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Azam
MF Dad
MK Khan
T Khan
S Rehman

Directors

AJ Haider, Chair
MS Khan, Vice Chair¹
S Ahmed¹
W Ahmed (resigned 12 April 2019)
JG Ashton
I Awan
P Bashir (appointed 5 October 2019)
M Hussain (appointed 31 May 2019)
Y Hussein (appointed 22 November 2018, resigned 23 October 2019)
J Khan (appointed 5 October 2019)¹
S Khan (resigned 31 May 2019)
R Qasim (resigned 19 October 2018)
I Rehman

¹ Audit, Policy & Finance Committee

Company registered number
07697587

Company name
Feversham Education Trust

Principal and registered office
Bolling Road
Bradford
West Yorkshire
BD4 7EB

FEVERSHAM EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior Management Team:

Executive Group

Mubaaruck Ibrahim, Chief Executive Officer

Lynn Murphy, Director of Innovation & Transformation

Angela Aspinall, Director of Operations & Infrastructure

Daniel Mountain, Head of Schools Finance

Senior Leaders

Sajida Muneer, Principal, Feversham Academy

Robina Naznine, Deputy Vice Principal, Feversham Academy

Sajda Khan, Strategic Leader RS/IE, Feversham Academy

Rosina Noor, Assistant Principal, Feversham Academy

Jacqueline Mary Abbott, Assistant Principal, Feversham Academy

Suzanne Lovell, Assistant Principal, Feversham Academy

Richard Hanson, Principal, Queensbury Academy

Colette Macklin, Principal, Queensbury Academy (Resigned December 2018)

Head of Learning and Development (Resigned July 2019)

Maria Louise Monaghan, Vice Principal, Queensbury Academy

Graham Waters, Assistant Principal, Queensbury Academy

Lyndsay Hall, Assistant Principal, Queensbury Academy

Sohaib Tanvir, Director of Learning, Queensbury Academy

Esther Waters, Director of Learning, Queensbury Academy

Kathryn Cox, Director of Learning, Queensbury Academy (Resigned June 2019)

Shaqib Juneja, Director of Learning, Queensbury Academy (Resigned August 2019)

Ahsan Khan, Director of Learning, Queensbury Academy (Resigned August 2019)

Shahnaz Anwar-Bleem, Principal, Iqra Academy

Nicola Gilpin, Assistant Principal, Iqra Academy

Jill Shovlin, Assistant Principal, Iqra Academy

Rehana Shafquat, Principal, Bronte Girls Academy

Independent auditors

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Bankers

Lloyds Bank plc

44 Queens Street

Morley

Leeds

LS27 9BR

Solicitors

Hill Dickinson

50 Fountain Street

Manchester

M2 2AS

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of a Directors' report under company law.

The academy trust operates 2 secondary academies and a primary academy all serving a catchment area in Bradford. It is due to open a further secondary academy in September 2019. For the accounting period 2018/19 it had a pupil capacity of 2,700 and had a roll of 2,376 in the school census on 30 April 2019.

The academy trust is signed up to the Local Authorities admissions process for all its Academies.

Structure, governance and management

Constitution

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Directors of Feversham Education Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Feversham Education Trust..

Within the MAT there are currently four academies that operate as Feversham Academy, Queensbury Academy, Iqra Academy and Bronte Girls Academy.

Details of the Directors who served during the year, and to the date these accounts are approved 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.

Trustees' indemnities

The academy trust has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. Further details are provided in note 13.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Method of recruitment and appointment or election of Directors

The members may appoint by ordinary resolution up to 5 Directors. The members may also appoint staff Directors through such process as they may determine.

All Directors are appointed based upon the contribution they can make to the development and future success of Feversham Education Trust. When selecting and recruiting new Directors appointments are made after consulting local community groups and businesses dependent on the skills needed, or by using SGOSS and Academy Ambassadors programmes. An interview process is undertaken by a sub-committee of the Board of Directors.

The term of office for any Director shall be 4 years. Subject to remaining eligible to be a particular type of trustee, any Director may be re-appointed or re-elected.

Policies adopted for the induction and training of Directors

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

Organisational structure

During the year the academy trust continued to operate a unified management structure. The structure consists of 3 levels: The Directors, the Executive Group and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The organisational structure reflects the transition of a growing MAT and is based on the following principles:

- a) The Members of Feversham Education Trust define the Object, Purpose and Ethos.
- b) The Directors, who in part form the Governing Council, have overall responsibility and ultimate decision making authority for all the work of Feversham Education Trust, including the establishment and running of academies and free schools (academies). This is largely exercised through strategic planning and the setting of policy. It is managed through the business planning, monitoring of budgets, performance appraisal, the setting and monitoring of standards and the implementation of quality assurance processes.
- c) The Directors have the power to direct change where required to ensure that the Object, Purpose and Ethos are maintained.
- d) The Directors delegate their responsibilities for the day-to-day operation of each academy and the whole of the funding granted by the Department of Education for the benefit of that academy directly to a Local Governing Body (LGB) through a Scheme of Delegation (the Scheme). The funding granted for each academy must be applied only to that academy subject to the requirements of the Scheme. The Principal of each academy is an ex officio member of the LGB.
- e) The Executive Group control Feversham Education Trust at an executive level implementing the policies laid down by the Directors and reporting back to them regularly. As a group, the Executive Group are responsible for authorisation of spending within agreed budgets and the appointment of staff through appointment boards.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Organisational structure (continued)

- f) Some spending control is devolved to members of the Leadership Team with financial limits above which a Executive Group must countersign.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management personnel will be set by the Directors with reference to successful performance appraisal and academy trust performance.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	8
Total pay bill	8,778
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	13 %
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Related parties and other connected charities and organisations

Feversham First Steps Nursery is a wholly owned subsidiary of Feversham Education Trust. Further details are stated in Note 27 to the Financial Statements.

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Feversham Education Trust to provide education for students of different abilities up to the age of 19.

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 specified, amongst other things, the basis for admitting students to the academy trust, the catchment area from which the students are drawn, and that the curriculums should comply with the substance of the national curriculum.

The main objectives of the academy trust during the year ended 31 August 2019 are as 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 trust 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 trust's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The academy trust's main objectives are encompassed in its mission statements which is to provide the best quality of education for all learners within a secure learning environment. To this end the objectives and the strategies used to achieve them include:

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

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students up to the age of 19.

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Feversham Academy

Examination results for 2019 remained significantly above national floor standards and national averages. At GCSE students achieved a progress 8 score of 1.12 raising the standard above that achieved in 2018 by Feversham and performing significantly better than the national average. Provisional progress figures published by the DFE places Feversham's performance in the top 1% of schools in the country, within the top 25 schools in the country. The percentage of students achieving a grade 5 in Maths was 50%, compared to 39.7% National Average. The table below details further result comparisons.

At post 16, the APS (Average Point Score) is in line with 2018 national figures and Average Grade at A-Level is in line with 2018 national grades.

	2019 National			Feversham 2019 Exams		
Subject	9-7%	9-5%	9-4%	9-7%	9-5%	9-4%
Arabic	49.7	69.6	79	16	58	68
Art	22.7	58.1	75.1	25	55	80
English Language	17.4	53.4	70.5	23	61	84
English Literature	20.2	56.3	73.4	33	74	88
Food Prep Nutrition	17.3	45.8	62.1	0	20	50
Geography	24.5	52.6	65.2	19	34	49
History	24.6	51.4	63.6	26	50	63
Maths	15.9	39.7	59.6	26	50	67
Religious Studies	32.2	60.3	71.6	48	76	88
Sci: Biology	42.3	79.8	89.6	48	96	98
Sci: Chemistry	43.9	78.8	90	48	96	98
Sci: Physics	43.8	79.2	90.8	44	92	98
Sci: Combined	7.5	34.2	55.4	8	44	68
Urdu	40.3	73.7	80.3	14	86	86
Business	Vocational Awards					100
Health & Social Care						83
IT Media						92
Sport						88

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Queensbury Academy

Provisional Progress 8 figures published by the DFE shows marginal improvements for Queensbury Academy and indicates that the decline in performance has been halted and turn around has started.

Examination results for 2019 are shown in the table below.

	2019 National			Queensbury 2019 Exams		
Subject	9-7%	9-5%	9-4%	9-7%	9-5%	9-4%
Arabic	49.7	69.6	79	100	100	100
Art	22.7	58.1	75.1	34.8	47.8	60.9
Business	17.9	51.1	65.5	3.3	16.7	23.3
D&T	19.4	48.4	63.2	5.9	35.3	41.2
English Language	17.4	53.4	70.5	13.2	37.1	53
English Literature	20.2	56.3	73.4	16.6	37.7	51
French	23.7	53.7	69.7	100	100	100
Geography	24.5	52.6	65.2	17.6	58.8	73.5
History	24.6	51.4	63.6	13	38.9	50
Math	15.9	39.7	59.6	5.3	27.8	49
PE	21.1	56.7	71.8	8	48	64
Sci: Biology	42.3	79.8	89.6	38.1	76.2	76.2
Sci: Chemistry	43.9	78.8	90	28.6	71.4	85.7
Sci: Physics	43.8	79.2	90.8	28.6	61.9	90.5
Sci: Combined	7.5	34.2	55.4	1.9	22.6	39.1
Spanish	27.1	55.5	70.3	1.4	8.6	22.9
Sociology	18.6	50.4	65.5	15	30	50
Health and Social Care	Vocational awards					97.4
ICT						41.5
Sport						100
Catering						66.7
Music Technology						100

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

The KPI's are designed to analyse financial and commercial risk as well as staffing ratios and academic performance.

- Total income per pupil:	£6,104
- Total GAG income per pupil	£5,679
- Staff costs per pupil	£4,532
- Total costs per pupil (ex Depreciation)	£5,892
- Staff costs (excluding Agency supply) as % of total costs	69.3%
- Staff costs (excluding Agency supply) as % of total income	66.89%
- Pupil to teacher ratio	17:1

Above calculations exclude income and pupils relating to Iqra Academy which joined the MAT in July 19. Also excludes pre opening income relating to Bronte Girls Academy due to open September 19.

Going concern

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

Financial review

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under 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.

Additional funding is also received from the LA in the form of a monthly grant and the MAT also delivers an in-house catering provision at one of the academies.

During the year ended 31 August 2019, total expenditure of £11,867,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The surplus for the year (excluding pension reserve movements and restricted fixed asset funds) was £220,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2019 net book value of fixed assets was £41,789,000 and movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £2,481,000 recognised on the Balance Sheet.

The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted reserves at 31 August 2019 is a net surplus of £1,558,000.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Reserves policy

The level of reserves is reviewed by Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors therefore consider it is prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) equivalent to approximately 4 weeks expenditure or £1m.

This is considered sufficient 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 trust's current level of free reserves are in surplus by £1,819,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust. The Directors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied including:

- a) The development of improved IT infrastructure and capabilities
- b) The continued upgrade of existing sites
- c) The development of services to support the further enhancement of educational standards.

Investment policy

The Board of Directors have authority to deposit and invest funds not immediately required for the furtherance of the academy trust's principle object.

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

The Directors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Directors 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 visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment by making support resources available and through training and career development.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Employee consultation

The academy trust has worked extensively with all relevant Unions to develop its employee engagement.

Fundraising

The academies do not actively engage in any fundraising activities for their own benefit however they do encourage and support students in pursuing socially responsible fundraising for other organisations and causes. No professional/commercial fundraisers are engaged to work on behalf of the academy trust or any of the academies within the Trust. The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Directors. The academy trust has received no complaints in respect of any of these activities. Pupils are made aware of the need to be considerate to the needs of others in all their activities and should administer reasonable care when dealing with the public, avoiding any unreasonable or persistent fundraising approaches and undue pressure to donate.

Plans for future periods

The Feversham Education Trust (FET) is an expanding not for profit Multi-Academy Trust (MAT), which aspires to be one of the UK's leading educational providers. FET is a mixed MAT that runs both faith-based and non-faith based schools. It is a strongly values-based organisation that works to improve the life chances of young people in areas of social and economic deprivation, to help them succeed at the highest levels of education, in employment and in the professions.

The academy trust grew from humble beginnings in 1984 with 24 pupils, moved to a new site in 1993 to meet the growing demand for places and became a Voluntary Aided School in 2001 to ensure that the high quality provision was accessible by all and not just those who could afford the fees. In 2012 the founder school converted to academy status and in 2016 formed the Feversham Education Trust, in order to build a network of schools where every school is high performing or on a clear trajectory to become so. The academy trust currently operates a nursery, two secondary schools, a primary school and will add a free school to its portfolio from September 2019.

In the next five years, it is envisaged that the school will be a small-sized, mixed MAT consisting of 20 schools (nursery, primary, secondary, converter academies, sponsored academies, free schools, studio schools and UTCs). Within the next 10 years, it is envisaged that the academy trust will grow to become a medium sized MAT consisting of 40 schools.

These new schools will be based in Feversham Education Clusters (FECs), centered within the M62 and M1 motorway networks, ensuring that each cluster is within an hours' commutable distance from the central office team in Bradford. As the academy trust matures and develops its infrastructure, these clusters will be located in Greater Manchester, Lancashire, West Yorkshire, South Yorkshire, East Midlands and West Midlands.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 12 December 2019 and signed on its behalf by:


AJ Haider

FEVERSHAM EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Feversham Education Trust 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 6 times during the year.

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

Director	Meetings attended	Out of a possible
AJ Haider, Chair	6	6
MS Khan, Vice Chair	4	6
S Ahmed	1	4
W Ahmed	2	6
JG Ashton	5	6
I Awan	0	0
P Bashir	1	2
M Hussain	2	5
Y Hussein	0	0
J Khan	3	5
S Khan	0	1
R Qasim	3	6
I Rehman	0	0

As a result of the Boards review of governance it has taken the following decisions:

- To strengthen the Board via the appointment of two further Directors in October 2019.
- To amend the membership of the Audit, Policy and Finance committee with the appointment of finance professionals.
- Make skills based appointments to the remuneration committee.
- Make skills based appointments to the academic improvement board.

During the year the academy trust appointed a Head of Governance & Compliance who has worked closely with the Chair of Directors to raise the standard of governance across the academy trust and implement improved clerking services.

The Audit, Policy and Finance is a sub-committee of the main Board of Directors. Its purpose is to conduct a higher degree of financial oversight and due diligence to specific activities carried out by the MAT and to report its findings back to the full Directors, in the 2018/19 financial year this included:

- Review of all financial reporting
- Review and interrogation of the proposed 2019/20 budget and long term plan

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
S Khan (Chair)	3	3
S Ahmed	3	3
MS Khan	3	3

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Centrally negotiating preferred supplier arrangements for the supply of agency staff
- The tendering and procurement of MIS systems
- Introduction of Assistant Student Support Officer role able to support teaching so as to reduce supply requirements.

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 in Feversham Education Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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GOVERNANCE STATEMENT (CONTINUED)

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 Directors
- regular reviews by the Audit, Policy and 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 Board of Directors has considered the need for a specific internal audit function and has decided to appoint BHP Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll & expenses processes
- testing of financial processes and cash management
- testing of procurement processes.

On a termly basis, the internal auditor reports to the Board of Directors through the audit, policy and finance committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

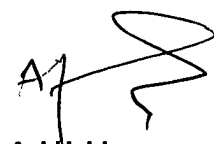
Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

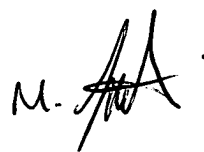
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 have ensured a plan for continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 12 December 2019 and signed on their behalf by:



A J Haider
Chair of Directors



M Ibrahim
Accounting Officer

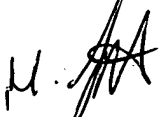
FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Feversham Education Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all 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 2018.

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



M Ibrahim
Accounting Officer
Date: 12 December 2019

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 DfE/ESFA have been applied for the purposes intended.

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

Approved by order of the members of the board of Directors on 12 December 2019 and signed on its behalf by:



A J Haider
Chairman

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FEVERSHAM EDUCATION TRUST**

Opinion

We have audited the financial statements of Feversham Education Trust (the 'parent academy trust') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the academy trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent academy trust's affairs as at 31 August 2019 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FEVERSHAM EDUCATION TRUST (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Directors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
FEVERSHAM EDUCATION TRUST (CONTINUED)**

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Christopher Beaumont BA (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

12 December 2019

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
FEVERSHAM EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Feversham Education Trust during the year 1 September 2018 to 31 August 2019 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 Feversham Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Feversham Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Feversham Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Feversham Education Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Feversham Education Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Clive Owen'.

Clive Owen LLP

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 12 December 2019

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants:	3					
Acquisition of existing academy trust		202	266	6,144	6,612	-
Other donations and capital grants		-	-	10,457	10,457	444
Charitable activities:	4					
Funding for the academy trust's educational operations		309	10,752	-	11,061	10,040
Other trading activities	5	305	-	-	305	357
Investments	6	4	-	-	4	1
Total income		820	11,018	16,601	28,439	10,842
Expenditure on:						
Charitable activities:						
Funding for the academy trust's educational operations		402	11,009	718	12,129	10,341
Other expenditure		186	-	-	186	203
Total expenditure		588	11,009	718	12,315	10,544
Net income		232	9	15,883	16,124	298
Transfers between funds	19	-	(226)	226	-	-
Net movement in funds before other recognised gains/(losses)		232	(217)	16,109	16,124	298
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(1,957)	-	(1,957)	502
Net movement in funds		232	(2,174)	16,109	14,167	800

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
Reconciliation of funds:					
Total funds brought forward	1,588	(492)	25,783	26,879	26,079
Net movement in funds	232	(2,174)	16,109	14,167	800
Total funds carried forward	1,820	(2,666)	41,892	41,046	26,879

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07697587

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	14	4	8
Tangible assets	15	41,785	25,763
		<u>41,789</u>	<u>25,771</u>
Current assets			
Debtors	16	827	267
Cash at bank and in hand		5,052	3,060
		<u>5,879</u>	<u>3,327</u>
Creditors: amounts falling due within one year	17	(1,716)	(543)
		<u>4,163</u>	<u>2,784</u>
Net current assets			
Creditors: amounts falling due after more than one year	18	(20)	-
		<u>45,932</u>	<u>28,555</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(4,886)	(1,676)
		<u>41,046</u>	<u>26,879</u>
Total net assets		<u><u>41,046</u></u>	<u><u>26,879</u></u>

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	41,892	25,783
Restricted income funds	19	2,220	1,184
Restricted funds excluding pension asset	19	44,112	26,967
Pension reserve	19	(4,886)	(1,676)
Total restricted funds	19	39,226	25,291
Unrestricted income funds	19	1,820	1,588
Total funds		41,046	26,879

The financial statements on pages 24 to 62 were approved by the Directors, and authorised for issue on 12 December 2019 and are signed on their behalf, by:


AJ Haider
Chairman

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07697587

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	14	4	8
Tangible assets	15	41,785	25,763
		<u>41,789</u>	<u>25,771</u>
Current assets			
Debtors	16	816	326
Cash at bank and in hand		5,047	2,995
		<u>5,863</u>	<u>3,321</u>
Creditors: amounts falling due within one year	17	(1,706)	(537)
		<u>4,157</u>	<u>2,784</u>
Net current assets			
		<u>45,946</u>	<u>28,555</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(20)	-
		<u>45,926</u>	<u>28,555</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	(4,886)	(1,676)
		<u>41,040</u>	<u>26,879</u>
Total net assets		<u><u>41,040</u></u>	<u><u>26,879</u></u>

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	41,892	25,783
Restricted income funds	19	2,220	1,184
		<hr/>	<hr/>
Restricted funds excluding pension liability	19	44,112	26,967
Pension reserve	19	(4,886)	(1,676)
		<hr/>	<hr/>
Total restricted funds	19	39,226	25,291
Unrestricted income funds	19	1,814	1,588
		<hr/>	<hr/>
Total funds		<u>41,040</u>	<u>26,879</u>

The financial statements on pages 24 to 62 were approved by the Directors, and authorised for issue on 12 December 2019 and are signed on their behalf, by:


AJ Haider
Chairman

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	2,251	707
Cash flows from investing activities	22	(259)	(612)
Change in cash and cash equivalents in the year		1,992	95
Cash and cash equivalents at the beginning of the year		3,060	2,965
Cash and cash equivalents at the end of the year	23	<u>5,052</u>	<u>3,060</u>

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Feversham Education Trust constitutes a public entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Fund accounting

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

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

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

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

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

• Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Feversham Education Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.7 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 3 years straight line
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FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years straight line
Leasehold Buildings	- 50 years straight line
Leasehold Land	- Over the life of the lease
Computer equipment	- 3 years straight line
Fixtures and fittings	- 5 years straight line
Motor vehicles	- 4 years straight line

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 Consolidated Statement of Financial Activities.

1.9 Leased assets

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.10 Investments

The academy trust'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 less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 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 tax purposes.

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

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Debtors

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

1.13 Cash at bank and in hand

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

1.14 Liabilities

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

1.15 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.17 Pensions

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

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

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

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

1.18 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £714,000.

Amortisation - Amortisation is calculated so as to write off the costs of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the amortisation accounting policy. The value of amortisation charge during the year was £4,000.

Critical areas of judgment:

LGPS Pension - There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £182k as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £33k which has been assessed to be immaterial to the financial statements.

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment (continued)

Land and buildings – Land and buildings at Feversham College are held under a 125 year lease from the Muslim Association of Bradford. The playing fields are held under a 125 year lease from Bradford MDC. These assets are included on the balance sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Acquisition of existing academy trust	202	266	6,144	6,612	-
	<u>202</u>	<u>266</u>	<u>6,144</u>	<u>6,612</u>	<u>-</u>
Donations	-	-	9,803	9,803	-
Capital Grants	-	-	654	654	444
Subtotal	<u>-</u>	<u>-</u>	<u>10,457</u>	<u>10,457</u>	<u>444</u>
	<u>202</u>	<u>266</u>	<u>16,601</u>	<u>17,069</u>	<u>444</u>
Total 2018	<u>-</u>	<u>-</u>	<u>444</u>	<u>444</u>	

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,545	9,545	9,079
Start Up Grants	-	270	270	-
Pupil Premium	-	545	545	532
UFSM	-	20	20	-
Rates	-	58	58	61
Year 7 Catch Up	-	30	30	34
Other DfE Group grants	-	81	81	-
	-	10,549	10,549	9,706
Other Government grants				
SEN	-	4	4	-
Other Government grants	-	199	199	100
	-	203	203	100
Other funding				
Student Trips	60	-	60	27
Student Catering	249	-	249	207
	309	-	309	234
	309	10,752	11,061	10,040
Total 2018	234	9,806	10,040	

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Non student catering income	11	11	8
Other income	102	102	74
Operation of Feversham First Steps Nursery	192	192	275
	<u>305</u>	<u>305</u>	<u>357</u>

All income from other trading activities in 2018 was attributable to unrestricted funds.

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment income	<u>4</u>	<u>4</u>	<u>1</u>

All investment income in 2018 was attributable to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy trust's educational operations:					
Direct costs	7,001	-	706	7,707	7,017
Allocated support costs	2,180	1,179	1,063	4,422	3,324
Operation of Feversham First Steps	162	-	24	186	203
	<u>9,343</u>	<u>1,179</u>	<u>1,793</u>	<u>12,315</u>	<u>10,544</u>
Total 2018	<u>8,076</u>	<u>1,006</u>	<u>1,462</u>	<u>10,544</u>	

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure (continued)

In 2019, of the total expenditure, £588,000 (2018 - £401,000) was to unrestricted funds and £11,727,000 (2018 - £10,143,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses.

There were no ex-gratia payments during the period.

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy Trust's educational operations	7,707	4,422	12,129	10,341
Total 2018	7,017	3,324	10,341	

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	7,001	6,448
Educational supplies	368	258
Examination fees	150	139
Staff development	46	46
Technology costs	73	98
Educational consultancy	49	28
Staff expenses	11	-
Other costs	9	-
	7,707	7,017

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Net interest cost on pension scheme	47	46
Staff costs	2,180	1,466
Depreciation	718	580
Technology costs	96	86
Staff expenses	80	66
Transport	16	5
Maintenance of premises	163	155
Cleaning	19	17
Other premises costs	47	46
Energy	173	132
Rent & rates	61	61
RPA fees	52	42
Catering	309	183
Other costs	200	186
Governance costs	261	253
	<u>4,422</u>	<u>3,324</u>

9. Net income

Net income for the year includes:

	2019 £000	2018 £000
Operating lease rentals	23	36
Depreciation of tangible fixed assets	714	576
Amortisation of intangible assets	4	4
Fees paid to auditors for:		
- audit	16	11
- other services	1	1
	<u>1</u>	<u>1</u>

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Wages and salaries	6,509	5,782	6,509	5,782
Social security costs	615	554	615	554
Pension costs	1,280	1,000	1,280	1,000
	<u>8,404</u>	<u>7,336</u>	<u>8,404</u>	<u>7,336</u>
Agency staff costs	777	573	777	573
Staff restructuring costs	-	5	-	5
Trading subsidiary	162	162	-	-
	<u>9,343</u>	<u>8,076</u>	<u>9,181</u>	<u>7,914</u>

Included in operating costs of defined benefit pension schemes is £401,000 (2018: £196,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	Group 2019 £000	Group 2018 £000
Severance payments	-	5
Severance payments	<u>-</u>	<u>5</u>

b. Staff numbers

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

	Group 2019 No.	Group 2018 No.
Teachers	131	105
Educational support	221	147
Other	16	16
	<u>368</u>	<u>268</u>

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	2	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Directors and Senior Management Team as detailed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,541,000 (2018 : £1,211,000).

11. Central services

The Group has provided the following central services to its academies during the year:

- Advisory services
- Governance and compliance services
- Professional fees
- School improvement consultancy
- Recruitment and advertising

The Group charges for these services on the following basis:

Charges are made on a flat percentage of GAG income (5%).

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Feversham College	224	130
Queensbury School	233	145
Iqra School	21	-
Total	<u>478</u>	<u>275</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Directors' remuneration and expenses

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

		2019 £000	2018 £000
L Murphy (resigned 23 March 2018)	Remuneration	-	35 - 40
	Pension contributions paid	-	5 - 10
M Ibrahim (resigned 23 March 2018)	Remuneration	-	20 - 25
	Pension contributions paid	-	0 - 5

During the year ended 31 August 2019, no Director expenses have been incurred (2018 - £NIL).

13. Directors' and Officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect Directors 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 2019 was not separately identifiable from the total insurance cost.

14. Intangible assets

Group

	Software £000
Cost	
At 1 September 2018	12
At 31 August 2019	12
Amortisation	
At 1 September 2018	4
Charge for the year	4
At 31 August 2019	8
Net book value	
At 31 August 2019	4
At 31 August 2018	8

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Intangible assets (continued)

Academy Trust

	Software £000
Cost	
At 1 September 2018	12
	<hr/>
At 31 August 2019	12
	<hr/>
Amortisation	
At 1 September 2018	4
Charge for the year	4
	<hr/>
At 31 August 2019	8
	<hr/>
Net book value	
At 31 August 2019	4
	<hr/> <hr/>
At 31 August 2018	8
	<hr/> <hr/>

FEVERSHAM EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Tangible fixed assets

Group

	Leasehold property £000	Freehold property £000	Motor vehicles £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2018	19,123	8,692	13	750	189	28,767
Additions	9,832	10	-	284	466	10,592
On acquisition of subsidiaries	5,310	553	4	133	144	6,144
At 31 August 2019	34,265	9,255	17	1,167	799	45,503
Depreciation						
At 1 September 2018	2,406	238	13	206	141	3,004
Charge for the year	376	128	1	160	49	714
At 31 August 2019	2,782	366	14	366	190	3,718
Net book value						
At 31 August 2019	31,483	8,889	3	801	609	41,785
At 31 August 2018	16,717	8,454	-	544	48	25,763

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NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets (continued)

Academy Trust

	Freehold property £000	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2018	8,692	19,123	750	189	13	28,767
Additions	10	9,832	284	466	-	10,592
On acquisition of subsidiaries	553	5,310	133	144	4	6,144
At 31 August 2019	9,255	34,265	1,167	799	17	45,503
Depreciation						
At 1 September 2018	238	2,406	206	141	13	3,004
Charge for the year	128	376	160	49	1	714
At 31 August 2019	366	2,782	366	190	14	3,718
Net book value						
At 31 August 2019	8,889	31,483	801	609	3	41,785
At 31 August 2018	8,454	16,717	544	48	-	25,763

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Debtors

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Trade debtors	35	16	22	3
Other debtors	2	-	4	72
Prepayments and accrued income	678	192	678	192
VAT recoverable	112	59	112	59
	<u>827</u>	<u>267</u>	<u>816</u>	<u>326</u>

17. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Trade creditors	1,353	153	1,348	153
Other taxation and social security	150	134	148	134
Other creditors	9	9	6	3
Accruals and deferred income	204	247	204	247
	<u>1,716</u>	<u>543</u>	<u>1,706</u>	<u>537</u>

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Deferred income at 1 September 2018	117	7	117	7
Resources deferred during the year	66	117	66	117
Amounts released from previous periods	(117)	(7)	(117)	(7)
	<u>66</u>	<u>117</u>	<u>66</u>	<u>117</u>

Deferred income relates to universal free school meals, school trip and school meal payments in advance and school bus fares.

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Creditors: Amounts falling due after more than one year

	Group	Group	Academy	Academy
	2019	2018	Trust	Trust
	£000	£000	2019	2018
	£000	£000	£000	£000
Other creditors	20	-	20	-

A loan of £30,000 from Salix Finance Ltd is provided on the following terms:

- £4,286 is repaid annually over 7 years, the final repayment will be made in September 2024.
- This is an interest free loan.

FEVERSHAM EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	1,588	628	(402)	-	-	1,814
Feversham First Steps	-	192	(186)	-	-	6
	<u>1,588</u>	<u>820</u>	<u>(588)</u>	<u>-</u>	<u>-</u>	<u>1,820</u>
Restricted general funds						
General Annual Grants (GAG)	1,184	9,545	(8,320)	(226)	-	2,183
Pupil Premium	-	545	(545)	-	-	-
Other DfE/ESFA grants	-	189	(189)	-	-	-
Other Government grants	-	203	(203)	-	-	-
Start Up Grants	-	270	(233)	-	-	37
Transfer on conversion	-	1,071	(1,071)	-	-	-
Pension reserve	(1,676)	(805)	(448)	-	(1,957)	(4,886)
	<u>(492)</u>	<u>11,018</u>	<u>(11,009)</u>	<u>(226)</u>	<u>(1,957)</u>	<u>(2,666)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,376	1,061	(76)	-	-	2,361
GAG	1,785	-	(197)	226	-	1,814
Legacy assets	22,517	5,357	(443)	-	-	27,431
Other Government grants	27	380	-	-	-	407
Unrestricted fixed assets	78	-	(2)	-	-	76
Donations	-	9,803	-	-	-	9,803
	<u>25,783</u>	<u>16,601</u>	<u>(718)</u>	<u>226</u>	<u>-</u>	<u>41,892</u>
Total Restricted funds	<u>25,291</u>	<u>27,619</u>	<u>(11,727)</u>	<u>-</u>	<u>(1,957)</u>	<u>39,226</u>
Total funds	<u>26,879</u>	<u>28,439</u>	<u>(12,315)</u>	<u>-</u>	<u>(1,957)</u>	<u>41,046</u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

Other DfE/ESFA grants relate to rates relief, Year 7 Catch Up funding to be spent on the education benefit of pupils and the teachers' pay award grant.

Other Government grants relates to funding from the Local Authority.

The Start Up grants relates to academy project development in regards to the opening of the Bronte Girls Academy.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 25.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Bronte Girls Academy	37	-
Feversham Academy	2,380	2,261
Iqra Academy	1,258	-
Queensbury Academy	187	156
Central Services	172	355
Trading subsidiary	6	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,040	2,772
Restricted fixed asset fund	41,892	25,783
Pension reserve	(4,886)	(1,676)
	<hr/>	<hr/>
Total	41,046	26,879
	<hr/> <hr/>	<hr/> <hr/>

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

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Bronte Girls Academy	72	74	11	76	233	-
Feversham Academy	3,163	629	150	674	4,616	4,813
Iqra Academy	362	57	5	106	530	-
Queensbury Academy	3,369	578	202	810	4,959	4,679
Central Services	35	842	-	196	1,073	269
Trading subsidiary	162	-	-	24	186	203
Academy trust	7,163	2,180	368	1,886	11,597	9,964

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19. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	1,397	389	(198)	-	-	1,588
Feversham First Steps	-	203	(203)	-	-	-
	<u>1,397</u>	<u>592</u>	<u>(401)</u>	<u>-</u>	<u>-</u>	<u>1,588</u>
Restricted general funds						
General Annual Grants (GAG)	1,311	9,079	(8,593)	(613)	-	1,184
Pupil Premium	-	532	(532)	-	-	-
Other DfE/ESFA grants	-	95	(95)	-	-	-
Other Government grants	-	100	(100)	-	-	-
Pension reserve	(1,936)	-	(242)	-	502	(1,676)
	<u>(625)</u>	<u>9,806</u>	<u>(9,562)</u>	<u>(613)</u>	<u>502</u>	<u>(492)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	969	444	(37)	-	-	1,376
GAG	1,288	-	(116)	613	-	1,785
Legacy assets	22,942	-	(425)	-	-	22,517
Other Government grants	28	-	(1)	-	-	27
Unrestricted fixed assets	80	-	(2)	-	-	78
	<u>25,307</u>	<u>444</u>	<u>(581)</u>	<u>613</u>	<u>-</u>	<u>25,783</u>

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Total Restricted funds	24,682	10,250	(10,143)	-	502	25,291
Total funds	26,079	10,842	(10,544)	-	502	26,879

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	41,785	41,785
Intangible fixed assets	-	-	4	4
Current assets	1,830	3,540	509	5,879
Creditors due within one year	(10)	(1,300)	(406)	(1,716)
Creditors due in more than one year	-	(20)	-	(20)
Provisions for liabilities and charges	-	(4,886)	-	(4,886)
Total	1,820	(2,666)	41,892	41,046

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	25,763	25,763
Intangible fixed assets	-	-	8	8
Current assets	1,728	1,587	12	3,327
Creditors due within one year	(140)	(403)	-	(543)
Provisions for liabilities and charges	-	(1,676)	-	(1,676)
Total	1,588	(492)	25,783	26,879

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	16,124	298
Adjustments for:		
Depreciation and amortisation	718	580
Capital grants from DfE and other capital income	(10,330)	(433)
Defined benefit pension scheme obligation inherited	805	-
Defined benefit pension scheme cost less contributions payable	401	196
Defined benefit pension scheme finance cost	47	46
Decrease in stocks	-	1
Increase in debtors	(560)	(34)
Increase in creditors	1,193	54
Dividends, interest and rents from investments	(3)	(1)
Acquisition of existing academy trust	(6,144)	-
Net cash provided by operating activities	2,251	707

22. Cash flows from investing activities

	Group 2019 £000	Group 2018 £000
Dividends, interest and rents from investments	3	1
Purchase of tangible fixed assets	(10,592)	(1,046)
Capital grants from DfE Group	527	433
Capital funding received from sponsors and others	9,803	-
Net cash used in investing activities	(259)	(612)

23. Analysis of cash and cash equivalents

	Group 2019 £000	Group 2018 £000
Cash in hand	5,052	3,060
Total cash and cash equivalents	5,052	3,060

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Transfer of existing academies into the academy trust

Transferred-in Iqra Academy

	Value reported by transferring trust £000	Transfer in recognised £000
Tangible fixed assets		
Long-term leasehold property	5,864	5,864
Furniture and equipment	133	133
Computer equipment	143	143
Motor vehicles	4	4
Current assets		
Debtors due within one year	141	141
Cash at bank and in hand	1,423	1,423
Liabilities		
Creditors due within one year	(271)	(271)
Creditors due after one year	(20)	(20)
Pensions		
Pensions - pension scheme liabilities	(805)	(805)
Net assets	<u>6,612</u>	<u>6,612</u>

25. Capital commitments

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Contracted for but not provided in these financial statements	<u>132</u>	<u>-</u>	<u>132</u>	<u>-</u>

26. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £601,000 (2018 - £595,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £390,000 (2018 - £293,000), of which employer's contributions totalled £278,000 (2018 - £209,000) and employees' contributions totalled £ 112,000 (2018 - £84,000). The agreed contribution rates for future years are 15.5 per cent for employers and 12.2 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.25	3.25
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00
Commutation of pensions to lump sums	75.00	75.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	10,823	6,092
Discount rate -0.1%	11,412	6,424
Mortality assumption - 1 year increase	10,753	6,075
Mortality assumption - 1 year decrease	11,480	6,438
CPI rate +0.1%	11,297	6,360
CPI rate -0.1%	10,934	6,154

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,833	3,417
Government bonds	654	495
Corporate bonds	280	160
Property	274	192
Cash and other liquid assets	118	101
Other	69	215
Total market value of assets	6,228	4,580

The actual return on scheme assets was £84,000 (2018 - £225,000).

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

	2019 £000	2018 £000
Current service cost	497	416
Past service cost	182	-
Interest income	(139)	(105)
Interest cost	186	151
Total amount recognised in the Consolidated Statement of Financial Activities	726	462

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

	2019 £000	2018 £000
Opening defined benefit obligation	6,256	6,006
Transferred in on existing academies joining the trust	1,969	-
Current service cost	497	416
Interest cost	186	151
Employee contributions	112	86
Actuarial losses/(gains)	1,902	(382)
Benefits paid	10	(21)
Past service costs	182	-
Closing defined benefit obligation	11,114	6,256

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension commitments (continued)

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

	2019 £000	2018 £000
Opening fair value of scheme assets	4,580	4,070
Return on plan assets (excluding net interest on the net defined pension liability)	139	105
Transferred in on existing academies joining the trust	1,164	-
Actuarial (losses)/gains	(55)	120
Employer contributions	278	220
Employee contributions	112	86
Benefits paid	10	(21)
At 31 August	6,228	4,580

27. Operating lease commitments

At 31 August 2019 the Group and the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000	Academy Trust 2019 £000	Academy Trust 2018 £000
Amounts payable				
Within 1 year	26	23	26	23
Between 1 and 5 years	26	16	26	16
	52	39	52	39

28. Related party transactions

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

The following related party transaction took place in the year:

Expenditure related party transaction

Feversham First Steps Limited

Feversham First Steps Limited which is 100% owned subsidiary has made a related party transaction of intercompany loan and then repaid to First Steps for £5,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £46,000 (2018: £49,000) and disbursed £39,000 (2018: £34,000) from the fund. The academy trust charged £2,000 (2018: £3,000) for administration fees. An amount of £5,000 (2018: £12,000) is included in other creditors relating to undistributed funds that are repayable to ESFA.

30. Principal subsidiaries

The following was a subsidiary undertaking of the academy trust:

Name	Company number	Registered office or principal place of business	Principal activity
Feversham First Steps Limited	07609252	Feversham College, 158 Cliffe Road, Bradford, BD3 0LT	Pre-school education

Class of shares	Holding	Included in consolidation
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Ordinary	100%	Yes
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The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000
Feversham First Steps Limited	194	(188)	6
Net assets £000			