

COMPANY REGISTRATION NUMBER 07800029

**Featherstone High School
Company Limited by Guarantee
Financial Statements
31 August 2013**

MHA MACINTYRE HUDSON

Chartered Accountants & Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ

Featherstone High School Company Limited by Guarantee

Financial Statements

Year ended 31 August 2013

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Featherstone High School Company Limited by Guarantee

Reference and Administrative Details

Governors (Trustees)	Appointed	Resigned
Ms Jennifer Adams	01/12/2011	13/05/2013
Mrs Saranjit Kaur Bangar	01/12/2011	
Mr Sudarshan Kumar Dhanda	01/12/2011	27/10/2012
Mrs Fay Denise Haras-Gummer (Vice Chair)*	01/12/2011	
Mr Kewal Singh Kallha*	01/12/2011	
Mr Rabindara Nath Pathak (Chairman)*	01/12/2011	
Mr Sunil Seewon Prayag*	01/12/2011	
Mrs Jane Sagoo*	01/12/2011	
Mr Umesh Sharma	01/12/2011	
Mr Narinder Singh Shinhmar	01/12/2011	
Ms Apinder Sidhu	01/12/2011	
Miss Rachael Patricia Stribling	01/12/2011	21/07/2013
Mr Gerry Wadwa (Headteacher & Accounting Officer)*	01/12/2011	
Ms Joy Spreadbury	24/01/2012	
Mr Syed Zahid Ali	19/01/2012	
Mr Davinder Kumar Anand	01/12/2011	
Ms Jan Moorhouse	01/12/2011	
Mr Arif Hayat	04/12/2012	
Mrs Jyoti Subharwal	06/06/2013	

* Members of the Finance Committee

Company Secretary

Mrs Harjinder Johal 01/12/2011

Senior Leadership Team

Gerry Wadwa	Headteacher
Neil Bradford	Deputy Headteacher
Alison Lusuardi	Deputy Headteacher
Kamal Thacker	Deputy Headteacher
John Noel	Assistant Headteacher
Alka Patel	Assistant Headteacher
Alan Bate	Assistant Headteacher
Nicola Meston	Assistant Headteacher
Kate Johnson	Assistant Headteacher
Joy Spreadbury	Acting Assistant Headteacher
Alex McGhee	Associate Assistant Headteacher
Rachael Patricia Stribling	Associate Assistant Headteacher

Principal and Registered Office

Featherstone High School
11 Montague Way
Southall
Middlesex
UB2 5HF

Company Registration Number

07800029

Date of Incorporation

06/10/2011

Featherstone High School Company Limited by Guarantee

Reference and Administrative Details (continued)

Date of Conversion to Academy Status	01/12/2011
Independent Auditor	MHA MacIntyre Hudson Euro House 1394 High Road London N20 9YZ
Bankers	Lloyds Bank 3 Teignmouth Parade Perivale UB6 8BZ
Solicitors	Browne Jacobsen LLP 44 Castle Gate Nottingham NG1 7BJ

Featherstone High School Company Limited by Guarantee

Governors' Annual Report

Year ended 31 August 2013

The Governors present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2013.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Governors act as the trustees for the charitable activities of Featherstone High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Featherstone High School.

Details of the Governors who served throughout the second accounting year of the Academy are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy has purchased insurance to cover governors and officers from claims arising from negligent acts, omissions and errors on Academy business. Governors' Liability Insurance is provided by Zurich Insurance PLC. The limit of indemnity is £5,000,000.

Principal Activities

The principal object and activity of the Charitable Company is the operation of Featherstone High School, to provide education for pupils of different abilities between the ages of 11 and 19 with a specialism in Sciences and Sport. In addition, the Trust promotes for residents of Southall and adjacent areas sports facilities through its sports centre to improve the condition of life for those residents.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The Governing Body comprises the Headteacher, 5 Parent Governors, 4 Community Governors, 3 Staff Governors, 3 Co-opted Governors and 1 Member's Governor.

Parent Governors are normally elected by parents of students registered at the school and the Governing Body makes arrangements to notify parents of a vacancy and oversees a secret ballot where the number of nominees exceeds the number of vacancies. Staff governors are similarly elected by staff.

Where necessary, other Governors are appointed after searching local community groups and businesses dependant on the person specification seen as needed. Curriculum Vitae's are requested. Volunteers first visit the school and meet the Chair of Governors, Headteacher and another governor. This is a preliminary sift and, where appropriate, a recommendation would be made for a candidate to be presented to the Full Governing Body with a view to an appointment.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Policies and Procedures Adopted for the Induction and Training of Governors.

All new Governors are given an induction pack and, if not familiar with the school, are invited to a tour and to meet key Governors and staff. Governor support is available through an outside consultancy specialising in Governors. Training/Courses are also available through London Borough of Ealing on a pay as you go basis. There is a named Governor to provide details of relevant courses, encourage attendance and monitor Governor-wide training undertaken. There is an Annual Governors Saturday Workshop which focuses on training needs.

Organisational Structure

Featherstone High School has a unified management structure to ensure it is run in an efficient way. The structure consists of two broad levels. The Governors and the Senior Leadership Team (SLT) are responsible for strategic direction: The 3 core operational teams are Pupil Progress, Curriculum Developers and Teacher Developers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors fulfil a largely strategic role. They adopt an Academy Development Plan. They sanction an annual budget. They monitor Academy performance and, on advice, make decisions about the direction of Featherstone High School, its capital expenditure and senior staff appointments.

The SLT for the year ended 31 August 2013 are the Headteacher, 3 Deputy Headteachers, 5 Assistant Headteachers and 2 Associate Assistant Headteachers. One of the Assistant Headteachers was seconded to a local High School on a full time basis for the majority of the academic year which resulted in the Academy appointing a senior member of staff as an Acting Assistant Headteacher for the duration of the secondment.

The SLT control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than specific senior staff appointments for which the Governing Body is responsible (having regard to the Headteacher's advice). Some spending control is devolved to members of SLT and appointed budget holders. The Headteacher is the Accounting Officer.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in operational areas such as teaching, health and safety, bullying and school trips as well as those relating to the control of finance. They have introduced robust systems, including operational procedures such as the vetting of new staff (DBS checks), supervision of school grounds and internal financial controls to manage and minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover in place. The Governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Connected Organisations, including Related Party Relationships

Featherstone High School works closely with Featherstone Sports Centre Ltd which exists to promote the health and wellbeing as well as improve the condition of life in the local community. Although Featherstone Sports Centre Ltd is a subsidiary company of the Academy, it is a separate entity. However, organisational decisions for the Sports Centre are made by the Community Sports Committee which is a sub-committee of the Full Governing Body and includes the Headteacher.

The Academy also has a Featherstone School Sports Partnership (SSP) which exists to provide Physical Education lessons to schools in the London Borough of Ealing. The SSP is not a separate legal entity but a collaborative working partnership with London Borough of Ealing.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

The Academy used Kallha Brothers (building merchants), Simply Scrummy (catering company), EBSI (provision of work experience) during the year ended 31 August 2013. All these suppliers are related parties of the Governors of the Academy and all transactions were on commercial terms.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Featherstone High School to provide education for pupils of different abilities between the ages of 11 and 19 with a specialism in Sciences and Sport.

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the Academy Trust, the Academy is Governed by a Governing Body which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

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

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

Objectives, Strategies and Activities

The Academy's main strategy is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning: its people and resources are constantly measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

Key activities which support the main strategic purpose of the organisation are:

- Robust quality assurance processes which are transparent and inform all subsequent actions
- Secure use of data and tracking to measure progress and inform actions and intervention
- A constant review of CPD and training opportunities for staff
- A core structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are also clear
- Structures to support the organisation and integration of all internal and external resources and support available for both students and staff

The School Development Plan can also be seen for further information.

Public Benefit

In setting the Academy objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

policy agreed with the Department for Education (DfE). Children are admitted from a wide range of backgrounds. The Academy has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

Additionally, £2,718 was collected and received as restricted charitable donations through a variety of activities including Children in Need, MacMillan Coffee Morning, Poppy Appeal, and so on. This figure has been passed on to the relevant charities as at 31 August 2013.

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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

Achievements and Performance

The Academy is in its second year of operation and most indicators reveal progression in terms of performance, achievement and value added. It should be noted that the 2013 GCSE Year Group joined the Academy from a significantly lower Key Stage 2 starting point. Examination results for 2013 were pleasing on a number of measures. 61% of students achieved 5 A* - C including English and Mathematics (2012 = 66%, 2011 = 53%). Those achieving the nationally expected 3 levels of progress was 89% English (2012 = 91%, 2011 = 80%) against a 2012 national average of 67% and 86% in Maths (2012 = 84%, 2011 = 78%) against a 2012 national average of 68%. Post 16 students saw a 98% A level or equivalent pass rate (2012 = 94%) with 98% also achieving 3 or more passes (2012 = 83%). To ensure that standards are continually raised the Academy, the Governing Body and the Leadership Team:

- Operates a robust quality assurance calendar which monitors the quality of teaching and learning and assessment
- Is visited, scrutinised and supported by a Local Authority Link Officer and independent Consultants
- Undertakes a rigorous review of attainment using RAISEONLINE and FFT and ALPS to measure the progress of students paying particular regard to their achievement on entry and levels of progress secured

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, is visited by inspectors, and undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A Level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

Additionally, several teachers are engaged in Leadership Development courses and Master's Level research and we provide support for this in a variety of ways. All are allowed one day's paid study leave per year and we purchase resources when appropriate. Those completing the NPQML and NPQSL with the Institute of Education have access to in school coaches and their tutor sessions are facilitated on site. All staff are given the opportunity to engage in school based action research which is shared with the whole staff.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Going Concern

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

Financial Review

Financial Review and Key Performance Indicators

Most of the Academy's revenue is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The funding received during 12 months ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Academy also receives funding for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such funding is shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, the excess of income over expenditure for the Academy was £602,118. At 31 August 2013 the net book value of fixed assets was £16,353,416 as shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy is part of the London Borough of Ealing pooling scheme which allows the Academy to contribute a reduced rate than the rate calculated upon conversion for Employer Pension Contributions. An Actuarial Report upon conversion highlighted a deficit of £3,479,000. This inherited liability has increased to £3,861,000 as at 31 August 2013. The governors are considering plans to reduce the deficit over a ten year period.

Financial and Risk Management Objectives and Policies

As an Academy funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in Government policy and funding levels. However the key risk is falling numbers on roll. The Governors have a risk management strategy which is managed and reviewed on a regular basis. Numbers on roll are reported to the Governing Body termly through the Headteachers report. Governors are therefore kept fully aware of any trends in changes of numbers on roll and hence fully aware of any impending risk to financial health. Cash flow is monitored weekly by the Academy and budgets presented to the governors at every finance committee meeting. The Academy has general reserves which enable it to plan for future capital projects.

Principal Risks and Uncertainties

Featherstone High School is fully subscribed at entry level and main school numbers on roll are sustained year on year which currently represents a low risk. Sixth Form funding will reduce over the years due to it being brought in line with FE Colleges, hence this represents a risk of loss in funding. Sixth Form numbers on roll have not reached full capacity but have been increasing annually which has currently balanced the situation.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Reserves Policy

The Governors have agreed a Reserves Policy for the school and review this on an annual basis. The review encompasses the nature of income and expenditure streams and the need to match income with commitments. Demand on the Academy's reserves (restricted and unrestricted) will vary over the coming years. The Governors have determined that the appropriate level of in year contingency or 'reserves' should be a minimum 2% of the total budget (approximately £220,000). The reason for this is to provide sufficient working capital to cover delays between receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Any additional reserves will be earmarked for future projects in line with the Academy Development Plan.

The Academy's current level of restricted reserves after a pension deficit of £3,861,000 are: £(3,004,804)
The Academy's current level of unrestricted reserves are: £89,435

Restrictions on GAG carry forward balances have recently been removed, which means that the Academy is able to carry forward all surpluses at year end. However the Academy will not compromise the education and development of current students by setting aside an unrealistic level of current funds for future projects. The Academy has plans in place to meet to on-going liabilities of the pension deficit as they fall due.

The Local Government Pension Scheme deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

Investment Policy

There are currently no investments and no investment Policy in place. This is something the Governors will consider over the next financial year, and surplus cash reserves will be invested in High Street banks with a good credit rating.

Plans for Future Periods

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

Featherstone High School has an excellent reputation for the personal development and well-being of its students and staff and this will continue to be priority. The Academy will continue to look at its accommodation and plan for the redevelopment of areas of the school site where buildings have reached the end of their useful life.

Featherstone High School aims to provide the opportunity for increased student success beyond the boundaries of our Academy. As a specialist School for Sciences and Sport, we are at the forefront of plans aiming to establish ways to benefit the wider community in these areas through links with primary schools and some secondary schools who have direct access to our facilities, curricular materials and the expertise of our staff.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Year ended 31 August 2013

Auditor

In so far as the governors are aware:

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

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the members of the Governing Body on.....and signed on its behalf by:

.....
Mr Rabindara Pathak
Chairman

Featherstone High School Company Limited by Guarantee

Governance Statement

Year ended 31 August 2013

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Featherstone High School 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 Full Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Featherstone High School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Responsibilities. The Full Governing Body has formally met 3 times during the year ended 31 August 2013. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a possible
Ms Jennifer Adams (Resigned 13/05/13)	2	2
Mrs Saranjit Kaur Bangar	3	3
Mr Sudarshan Kumar Dhanda (Resigned 27/10/12)	0	0
Mrs Fay Denise Haras-Gummer (Vice Chair)	2	3
Mr Kewal Singh Kallha	3	3
Mr Rabindara Nath Pathak (Chairman)	2	3
Mr Sunil Seewon Prayag	3	3
Mrs Jane Sagoo	2	3
Mr Umesh Sharma	2	3
Mr Narinder Singh Shinhmar	3	3
Ms Apinder Sidhu	3	3
Miss Rachael Patricia Stribling (Resigned 21/07/13)	3	3
Mr Gerry Wadwa (Headteacher)	3	3
Ms Joy Spreadbury	3	3
Mr Syed Zahid Ali	3	3
Mr Davinder Kumar Anand	2	3
Ms Jan Moorhouse	2	3
Mr Arif Hayat (Appointed 04/12/12)	2	2
Mrs Jyoti Subharwal (Appointed 06/06/2013)	1	1
(The below attended meetings in Deputy Headteacher capacity)		
Mrs Alison Lusuardi	2	3
Mr Kamal Thacker	3	3
Mr Neil Bradford	1	3

The Governing Body also delegates responsibility to its sub-committees: Finance Committee, Curriculum Committee, Personnel Committee, Premises Committee and Community Sports Committee. These sub-committees are required to meet on a termly basis (i.e. 3 times a year) as a minimum. All these sub-committees formally met at least 3 times during the year ended 31 August 2013. Items discussed at sub-committee meetings are then reported and ratified at the next Full Governing Body meeting.

Featherstone High School Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

The Finance Committee is a sub-committee of the Full Governing Body. This committee is responsible for monitoring and making recommendations to the Governing Body on matters related to Finance. The Chair of Finance, Mr Sunil Seewon Prayag, is a qualified accountant. Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Mr Sunil Seewon Prayag (Chairman)	5	5
Mrs Fay Denise Haras-Gummer	4	5
Mr Kewal Singh Kallha	5	5
Mr Rabindara Nath Pathak	4	5
Mrs Jane Sagoo	4	5
Mr Gerry Wadwa (Headteacher)	5	5
Also Present:		
Mr Shahbaz Haider (Finance Manager)	5	5
Mrs Geri Gowans (NPQH Student Placement)	1	1

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Featherstone High School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

The Academy's system of internal control is based on a framework of regular management information and administrative procedures including 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 Finance Committee and ratified at the Full Governing Body
- Regular reviews by the Finance Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Governing Body has considered the need for a specific Internal Audit function and appointed Centre for Education and Finance Management (CEFM) as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems on a termly basis. The

Featherstone High School Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

RO reports to the Governing Body on the operation of the systems of control as well as making recommendations on improvement. CEFM have completed their 3 visits in 2013 and the reports reflect positive work that has been carried out since conversion to Academy status.

Review of Effectiveness

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

- The work of the Responsible Officer
- The work of the External Auditor
- The Finance Committee
- The Financial Management and Governance Self Assessment process (FMGS)
- The work of the managers within the Academy who have responsibility for the development and maintenance of the internal control framework i.e. Senior Leadership Team and Finance Manager

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

Approved by order of the members of the Governing Body onand signed on its behalf by:

.....
Mr Rabindara Pathak
Chairman

.....
Mr Gerry Wadwa
Accounting Officer

Featherstone High School Company Limited by Guarantee

Statement of Governors' Responsibilities

Year ended 31 August 2013

The Governors (who act as trustees for charitable activities and are also directors of Featherstone High School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and 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 academy will continue in operation

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

The Governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the EFA/DFE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on.....and signed on its behalf by:

.....
Mr Rabindara Pathak
Chairman

Featherstone High School Company Limited by Guarantee

Statement on Regularity, Propriety and Compliance

Year ended 31 August 2013

As Accounting Officer of Featherstone High School I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
Mr Gerry Wadwa
Accounting Officer

Date:.....

Featherstone High School Company Limited by Guarantee

Group Independent Auditor's Report to the Members of Featherstone High School

Year ended 31 August 2013

We have audited the financial statements of Featherstone High School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 13), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Featherstone High School Company Limited by Guarantee

Group Independent Auditor's Report to the Members of Featherstone High School *(continued)*

Year ended 31 August 2013

Matters on which we are required to report by exception

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

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

Euro House
1394 High Road
London
N20 9YZ

.....
BRENDAN M SHARKEY FCA (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

.....

Featherstone High School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Featherstone High School and the Education Funding Agency

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 21 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Featherstone High School during the year ended 31 August 2013 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 Featherstone High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Featherstone High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Featherstone High School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Featherstone High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Featherstone High School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 ended 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;

Featherstone High School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Featherstone High School and the Education Funding Agency *(continued)*

Year ended 31 August 2013

- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
MHA MacIntyre Hudson
Chartered Accountants

Euro House
1394 High Road
London
N20 9YZ

Featherstone High School Company Limited by Guarantee

Group Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	1	–	9,927	–	9,927	16,337,192
Activities for generating funds	2	554,982	47,007	–	601,989	408,003
Investment income	3	1,724	–	–	1,724	838
Incoming resources from charitable activities:						
Funding for academy's educational operations	4	–	10,693,524	260,387	10,953,911	7,621,457
Total incoming resources		556,706	10,750,458	260,387	11,567,551	24,367,490
Resources expended						
Charitable activities						
Charitable expenditure:	6	175,696	10,170,460	295,349	10,641,505	11,135,745
Expenses of trading subsidiary		256,428	–	1,763	258,191	198,226
Governance costs	7	–	21,500	–	21,500	14,250
Total resources expended		432,124	10,191,960	297,112	10,921,196	11,348,221
Net incoming resources before transfers	8	124,582	558,498	(36,725)	646,355	13,019,269
Gross transfers between funds		–	(312,643)	312,643	–	–
Net income for the year		124,582	245,855	275,918	646,355	13,019,269
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes		–	69,000	–	69,000	(237,000)
Net movement in funds		124,582	314,855	275,918	715,355	12,782,269
Reconciliation of funds						
Total funds brought forward at 1 September 2012		24,409	(3,350,225)	16,108,085	12,782,269	–
Total funds carried forward at 31 August 2013		148,991	(3,035,370)	16,384,003	13,497,624	12,782,269

All of the academy trust's activities derive from continuing operations during the above two financial periods.

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

The accounting policies and notes on pages 23 to 49 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Group Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	13	16,384,003	16,108,085
Current assets			
Debtors	15	185,320	243,330
Cash at bank and in hand		1,394,882	594,528
		<u>1,580,202</u>	<u>837,858</u>
Creditors: amounts falling due within one year	16	<u>(605,581)</u>	<u>(376,674)</u>
Net current assets		974,621	461,184
Total assets less current liabilities		17,358,624	16,569,269
Provisions for liabilities			
Pension scheme liability	17	<u>(3,861,000)</u>	<u>(3,787,000)</u>
Net assets including pension liability		<u>£13,497,624</u>	<u>£12,782,269</u>
Funds of the academy trust:	19		
Restricted income funds:			
Fixed asset fund		16,384,003	16,108,085
General funds		825,630	436,775
Pension reserve	17	<u>(3,861,000)</u>	<u>(3,787,000)</u>
Total restricted income funds		13,348,633	12,757,860
Unrestricted income funds:			
General fund		<u>148,991</u>	<u>24,409</u>
Total funds		<u>£13,497,624</u>	<u>£12,782,269</u>

These financial statements were approved by the Governors, and authorised for issue on and are signed on their behalf by:

Mr Rabindara Pathak
Chairman

Mr Gerry Wadwa
Accounting Officer

Company Registration Number: 07800029

The accounting policies and notes on pages 23 to 49 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Academy Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	13	16,355,179	16,102,563
Investments	14	1	1
		<u>16,355,180</u>	<u>16,102,564</u>
Current assets			
Debtors	15	194,124	264,839
Cash at bank and in hand		1,333,269	562,463
		<u>1,527,393</u>	<u>827,302</u>
Creditors: amounts falling due within one year	16	<u>(581,763)</u>	<u>(374,174)</u>
Net current assets		945,630	453,128
Total assets less current liabilities		17,300,810	16,555,692
Provisions for liabilities			
Pension scheme liability	17	<u>(3,861,000)</u>	<u>(3,787,000)</u>
Net assets including pension liability		<u>£13,439,810</u>	<u>£12,768,692</u>
Funds of the academy trust:	19		
Restricted income funds:			
Fixed asset fund		16,355,179	16,102,563
General funds		856,196	439,276
Pension reserve	17	<u>(3,861,000)</u>	<u>(3,787,000)</u>
Total restricted income funds		13,350,375	12,754,839
Unrestricted income funds:			
General fund		<u>89,435</u>	<u>13,853</u>
Total funds		<u>£13,439,810</u>	<u>£12,768,692</u>

These financial statements were approved by the Governors, and authorised for issue on and are signed on their behalf by:

.....
Mr Rabindara Pathak
Chairman
Company Registration Number: 07800029

.....
Mr Gerry Wadwa
Accounting Officer

The accounting policies and notes on pages 23 to 49 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Cash Flow Statement

Year ended 31 August 2013

	Note	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	25	1,371,661	944,242
Returns on investments and servicing of finance	26		
Interest received		<u>1,724</u>	<u>838</u>
Net cash inflow from returns on investments and servicing of finance		1,724	838
Capital expenditure	27	(573,031)	(350,552)
Increase/(decrease) in cash in the year		<u>800,354</u>	<u>594,528</u>
Reconciliation of net cash flow to movement in net funds			
		2013 £	2012 £
Net funds at 1 September 2012		594,528	–
Increase in cash	28	800,354	594,528
Net funds at 31 August 2013		<u>1,394,882</u>	<u>594,528</u>

The accounting policies and notes on pages 23 to 49 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Basis of Preparation

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

Consolidated Accounts

Consolidated accounts have been prepared for the Academy and its subsidiary, Featherstone Sports Centre Limited. The results of the subsidiary have been consolidated on a line by line basis. The unconsolidated result for the Academy would have been income of £11,262,123 and expenditure of £10,660,005 with net income of £602,118, before the actuarial gain of £69,000. The Academy has taken advantage of section 408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the Academy.

Incoming resources

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

Grants receivable

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

Donations

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

Grants receivable

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

Other income

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

Donated Services and Gifts in Kind

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

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Fixed assets transferred to the Academy, from the predecessor establishment on the date of conversion are included within voluntary income as gifts in kind. The land and buildings were independently valued at the date of conversion, on a depreciated replacement cost basis in accordance with Financial Reporting Standard 15.

Resources Expended

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

Costs of generating funds

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

Charitable activities

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

Governance Costs

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

Investments

The Academy's shareholding in the wholly owned subsidiary, Featherstone Sports Centre Limited, is included in the balance sheet at the cost of the share capital owned.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	50 Years
Equipment	5 Years
Computer equipment	4 Years
Motor Vehicles	4 Years

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

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

Leased Assets

Rentals applicable to operating leases where substantially all of the risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Going concern

The Governors 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 to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school Featherstone High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Featherstone High School. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in voluntary income as a gift in kind / as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds.

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

1. Voluntary income Group

	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Donations	9,927	9,927	5,539
Transfer from Local Authority on conversion	–	–	16,331,653
	<u>9,927</u>	<u>9,927</u>	<u>16,337,192</u>

Academy

	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Donations	9,927	9,927	5,539
Transfer from Local Authority on conversion	–	–	16,301,454
	<u>9,927</u>	<u>9,927</u>	<u>16,306,993</u>

2. Incoming resources from activities for generating funds Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Rental income	381,532	–	381,532	69,635
Other income	12,166	47,007	59,173	245,136
Catering income	161,284	–	161,284	93,232
	<u>554,982</u>	<u>47,007</u>	<u>601,989</u>	<u>408,003</u>

Academy

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Rental income	76,104	–	76,104	69,635
Other income	12,166	47,007	59,173	61,032
Catering income	161,284	–	161,284	93,232
	<u>249,554</u>	<u>47,007</u>	<u>296,561</u>	<u>223,899</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

3. Investment income Group and Academy

	Unrestricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Bank interest receivable	1,724	1,724	838

4. Funding for academy's educational operations Group and Academy

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	9,695,741	–	9,695,741	7,073,771
Pupil Premium	453,019	–	453,019	258,104
Other EFA grants	3,100	–	3,100	–
16-18 Bursary	47,225	–	47,225	7,790
Devolved formula capital	–	12,249	12,249	28,756
EFA capital maintenance grant	–	248,138	248,138	–
	<u>10,199,085</u>	<u>260,387</u>	<u>10,459,472</u>	<u>7,368,421</u>
Other Government grants				
Local authority SEN income	133,366	–	133,366	113,872
SSP Income	128,983	–	128,983	33,979
Other grants and payments	141,978	–	141,978	56,607
	<u>404,327</u>	<u>–</u>	<u>404,327</u>	<u>204,458</u>
Other income				
Trip income	90,112	–	90,112	48,578
	<u>90,112</u>	<u>–</u>	<u>90,112</u>	<u>48,578</u>
	<u>10,693,524</u>	<u>260,387</u>	<u>10,953,911</u>	<u>7,621,457</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

5. Resources expended Group

	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Educational operations:					
Direct costs	5,674,222	295,348	937,613	6,907,183	4,878,207
Support Costs	2,356,232	696,298	681,792	3,734,322	6,257,538
	<u>8,030,454</u>	<u>991,646</u>	<u>1,619,405</u>	<u>10,641,505</u>	<u>11,135,745</u>
Governance costs including allocated support costs	–	–	18,500	18,500	12,250
	<u>8,030,454</u>	<u>991,646</u>	<u>1,637,905</u>	<u>10,660,005</u>	<u>11,147,995</u>
Subsidiary's expenses					
Expenses of trading company	194,504	28,230	35,457	258,191	198,226
Governance costs including allocated support costs	–	–	3,000	3,000	2,000
	<u>8,224,958</u>	<u>1,019,876</u>	<u>1,676,362</u>	<u>10,921,196</u>	<u>11,348,221</u>
Academy					
	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Academy's educational operations:					
Direct costs	5,674,222	295,348	937,613	6,907,183	4,878,207
Support Costs	2,356,232	696,298	681,792	3,734,322	6,257,538
	<u>8,030,454</u>	<u>991,646</u>	<u>1,619,405</u>	<u>10,641,505</u>	<u>11,135,745</u>
Governance costs including allocated support costs	–	–	18,500	18,500	11,750
	<u>8,030,454</u>	<u>991,646</u>	<u>1,637,905</u>	<u>10,660,005</u>	<u>11,147,495</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 August 2013

6. Academy's educational operations Group and Academy

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
<i>Direct costs</i>					
Teaching & educational support staff	–	5,674,222	–	5,674,222	4,114,861
Depreciation	–	–	295,349	295,349	188,841
Educational supplies	–	682,777	–	682,777	426,263
Examination fees	–	168,152	–	168,152	106,312
Staff development	–	42,420	–	42,420	18,029
Curriculum transport	–	44,263	–	44,263	23,901
	<u>–</u>	<u>6,611,834</u>	<u>295,349</u>	<u>6,907,183</u>	<u>4,878,207</u>
<i>Allocated support costs</i>					
Support staff costs	–	2,356,232	–	2,356,232	1,710,426
Repairs and maintenance	–	269,590	–	269,590	180,783
Energy	–	208,322	–	208,322	173,946
Cleaning costs	–	17,062	–	17,062	9,733
Insurance	–	59,593	–	59,593	44,259
Security & transport	–	26,597	–	26,597	14,562
Catering	161,284	93,740	–	255,024	148,400
Bank and pension charges	–	173,000	–	173,000	122,617
Pension deficit on conversion	–	–	–	–	3,479,000
Other occupational costs	–	32,643	–	32,643	46,102
Legal & professional costs	–	133,563	–	133,563	130,958
Special facilities	–	20,579	–	20,579	36,628
Advertising	–	36,173	–	36,173	19,824
Administrative costs	14,412	59,150	–	73,562	89,883
Other support costs	–	3,704	–	3,704	–
Water and rates	–	68,678	–	68,678	50,417
	<u>175,696</u>	<u>3,558,626</u>	<u>–</u>	<u>3,734,322</u>	<u>6,257,538</u>
	<u>175,696</u>	<u>10,170,460</u>	<u>295,349</u>	<u>10,641,505</u>	<u>11,135,745</u>
Expenses of trading subsidiary	<u>256,428</u>	<u>–</u>	<u>1,763</u>	<u>258,191</u>	<u>198,226</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

7. Governance costs Group

	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Accountancy fees (governance)	7,750	7,750	3,500
Audit fees	10,000	10,000	8,500
Responsible officer audit	3,750	3,750	2,250
	<u>21,500</u>	<u>21,500</u>	<u>14,250</u>

Academy

	Restricted Funds £	Total Funds 2013 £	9 Month Period Total Funds 2012 £
Accountancy fees (governance)	6,750	6,750	2,000
Audit fees	8,000	8,000	7,500
Responsible officer audit	3,750	3,750	2,250
	<u>18,500</u>	<u>18,500</u>	<u>11,750</u>

8. Net incoming/(outgoing) resources for the year Group

This is stated after charging:

	2013 £	9 Month Period 2012 £
Fees payable to auditor		
Audit	10,000	8,500
Other services	7,750	3,500
Depreciation	297,112	189,945

Academy

This is stated after charging:

	2013 £	9 Month Period 2012 £
Fees payable to auditor		
Audit	8,000	7,500
Other services	6,750	2,000
Depreciation	295,349	188,841

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

9. Staff costs and emoluments Group

	2013 £	9 Month Period 2012 £
Wages and salaries	6,596,706	4,839,486
Social security costs	577,374	409,943
Other pension costs	845,586	591,546
	<u>£8,019,666</u>	<u>£5,840,975</u>
Supply teacher costs	181,469	131,827
Compensation payments	23,823	–
	<u>£8,224,958</u>	<u>£5,972,802</u>

Academy

	2013 £	9 Month Period 2012 £
Wages and salaries	6,433,602	4,714,836
Social security costs	567,531	402,480
Other pension costs	824,029	576,144
	<u>£7,825,162</u>	<u>£5,693,460</u>
Supply teacher costs	181,469	131,827
Compensation payments	23,823	–
	<u>£8,030,454</u>	<u>£5,825,287</u>

Particulars of employees: Group

The average number of employees during the year,

	2013	9 Month Period 2012
Teachers	94	94
Administration and support	80	77
Management	12	10
	<u>186</u>	<u>181</u>

Particulars of employees: Academy

The average number of employees during the year,

	2013	9 Month Period 2012
Teachers	94	94
Administration and support	75	71
Management	12	10
	<u>181</u>	<u>175</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

10. Staff costs and emoluments *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

	2013	9 Month Period 2012
£60,000 to £69,999	8	1
£80,000 to £89,999	1	1
£100,000 to £109,999	1	-
	<u>10</u>	<u>2</u>

Nine of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £90,586. The other employee participated in the Local Government Pension Scheme and pension contributions for this member amounted to £13,265

During the nine months ended 31 August 2012 both of the above employees participated in the Teachers' Pension Scheme. Pension contributions for these staff amounted to £18,785.

11. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governor's remuneration in the period to 31 August 2013 was as follows:

	2013 £	9 Month Period 2012 £
Salary		
Mr Gerry Wadwa (Headteacher)	£100k-£105k	£75k-£80k
Governor 1	£55k-£60k	£30k-£35k
Governor 2	£50k-£55k	£35k-£40k
Governor 3	£25k-£30k	£15k-£20k
Pension		
Mr Gerry Wadwa (Headteacher)	£10k-£15k	£10k-£15k
Governor 1	£5k-£10k	£0k-£5k
Governor 2	£5k-£10k	£5k-£10k
Governor 3	£5k-£10k	£0k-£5k

During the year ended 31 August 2013, expenses totalling £392 (2012: £Nil) was reimbursed to the Headteacher.

12. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,800 (2012: £1,800).

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

13. Tangible fixed assets Group

	Leasehold property £	Equipment £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2012	16,086,278	59,925	151,827	–	16,298,030
Additions	374,249	83,033	95,867	19,882	573,031
At 31 August 2013	£16,460,527	£142,958	£247,694	£19,882	£16,871,061
Depreciation					
At 1 September 2012	168,096	3,297	18,553	–	189,945
Charge for the year	230,382	15,176	51,554	–	297,112
At 31 August 2013	£398,478	£18,473	£70,107	–	£487,058
Net book value					
At 31 August 2013	16,062,049	124,485	177,587	19,882	16,384,003
At 31 August 2012	15,918,182	56,628	133,274	–	16,108,085
Academy					
	Leasehold property £	Equipment £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2012	16,086,279	53,299	151,827	–	16,291,405
Additions	365,798	66,418	95,867	19,882	547,965
At 31 August 2013	£16,452,077	£119,717	£247,694	£19,882	£16,839,370
Depreciation					
At 1 September 2012	168,096	2,193	18,553	–	188,842
Charge for the year	230,368	13,427	51,554	–	295,349
At 31 August 2013	£398,464	£15,620	£70,107	–	£484,191
Net book value					
At 31 August 2013	16,053,613	104,097	177,587	19,882	16,355,179
At 31 August 2012	15,918,183	51,106	133,274	–	16,102,563

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

14. Investments Academy

	2013 £	2012 £
Market value at 1 September 2012	1	-
Acquisitions at cost	-	1
Market value at 31 August 2013	<u>£1</u>	<u>£1</u>

The Academy's 100% shareholding in the wholly owned subsidiary, Featherstone Sports Centre Limited, is included in the balance sheet at the cost of the share capital owned. The principal activity of the company is to provide sports facilities for the general public. Featherstone Sports Centre Limited is incorporated in the UK.

15. Debtors Group

	2013 £	2012 £
Trade debtors	15,318	5,260
Other debtors	83,534	137,085
Prepayments and accrued income	86,468	100,985
	<u>£185,320</u>	<u>£243,330</u>

Academy

	2013 £	2012 £
Trade debtors	15,318	5,260
Other debtors	92,338	158,594
Prepayments and accrued income	86,468	100,985
	<u>£194,124</u>	<u>£264,839</u>

16. Creditors: Amounts falling due within one year Group

	2013 £	2012 £
Taxation and social security	174,010	169,337
Accruals and deferred income	431,571	207,337
	<u>£605,581</u>	<u>£376,674</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

16. Creditors: Amounts falling due within one year (continued)
Academy

	2013	2012
	£	£
Taxation and social security	174,010	169,337
Accruals and deferred income	407,753	204,837
	<u>£581,763</u>	<u>£374,174</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

Local Government Pension Scheme

Introduction

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £413,000 (2012: £306,000), of which employer's contributions totalled £310,000 (2012: £232,000) and employees' contributions totalled £103,000 (2012: £74,000). The agreed contribution rates for future years are 19.6 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

The estimated value of employer contributions for the year ended 31 August 2014 is approximately £310,000.

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

	At 31 Aug 2013	At 31 Aug 2012
	%	%
Discount rate	4.8	4.6
Expected return on scheme assets	5.7	5.3
Rate of increase in salaries	4.3	4.2
Rate of increase in pensions payment	2.5	2.4
Inflation	2.5	2.4

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

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

	At 31 August 2013	At 31 August 2012
Retiring today		
Males	19.8	22.7
Females	23.9	25.4
Retiring in 20 years		
Males	21.9	24.8
Females	25.8	27.4

Sensitivity analysis

	£000's
Adjustment to discount rate	+0.1%
Present value of total obligation	4,694
Projected service cost	270
Adjustment to mortality age rating assumption	+1 year
Present value of total obligation	4,895
Projected service cost	287
Adjustment to inflation rate	+0.1%
Present value of total obligation	4,926
Projected service cost	290

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

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£	%	£
Equities	7.0	658,000	7.0	296,000
Bonds	4.4	256,000	3.4	134,000
Property	7.0	27,000	7.0	18,000
Cash	0.5	6,000	0.5	3,000
Total market value of assets		947,000		451,000
Present value of scheme liabilities		(4,808,000)		(4,238,000)
Deficit in the scheme		(3,861,000)		(3,787,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

	2013 £	9 Month Period 2012 £
Current service cost (net of employee contributions)	280,000	181,000
Total operating charge	280,000	181,000

Analysis of pension finance income/(costs)

	2013 £	9 Month Period 2012 £
Expected return on pension scheme assets	34,000	12,000
Interest on pension liabilities	(207,000)	(134,000)
Pension finance income/(costs)	(173,000)	(122,000)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial losses recognised in the Statement of Financial Activities since the adoption of FRS 17 total £168,000 (2012: £237,000 loss).

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

	2013 £	9 Month Period 2012 £
At 1 September 2012	4,238,000	3,594,000
Current service cost	280,000	181,000
Interest on pension liabilities	207,000	134,000
Employee contributions	103,000	74,000
Actuarial gain/(loss)	–	251,000
Benefits/transfers paid	(20,000)	4,000
At 31 August 2013	4,808,000	4,238,000

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

17. Pensions and similar obligations *(continued)*

Movements in the fair value of the Academy's share of scheme assets:

	2013 £	2012 £
At 1 September 2012	451,000	115,000
Expected return on pension scheme assets	34,000	12,000
Actuarial gain/loss	69,000	14,000
Employer contributions	310,000	232,000
Employee contributions	103,000	74,000
Benefits/transfers paid	(20,000)	4,000
At 31 August 2013	947,000	451,000

Reconciliation of opening and closing deficit:

	2013 £	9 Month Period 2012 £
At 1 September 2012	(3,787,000)	(3,479,000)
Current service cost (net of employee contributions)	(280,000)	(181,000)
Employer contributions	310,000	232,000
Other finance income/(costs)	(173,000)	(122,000)
Actuarial gain/(loss)	69,000	(237,000)
Deficit at 31 August 2013	(3,861,000)	(3,787,000)

The history of experience adjustments is as follows:

	2013 £	2012 £
Present value of defined benefit obligations	(4,808,000)	(4,238,000)
Fair value of share of scheme assets	947,000	451,000
Deficit in the scheme	(3,861,000)	(3,787,000)
Experience adjustments on share of scheme assets Amount (£)	69,000	14,000
Experience adjustments on scheme liabilities Amount (£)	–	(251,000)

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2013

18. Commitments under operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as set out below.

Operating Leases

	2013 £	2012 £
Operating leases which expire:		
Within 2 to 5 years	<u>19,632</u>	<u>128,277</u>

19. Funds Group

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013
Restricted general funds						
General annual grant (GAG)	56,162	9,695,741	(8,955,093)	–	(312,643)	484,167
Other DfE/EFA grants	–	907,671	(907,671)	–	–	–
Pension reserve	(3,787,000)	–	(143,000)	69,000	–	(3,861,000)
Other restricted funds	380,613	147,046	(186,196)	–	–	341,463
	<u>(3,350,225)</u>	<u>10,750,458</u>	<u>(10,191,960)</u>	<u>69,000</u>	<u>(312,643)</u>	<u>(3,035,370)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	28,421	260,387	(5,144)	–	–	283,664
Capital expenditure from GAG	318,046	–	(11,233)	–	312,643	619,456
Assets brought forward	15,761,618	–	(280,735)	–	–	15,480,883
	<u>16,108,085</u>	<u>260,387</u>	<u>(297,112)</u>	<u>–</u>	<u>312,643</u>	<u>16,384,003</u>
Total restricted funds	<u>12,757,860</u>	<u>11,010,845</u>	<u>(10,489,072)</u>	<u>69,000</u>	<u>–</u>	<u>13,348,633</u>
Unrestricted funds						
General unrestricted funds	24,409	556,706	(432,124)	–	–	148,991
Total unrestricted funds	<u>24,409</u>	<u>556,706</u>	<u>(432,124)</u>	<u>–</u>	<u>–</u>	<u>148,991</u>
Total funds	<u>12,782,269</u>	<u>11,567,551</u>	<u>(10,921,196)</u>	<u>69,000</u>	<u>–</u>	<u>13,497,624</u>

Retained by Academy £13,439,810
Retained by Subsidiary £57,814

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

19. Funds *(continued)* Academy

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013
Restricted general funds						
General annual grant (GAG)	59,281	9,695,741	(8,952,093)	–	(287,578)	515,351
Other DfE/EFA grants	–	907,671	(907,671)	–	–	–
Pension	(3,787,000)	–	(143,000)	69,000	–	(3,861,000)
Other restricted funds	379,995	147,046	(186,196)	–	–	340,845
	<u>(3,347,724)</u>	<u>10,750,458</u>	<u>(10,188,960)</u>	<u>69,000</u>	<u>(287,578)</u>	<u>(3,004,804)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	28,423	260,387	(3,381)	–	–	285,429
Capital expenditure from GAG	318,066	–	(11,233)	–	287,578	594,411
Assets brought forward	15,756,074	–	(280,735)	–	–	15,475,339
	<u>16,102,563</u>	<u>260,387</u>	<u>(295,349)</u>	<u>–</u>	<u>287,578</u>	<u>16,355,179</u>
Total restricted funds	<u>12,754,839</u>	<u>11,010,845</u>	<u>(10,484,309)</u>	<u>69,000</u>	<u>–</u>	<u>13,350,375</u>
Unrestricted funds						
General unrestricted funds	13,853	251,278	(175,696)	–	–	89,435
Total unrestricted funds	<u>13,853</u>	<u>251,278</u>	<u>(175,696)</u>	<u>–</u>	<u>–</u>	<u>89,435</u>
Total funds	<u>12,768,692</u>	<u>11,262,123</u>	<u>(10,660,005)</u>	<u>69,000</u>	<u>–</u>	<u>13,439,810</u>

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the local authority following the transfer of the land and buildings.

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

20. Analysis of net assets between funds Group

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	16,384,003	16,384,003
Current assets	166,464	1,413,738	–	1,580,202
Current liabilities	(17,473)	(588,108)	–	(605,581)
Pension scheme liability	–	(3,861,000)	–	(3,861,000)
	<u>148,991</u>	<u>(3,035,370)</u>	<u>16,384,003</u>	<u>13,497,624</u>

Academy

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	16,355,179	16,355,179
Investment	1	–	–	1
Current assets	123,708	1,403,685	–	1,527,393
Current liabilities	(34,274)	(547,489)	–	(581,763)
Pension scheme liability	–	(3,861,000)	–	(3,861,000)
	<u>89,435</u>	<u>(3,004,804)</u>	<u>16,355,179</u>	<u>13,439,810</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

21. Conversion to an Academy Trust

On 1 December 2011 the Featherstone High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy from the London Borough of Ealing for £nil consideration.

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

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

Group

	Unrestricted funds	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	–	–	67,478	67,478
Other tangible fixed assets	–	–	67,478	67,478
Leasehold property on conversion	–	–	15,880,000	15,880,000
Budget surplus on Ealing funds	23,573	360,602	–	384,175
LGPS pension deficit	–	(3,479,000)	–	(3,479,000)
Net assets/(liabilities)	<u>23,573</u>	<u>(3,118,398)</u>	<u>15,947,478</u>	<u>12,852,653</u>

The above net assets include £384,175 that was transferred as cash.

Academy

	Unrestricted funds	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	–	–	60,852	60,852
Other tangible fixed assets	–	–	60,852	60,852
Leasehold property on conversion	–	–	15,880,000	15,880,000
Budget surplus on Ealing funds	–	360,602	–	360,602
LGPS pension deficit	–	(3,479,000)	–	(3,479,000)
Net assets/(liabilities)	<u>–</u>	<u>(3,118,398)</u>	<u>15,940,852</u>	<u>12,822,454</u>

The above net (assets/liabilities) include £360,602 that was transferred as cash.

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

22. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. None of the governors have received any benefit from any arrangements during the period. The following related party transactions were identified during the period to 31 August 2013:

During the year the Academy paid £29,345 (2012: £10,188) to EBSI (UK) Limited, a business which is related to a teacher's wife, for work experience services.

During the year the Academy paid £3,320 (2012: £2,513) to Simply Scrummy Limited, a business which is related to a teacher's wife, for catering services.

During the year the Academy paid £nil (2012: £12,975) to The Everything Garden Company, a business which is related to the caretaker's brother, for grounds maintenance.

During the year the Academy paid £1,491 (2012: £nil) to Kallha Bros Building Merchants, a business which is owned by Mr Kewal Kallha who is a Governor, for building supplies.

23. Ultimate controlling party

There is no ultimate controlling party.

24. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

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

	2013 £	9 Month Period 2012 £
Net incoming resources before transfers	646,356	13,019,269
Depreciation	297,112	189,945
Fixed assets transferred from local authority on conversion	–	(15,947,478)
Pension transferred from local authority on conversion	–	3,479,000
Interest receivable	(1,724)	(838)
FRS 17 Pension cost less contributions payable	(30,000)	(51,000)
FRS 17 pension finance income	173,000	122,000
Decrease/(increase)in debtors	58,010	(243,330)
(Decrease)/increase in creditors	228,907	376,674
Net cash inflow from operating activities	1,371,661	944,242

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2013

26. Returns on investments and servicing of finance

	2013 £	9 Month Period 2012 £
Interest received	<u>1,724</u>	<u>838</u>

27. Capital expenditure

	2013 £	9 Month Period 2012 £
Purchase of tangible fixed assets	<u>(573,031)</u>	<u>(350,552)</u>
Net cash outflow from capital expenditure and financial investment	<u>(573,031)</u>	<u>(350,552)</u>

28. Analysis of changes in net funds

	1 Sep 12 £	Cash flows £	31 Aug 13 £
Cash in hand and at bank	594,528	800,354	1,394,882

29. Members' liability

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

30. Capital commitments

Before the Academy was formed it entered into various leases with the London Borough of Ealing that have subsequently been identified as finance leases.

As neither body was empowered to enter with such leases, the lease payments were stopped and the lessors were invited to collect their equipment. Following legal advice, the Governors do not believe any further payments should be made and no provision has been made for such payments in these accounts. The amount outstanding is £328,000.