

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Members

Mr Rabindara Nath Pathak, Chair^{1,2}
Mrs Fay Denise Haras-Gummer, Vice Chair^{1,2}
Mr Kewal Singh Kallha^{1,2}
Mrs Jane Sagoo

Trustees

Mr Syed Zahid Ali
Mr Davinder Kumar Anand
Mrs Saranjit Kaur Bangar
Mr Arif Hayat
Mrs Inder Prakash Kaur (appointed 18 September 2013)
Ms Jan Moorhouse^{1,2}
Mr Sunil Seewon Prayag^{1,2}
Mr Umesh Sharma
Mr Narinder Singh Shinhmar
Ms Apinder Sidhu
Ms Joy Spreadbury
Mrs Jyoti Subharwal
Mr Gerry Wadwa, Head Teacher & Accounting officer^{1,2}

¹ Member of Finance Committee

² Member of Audit Committee

Company registered number

07800029

Principal and registered office

11 Montague Way
Southall
Middlesex
Middlesex
UB2 5HF

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
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Administrative details (continued)

Company secretary

Mrs Harjinder Johal

Senior management 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
Kristen Bolt, Acting Assistant Headteacher
Alex McGhee, Associate Assistant Headteacher
Rachael Patricia Stribling, Associate Assistant Headteacher

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Featherstone High School (the Academy and the group) for the ended 31 August 2014. The Trustees confirm that the Annual Report and financial statements of the Academy and the group comply with the current statutory requirements, the requirements of the Academy and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for pupils aged 11 to 19 serving the catchment area in Southall. It has overall pupil capacity of 1600 with 11-16 capacity of 1200 and 16-19 capacity of 400. The academy had a roll of 1501 in the school census in May 2014 which consisted of 1196 pre 16 students and 305 post 16. In the latest census October 2014, pre 16 capacity has maximised to 1200 students with a further 340 students in the sixth form.

Structure, governance and management

a. 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 Trust.

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 year are included in the Reference and Administrative Details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,854.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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.

f. 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 2014 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.

g. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

h. 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.

Featherstone Sports Centre Limited had turnover of £334,273 and an excess of income over expenditure in the year of £48,493.

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

The Academy used Simply Scrummy (catering company) and EBSI (provision of work experience) during the year ended 31 August 2014. During the year, the Academy also employed two related parties to carry out duties at the sports centre and in reception. All of these transactions were on commercial terms.

Objectives and Activities

a. 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 2014 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

b. 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Academy Development Plan can also be seen for further information.

c. 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 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, £5,381 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. £4,767 has been passed on to the relevant charities as at 31 August 2014 and the balance after the year end.

d. 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.

Group Strategic Report

Achievements and performance

The Academy is in its third period of operation and whilst the % 5+ A*-C including English and Maths dropped to 50% (2013 = 61%, 2012 = 66%) most indicators reveal progression in terms of value added. Early release DfE figures show that there was a national fall in the 5 A*-C inc English & Maths measure of 7%. Schools serving disadvantaged areas with larger numbers of students on the C/D borderline have been disproportionately affected due to key contributing factors such as the change from modular to linear exams, reduction in contribution of coursework, removal of early entries. It should also be highlighted that the 2014 GCSE cohort was the lowest ability starting point we have had for 5 years and was very boy heavy (60% boys). It is always best to consider these starting points and make judgments about how far the children have travelled compared to similar schools nationally. 10 subjects exceeded 2013 national levels of progress and English and Maths both

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exceeded their top quartile progress targets (called FFT D). It is difficult to draw too many conclusions about our relative performance until the 2014 results for similar schools are released and analysed in the Raiseonline document in December 2014.

The governors are aware that the government has introduced a new performance measure which will be used from 2016 onwards. It is called the Progress 8 and Attainment 8. The Progress 8 measure is designed to encourage schools to offer a broad and balanced curriculum at KS4, and reward schools for the teaching of all their pupils equally. The new measure will be based on students' progress measured across eight subjects: English; mathematics (both carry a double weighting) three other English Baccalaureate (EBacc) subjects (sciences, computer science, geography, history and languages); and three further subjects, which can be from the range of EBacc subjects, or can be any other approved, high-value arts, academic, or vocational qualification. We reshaped our curriculum 2 years ago to reflect this measure and our current software package suggests a very positive performance against that measure of +0.7.

A big focus of the government at present is how well we are using Pupil Premium to raise achievement of disadvantaged children. For us this represents over 50% of our cohort. Our attainment gap was 6%, the national gap for this measure was 26.5%.

Furthermore, post 16 students saw a 98% A level or equivalent pass rate (2013 = 97%, 2012 = 94%) with 98% also achieving 3 or more A Level passes (2013 = 97%, 2012 = 95%).

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 continuous programme of holiday boosters which any underachieving students are requested to attend. In addition we operate a very focused programme of lesson observations, we are visited by consultants and undertake a rigorous comparison of value added results from entry to Key Stage 3 to GCSE and from GCSE to A Level.

Additionally, several teachers are engaged in Leadership Development courses and Master's Level research. We are the lead school in the LA for Leadership Development and provide support for this in a variety of ways e.g. full payment or subsidies for courses, paid study leave 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. Furthermore, we have been invited by the London Leadership Strategy to join a group of outstanding London schools to share best practice through a programme called Going 4 Great.

Our overall attendance is up by 0.5% from 95.4% (2012-13) to 95.9% 2013-14. This is above the Ealing average by 0.4%. The Local Authority benchmark analysis shows that we are graded as "very good and well above average" when compared with LA statistical neighbours achieving a Grade A* for comparisons with statistical neighbours with similar FSM. The number of Persistent Absentees has gone up for a 2nd successive year (3.1% 2012/13 to 4.2% 2013/14) and is a priority area for us.

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TRUSTEES' REPORT (continued)
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a. GOING CONCERN

After making appropriate enquiries, the board of trustees 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.

Financial review

a. KEY FINANCIAL 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 2014 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 period ended 31 August 2014, the excess of income over expenditure for the period was £1,024,525. At 31 August 2014 the net book value of fixed assets was £17,156,841 as shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The level of permanent and supply staff used during the year was 74% of overall revenue. This level of spend allows further investment into a rich and varied curriculum, an impressive IT infrastructure, the maintenance and development of a large site as well as the purchase of professional services. The governors are aware that the current volatile nature of funding requires the utmost importance to be placed on prudence and regular forecasting.

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. However the Academy pays an additional monthly lump sum due to a deficit upon conversion. The latest actuarial report highlights gains of £650,000 with overall liability reducing to £3,321,000 as at 31 August 2014.

b. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

As an Academy funded directly by the DfE, 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 and enable safeguarding against a reduction in funding. The Academy has strong internal control systems in place and chooses to have more than the 3 compulsory Responsible Officer visits per year to maintain clarity, transparency and confidence of all internal and external stakeholders.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

c. 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 continue to 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 increased again in September 2014 which continues to balance the situation.

The Academy Trust practices through its Board, namely the governing body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The governing body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the governing body collectively, whilst more minor risks are dealt with by the SLT.

d. 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 5% of the total budget (approximately £500,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Any additional reserves will be earmarked for future projects in line with the Academy Development Plan.

Restrictions on GAG carry forward balances have 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 on-going liabilities of the pension deficit as they fall due.

At 31 August 2014 the total funds comprised:

Unrestricted:		£185,271
Restricted:	Fixed asset funds	£17,156,841
	GAG	£820,603
	Pension reserve	(£3,321,000)
	Other	£330,433

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 26. The deficit can be met in the longer term from any combination of increased employer or employee contributions as mentioned previously, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the governors, and represent 0.2 month's worth of Academy expenditure. The aim of the governors is to increase this reserve to meet future working capital requirements.

e. MATERIAL INVESTMENTS POLICY

There are currently no Investments and no Investment Policy in place. Governors balance future funding with current requirements before making an informed decision on an annual basis. This will continue to be a standing agenda item on a periodic basis.

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TRUSTEES' REPORT (continued)
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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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the Group Strategic Report, was approved by order of the board of trustees, as the company directors, on 2/12/14 and signed on the board's behalf by:



Mr Rabindara Pathak
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, 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 board of trustees 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. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Rabindara Nath Pathak, Chair	2	4
Mrs Fay Denise Haras-Gummer, Vice Chair	4	4
Mr Kewal Singh Kallha	4	4
Mrs Jane Sagoo	2	4
Mr Syed Zahid Ali	3	4
Mr Davinder Kumar Anand	3	4
Mrs Saranjit Kaur Bangar	4	4
Mr Arif Hayat	2	4
Mrs Inder Prakash Kaur	4	4
Ms Jan Moorhouse	3	4
Mr Sunil Seewon Prayag	4	4
Mr Umesh Sharma	2	4
Mr Narinder Singh Shinhmar	4	4
Ms Apinder Sidhu	3	4
Ms Joy Spreadbury	4	4
Mrs Jyoti Subharwal	2	4
Mr Gerry Wadwa, Head Teacher & Accounting officer	4	4

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 2014. Items discussed at sub-committee meetings are then reported and ratified at the next Full Governing Body meeting.

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.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	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	2	5
Mrs Jan Moorhouse	4	5
Mr Gerry Wadwa (Headteacher)	5	5
Mr Shahbaz Haider (Business Manager)	5	5

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Featherstone High School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Centre for Education and Finance Committee as internal auditor.

The internal auditor'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 internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)


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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 3/12/14 and signed on its behalf, by:


Mr Rabindara Pathak
Chair of Trustees


Mr Gerry Wadwa
Accounting Officer

FEATHERSTONE HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Featherstone High School I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of trustees 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 (2013).

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



Mr Gerry Wadwa
Accounting Officer

Date: 12-12-14

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

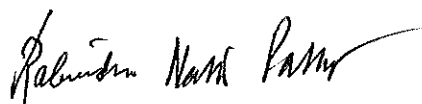
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees and signed on its behalf by:



Mr Rabinndara Pathak
Chair of Trustees

Date:

12th December 2014

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF FEATHERSTONE HIGH SCHOOL

We have audited the financial statements of Featherstone High School for the year ended 31 August 2014 which comprise the group Statement of Financial Activities, the group and Academy Balance Sheets, the group Cash Flow Statement 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy'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's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. 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 group's and the parent Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent charitable Academy's affairs as at 31 August 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF FEATHERSTONE HIGH SCHOOL

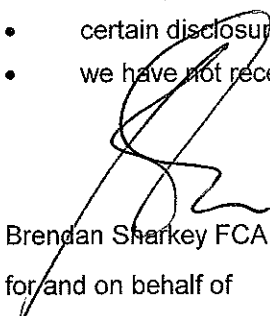
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Group Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Brendan Sharkey FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

Euro House,
1394 High Road
London

N20 9YZ

Date:

15th December 2014

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
FEATHERSTONE HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

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 to 2014, 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 1 September 2013 to 31 August 2014 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 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 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 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 2013, updated October 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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 to 2014 issued by 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'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;

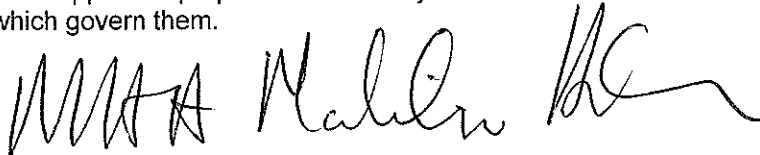
FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
FEATHERSTONE HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

- 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 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

Euro House,
1394 High Road
London
N20 9YZ

Date: 15th December 2014

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	5,381	-	5,381	9,927
Activities for generating funds	3	557,336	25,930	-	583,266	601,989
Investment income	4	2,059	-	-	2,059	1,724
Incoming resources from charitable activities	5	-	11,008,359	788,881	11,797,240	10,953,910
TOTAL INCOMING RESOURCES		559,395	11,039,670	788,881	12,387,946	11,567,550
RESOURCES EXPENDED						
Charitable activities	8	237,335	10,440,393	383,413	11,061,141	10,641,505
Governance costs	9	-	16,500	-	16,500	21,500
Other resources expended	6	285,780	-	-	285,780	258,191
TOTAL RESOURCES EXPENDED	7	523,115	10,456,893	383,413	11,363,421	10,921,196
NET INCOMING RESOURCES BEFORE TRANSFERS		36,280	582,777	405,468	1,024,525	646,354

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	18	-	(367,370)	367,370	-	-
NET INCOME FOR THE YEAR		36,280	215,407	772,838	1,024,525	646,354
Actuarial gains and losses on defined benefit pension schemes		-	650,000	-	650,000	69,000
NET MOVEMENT IN FUNDS FOR THE YEAR		36,280	865,407	772,838	1,674,525	715,354
Total funds at 1 September 2013		148,991	(3,035,371)	16,384,003	13,497,623	12,782,269
TOTAL FUNDS AT 31 AUGUST 2014		185,271	(2,169,964)	17,156,841	15,172,148	13,497,623

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

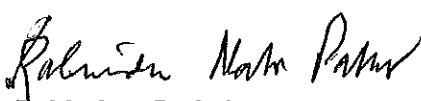
The notes on pages 25 to 47 form part of these financial statements.

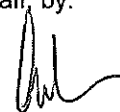
FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07800029

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		17,156,841		16,384,003
CURRENT ASSETS					
Debtors	16	315,671		185,320	
Cash at bank and in hand		1,436,493		1,394,882	
		<u>1,752,164</u>		<u>1,580,202</u>	
CREDITORS: amounts falling due within one year	17		<u>(415,857)</u>		<u>(605,582)</u>
NET CURRENT ASSETS			<u>1,336,307</u>		<u>974,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,493,148</u>		<u>17,358,623</u>
Defined benefit pension scheme liability	25		<u>(3,321,000)</u>		<u>(3,861,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>15,172,148</u>		<u>13,497,623</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	1,151,036		825,629	
Restricted fixed asset funds	18	17,156,841		16,384,003	
		<u>18,307,877</u>		<u>17,209,632</u>	
Restricted funds excluding pension liability			<u>18,307,877</u>		<u>17,209,632</u>
Pension reserve		<u>(3,321,000)</u>		<u>(3,861,000)</u>	
Total restricted funds			<u>14,986,877</u>		<u>13,348,632</u>
Unrestricted funds	18		<u>185,271</u>		<u>148,991</u>
TOTAL FUNDS			<u>15,172,148</u>		<u>13,497,623</u>

The financial statements were approved by the Trustees, and authorised for issue, on 3/12/14 and are signed on their behalf by:


Mr Rabindara Pathak
 Chair of Trustees


Mr Gerry Wadwa
 Accounting Officer


The notes on pages 25 to 47 form part of these financial statements.


FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07800029

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		17,121,513		16,355,179
Investments	15		1		1
			17,121,514		16,355,180
CURRENT ASSETS					
Debtors	16	315,671		194,124	
Cash at bank and in hand		1,395,009		1,333,269	
		1,710,680		1,527,393	
CREDITORS: amounts falling due within one year	17		(397,131)	(581,764)	
NET CURRENT ASSETS			1,313,549		945,629
TOTAL ASSETS LESS CURRENT LIABILITIES			18,435,063		17,300,809
Defined benefit pension scheme liability	25		(3,321,000)		(3,861,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			15,114,063		13,439,809
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	1,153,095		856,196	
Restricted fixed asset funds	18		17,121,513	16,355,179	
Restricted funds excluding pension asset			18,274,608	17,211,375	
Pension reserve			(3,321,000)	(3,861,000)	
Total restricted funds			14,953,608		13,350,375
Unrestricted funds	18		160,455		89,434
TOTAL FUNDS			15,114,063		13,439,809

The financial statements were approved by the Trustees, and authorised for issue, on 3/12/14 and are signed on their behalf, by:


Mr Rabindara Pathak
 Chair of Trustees


Mr Gerry Wadwa
 Accounting Officer

The notes on pages 25 to 47 form part of these financial statements.

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	1,195,802	1,371,660
Returns on investments and servicing of finance	20	2,059	1,724
Capital expenditure and financial investment	20	(1,156,250)	(573,030)
INCREASE IN CASH IN THE YEAR		41,611	800,354

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	41,611	800,354
MOVEMENT IN NET FUNDS IN THE YEAR	41,611	800,354
Net funds at 1 September 2013	1,394,882	594,528
NET FUNDS AT 31 AUGUST 2014	1,436,493	1,394,882

The notes on pages 25 to 47 form part of these financial statements.

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

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

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Going concern

The Trustees 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 Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

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

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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's policies.

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

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

1.4 Resources expended

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

Charitable activities are costs incurred in the Academy's educational operations.

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

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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 are 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:

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	50 years straight line method
Motor vehicles	-	4 years straight line method
Equipment	-	5 years straight line method
Computer equipment	-	4 years straight line method

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 Basis of consolidation

The financial statements consolidate the accounts of Featherstone High School and all of its subsidiary undertakings ('subsidiaries').

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

The consolidated Statement of Financial Activities is for the group as a whole. The income and expenditure account for the year dealt with in the accounts of the Academy was £1,626,032 (2013 - £668,297).

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

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

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Pensions

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 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 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 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.

1.11 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education.

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

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	5,381	5,381	9,927

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Academy rental income	70,145	-	70,145	76,104
Other income	12,165	25,930	38,095	59,173
Catering income	140,753	-	140,753	161,284
Sports centre rental income	334,273	-	334,273	305,428
	<u>557,336</u>	<u>25,930</u>	<u>583,266</u>	<u>601,989</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	2,059	-	2,059	1,724

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant	-	9,842,686	9,842,686	9,695,742
Pupil Premium	-	601,586	601,586	453,019
16 -18 Bursary	-	60,457	60,457	47,225
Devolved formula capital	-	12,410	12,410	12,249
EFA capital maintenance grant	-	776,471	776,471	248,137
	-	<u>11,293,610</u>	<u>11,293,610</u>	<u>10,456,372</u>
Other government grants				
Local authority SEN income	-	129,003	129,003	133,365
SSP Income	-	-	-	128,983
Other DfE/EFA grants	-	305,672	305,672	145,078
	-	<u>434,675</u>	<u>434,675</u>	<u>407,426</u>
Other funding				
Trip income	-	68,955	68,955	90,112
	-	<u>68,955</u>	<u>68,955</u>	<u>90,112</u>
	-	<u><u>11,797,240</u></u>	<u><u>11,797,240</u></u>	<u><u>10,953,910</u></u>

6. OTHER RESOURCES EXPENDED

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Sports centre costs	<u>285,780</u>	-	<u>285,780</u>	<u>258,191</u>

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7. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Direct costs	5,656,763	1,597,276	7,254,039	6,907,183
Support costs	2,535,761	1,271,341	3,807,102	3,734,322
Charitable activities	8,192,524	2,868,617	11,061,141	10,641,505
Governance	-	16,500	16,500	21,500
Other resources expended	-	285,780	285,780	258,191
	8,192,524	3,170,897	11,363,421	10,921,196

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8. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,641,924	4,522,490
National insurance	420,055	136,633
Pension cost	594,784	833,630
Depreciation	376,724	297,112
Staff costs	347,240	181,469
Educational supplies	666,291	432,592
Examination fees'	135,615	168,152
Staff development	43,112	43,698
Curriculum transport	28,294	44,263
	7,254,039	6,660,039
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,964,330	1,952,742
National insurance	131,827	355,061
Pension cost	439,604	415,932
Repairs and maintenance	235,654	278,700
Other occupational costs	54,801	46,033
Cleaning costs	17,523	21,029
Water and rates	61,781	68,678
Energy	210,154	208,322
Insurance	62,278	59,593
Security and transport	31,626	26,597
Special facilities	100,966	20,579
Catering	230,154	261,833
Other support costs	-	3,704
Administrative costs	116,851	91,426
Legal and professional costs	149,553	135,063
Advertising	-	36,174
	3,807,102	3,981,466
	11,061,141	10,641,505

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NOTES TO THE FINANCIAL STATEMENTS
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9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Accountancy fees	-	2,450	2,450	7,750
Audit fees	-	11,800	11,800	10,000
Responsible officer audit	-	2,250	2,250	3,750
	<u>-</u>	<u>16,500</u>	<u>16,500</u>	<u>21,500</u>

10. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charitable group	376,724	297,112
Auditors' remuneration	11,800	10,000
Accountancy fees	2,450	7,750
	<u>390,974</u>	<u>314,862</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	6,593,641	6,451,409
Social security costs	551,881	491,694
Other pension costs (Note 25)	1,034,388	1,249,563
	<u>8,179,910</u>	<u>8,192,666</u>
Supply teacher costs	347,240	181,469
Compensation payments	12,613	23,823
	<u>8,539,763</u>	<u>8,397,958</u>

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11. STAFF (continued)

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Teachers	95	94
Administration and support	80	80
Management	12	12
	<hr/> 187 <hr/>	<hr/> 186 <hr/>

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	6	8
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1
	<hr/> 10 <hr/>	<hr/> 10 <hr/>

Nine of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £93,269 (2013: £90,586). The other employee participated in the Local Government Pension Scheme and pension contributions for this member amounted to £11,271 (2013: £13,265).

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12. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' annualised remuneration fell within the following bands:

	2014	2013
	£'000	£'000
Salary Amounts - Mr Gerry Wadwa (Headteacher)	105-110	100-105
Governor 1	50-55	55-60
Governor 2	50-55	50-55
Governor 3	25-30	25-30
Pension Amounts - Mr Gerry Wadwa (Headteacher)	10-15	10-15
Governor 1	5-10	5-10
Governor 2	5-10	5-10
Governor 3	0-5	5-10

During the year, no Trustees received any reimbursement of expenses (2013 - £392).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees 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 2014 was £1,854 (2013 - £1,800). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. TANGIBLE FIXED ASSETS

Group	Leasehold property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2013	16,460,527	142,958	247,694	19,882	16,871,061
Additions	720,354	58,702	179,010	198,184	1,156,250
At 31 August 2014	<u>17,180,881</u>	<u>201,660</u>	<u>426,704</u>	<u>218,066</u>	<u>18,027,311</u>
Depreciation					
At 1 September 2013	398,478	18,473	70,107	-	487,058
Charge for the year	242,077	35,025	106,310	-	383,412
At 31 August 2014	<u>640,555</u>	<u>53,498</u>	<u>176,417</u>	<u>-</u>	<u>870,470</u>
Net book value					
At 31 August 2014	<u>16,540,326</u>	<u>148,162</u>	<u>250,287</u>	<u>218,066</u>	<u>17,156,841</u>
At 31 August 2013	<u>16,062,049</u>	<u>124,485</u>	<u>177,587</u>	<u>19,882</u>	<u>16,384,003</u>
Academy					
	Leasehold property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2013	16,452,077	119,717	247,694	19,882	16,839,370
Additions	720,354	44,772	179,010	198,184	1,142,320
At 31 August 2014	<u>17,172,431</u>	<u>164,489</u>	<u>426,704</u>	<u>218,066</u>	<u>17,981,690</u>
Depreciation					
At 1 September 2013	398,464	15,620	70,107	-	484,191
Charge for the year	241,908	27,768	106,310	-	375,986
At 31 August 2014	<u>640,372</u>	<u>43,388</u>	<u>176,417</u>	<u>-</u>	<u>860,177</u>
Net book value					
At 31 August 2014	<u>16,532,059</u>	<u>121,101</u>	<u>250,287</u>	<u>218,066</u>	<u>17,121,513</u>
At 31 August 2013	<u>16,053,613</u>	<u>104,097</u>	<u>177,587</u>	<u>19,882</u>	<u>16,355,179</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
Market value	
At 1 September 2013 and 31 August 2014	<u><u>1</u></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.

16. DEBTORS

	Group		Academy	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	20,886	15,318	20,886	15,318
Other debtors	209,455	83,534	209,455	92,338
Prepayments and accrued income	85,330	86,468	85,330	86,468
	315,671	185,320	315,671	194,124
	315,671	185,320	315,671	194,124

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NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS:
Amounts falling due within one year

	Group		Academy	
	2014	2013	2014	2013
	£	£	£	£
Other taxation and social security	170,987	174,010	170,987	174,010
Other creditors	244,870	431,572	226,144	407,754
	415,857	605,582	397,131	581,764

	Group		Academy	
	£		£	
Deferred income				
Deferred income at 1 September 2013		203,030		203,030
Resources deferred during the year		37,053		37,053
Amounts released from previous years		(203,030)		(203,030)
Deferred income at 31 August 2014		37,053		37,053

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General unrestricted funds	148,991	559,395	(523,115)	-	-	185,271
Restricted funds						
General Annual Grant (GAG)	484,167	9,842,686	(9,138,880)	(367,370)	-	820,603
Other DfE/EFA grants	-	832,326	(809,705)	-	-	22,621
Other restricted funds	341,462	364,658	(398,308)	-	-	307,812
Pension reserve	(3,861,000)	-	(110,000)	-	650,000	(3,321,000)
	<u>(3,035,371)</u>	<u>11,039,670</u>	<u>(10,456,893)</u>	<u>(367,370)</u>	<u>650,000</u>	<u>(2,169,964)</u>
Restricted fixed asset funds						
DfE/ EFA capital grant	283,664	788,881	-	-	-	1,072,545
Capital expenditure from GAG	619,456	-	-	367,370	-	986,826
Assets brought forward	15,480,883	-	(383,413)	-	-	15,097,470
	<u>16,384,003</u>	<u>788,881</u>	<u>(383,413)</u>	<u>367,370</u>	<u>-</u>	<u>17,156,841</u>
Total restricted funds	<u>13,348,632</u>	<u>11,828,551</u>	<u>(10,840,306)</u>	<u>-</u>	<u>650,000</u>	<u>14,986,877</u>
Total of funds	<u><u>13,497,623</u></u>	<u><u>12,387,946</u></u>	<u><u>(11,363,421)</u></u>	<u><u>-</u></u>	<u><u>650,000</u></u>	<u><u>15,172,148</u></u>

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

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

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium and other Local Authority funding for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. An amount of £3,479,000 was transferred to the Academy Trust in respect of the deficit on this pension scheme at the date of conversion to an Academy.

The transfer between the restricted funds and restricted fixed asset funds represents amounts capitalised

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

during the year.

The restricted fixed asset fund was funded predominately by the funds inherited on conversion from Ealing local authority.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before transfers	1,024,525	646,354
Returns on investments and servicing of finance	(2,059)	(1,724)
Depreciation of tangible fixed assets	383,412	297,112
(Increase)/decrease in debtors	(135,807)	58,011
(Decrease)/increase in creditors	(184,269)	228,907
FRS 17 Pension cost less contribution payable	(63,000)	(30,000)
FRS 17 pension finance	173,000	173,000
Net cash inflow from operations	1,195,802	1,371,660

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,059	1,724
	<u>2,059</u>	<u>1,724</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,156,250)	(573,030)
	<u>(1,156,250)</u>	<u>(573,030)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,394,882	41,611	-	1,436,493
Net funds	1,394,882	41,611	-	1,436,493

22. COMPANY LIMITED BY GUARANTEE

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

23. 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

24. CONTINGENT LIABILITIES

Before the former school, Featherstone High School, converted to an academy, the school had entered into various leases with the London Borough of Ealing. These leases have subsequently been identified as finance leases.

As neither the former school nor Featherstone academy were empowered to enter into such leases, the lease payments were suspended and the lessors were invited to collect their equipment, as agreed under the terms of the leases.

Following legal advice, the Governors do not consider any further payments should be made and no provision has been made for such payments in these accounts. The full contracted amount outstanding at 31 August 2014 were the lease agreements not deemed to be null and void is £328,000. This amount has not been included as a liability as the governors consider that the likelihood of having to make such a payment or any other penalty is remote.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 period ended 31 March 2004 and of the LGPS 31 March 2013.

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

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

The Teachers' Pensions Regulations require an annual 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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group 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 group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £464,000, of which employer's contributions totalled £353,000 and employees' contributions totalled £111,000. The agreed contribution rates for future years are 13.7% for employers and 5.5-12.5% for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

25. PENSION COMMITMENTS (continued)

The group's and academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	7.00	967,000	7.00	658,000
Bonds	3.80	375,000	4.40	256,000
Other	6.20	98,000	7.00	6,000
Cash	0.50	1,000	0.50	27,000
Total market value of assets		<u>1,441,000</u>		<u>947,000</u>
Present value of scheme liabilities		<u>(4,762,000)</u>		<u>(4,808,000)</u>
(Deficit)/surplus in the scheme		<u><u>(3,321,000)</u></u>		<u><u>(3,861,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(4,762,000)	(4,808,000)
Fair value of scheme assets	<u>1,441,000</u>	<u>947,000</u>
Net liability	<u><u>(3,321,000)</u></u>	<u><u>(3,861,000)</u></u>

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

	2014 £	2013 £
Current service cost	(290,000)	(280,000)
Interest on obligation	(240,000)	(207,000)
Expected return on scheme assets	<u>67,000</u>	<u>34,000</u>
Total	<u><u>(463,000)</u></u>	<u><u>(453,000)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	4,808,000	4,238,000
Current service cost	290,000	280,000
Interest cost	240,000	207,000
Employee contribution	111,000	103,000
Actuarial Gains	(677,000)	-
Benefits paid	(10,000)	(20,000)
	<u>4,762,000</u>	<u>4,808,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	947,000	451,000
Expected return on assets	67,000	34,000
Actuarial gains and (losses)	(27,000)	69,000
Contributions by employer	353,000	310,000
Contributions by employees	111,000	103,000
Benefits paid	(10,000)	(20,000)
	<u>1,441,000</u>	<u>947,000</u>

The cumulative amount of actuarial gains recognised in the Consolidated Statement of Financial Activities was £818,000 (2013: 168,000).

The group expects to contribute £389,000 to its Defined Benefit Pension Scheme in 2015.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.80 %
Expected return on scheme assets at 31 August	5.78 %	5.70 %
Rate of increase in salaries	3.95 %	4.30 %
Rate of increase for pensions in payment / inflation	2.20 %	2.50 %
Inflation assumption (CPI)	2.20 %	2.50 %

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.0	19.8
Females	24.8	23.9
Retiring in 20 years		
Males	23.8	21.9
Females	26.7	25.8

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014	2013	2012
	£	£	£
Defined benefit obligation	(4,762,000)	(4,808,000)	(4,238,000)
Scheme assets	1,441,000	947,000	451,000
Deficit	(3,321,000)	(3,861,000)	(3,787,000)
Experience adjustments on scheme liabilities	677,000	-	251,000
Experience adjustments on scheme assets	(27,000)	69,000	14,000

Sensitivity analysis

	£000's
Adjustment to discount rate	+0.1%
Present value of total obligation	3,191
Adjustment to CPI	+0.1%
Present value of total obligation	3,454
Adjustment to life expectancy	+1 year
Present value of total obligation	3,404

FEATHERSTONE HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

26. OPERATING LEASE COMMITMENTS

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2014	Other
	2014	2013		
Expiry date:	£	£	£	£
Between 2 and 5 years	-	-	7,362	19,632

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

Academy	Land and buildings		2014	Other
	2014	2013		
Expiry date:	£	£	£	£
Between 2 and 5 years	-	-	7,362	19,632

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has 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.

During the year the Academy paid £22,080 (2013: £29,345) to EBSI (UK) Limited, a business which is related to a teacher's wife, for work experience services.

During the year the Academy paid £400 (2013: £3,320) to Simply Scrummy Limited, a business which is related to a teacher's wife, for catering services.

During the year the Academy paid £nil (2013: £1,491) to Kallha Bros Building Merchants, a business which is owned by Mr Kewal Kallha who is a Governor, for building supplies.

All the above transactions were on an arms length basis and there were no outstanding balances at the year end in respect of the transactions, (2013: £nil).

Advantage is taken of FRS 8 exemption from disclosure of intra group transactions between the academy and it's subsidiary, Featherstone Sports Centre Limited.

28. CONTROLLING PARTY

There is no ultimate controlling party.

