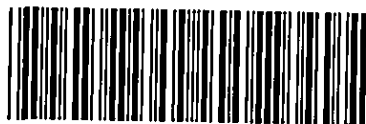


COMPANY REGISTRATION NUMBER 07800029

Featherstone High School
Company Limited by Guarantee
Financial Statements
31 August 2012

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COMPANIES HOUSE

MHA MACINTYRE HUDSON

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

Featherstone High School Company Limited by Guarantee

Financial Statements

Period ended 31 August 2012

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Featherstone High School Company Limited by Guarantee

Reference and Administrative Details

Governors (Trustees)	Appointed	Resigned
Ms Jennifer Adams	01/12/2011	
Mrs Saranjit Kaur Bangar	01/12/2011	
Mr Sudarshan Kumar Dhanda	01/12/2011	
Mrs Fay Denise Haras-Gummer*	01/12/2011	
Mr Kewal Singh Kallha*	01/12/2011	
Mr Rabindara Nath Pathak (Chairman)*	01/12/2011	
Mr Sunil Seewon Prayag*	01/12/2011	
Mrs Jane Sagoo*	01/12/2011	
Mr Umesh Sharma	01/12/2011	
Mr Narinder Singh Shinhmar	01/12/2011	
Ms Apinder Sidhu	01/12/2011	
Miss Rachael Patricia Stribling	01/12/2011	
Mr Gerry Wadwa* (Headteacher & Accounting Officer)	01/12/2011	
Ms Joy Spreadbury	24/01/2012	
Mr Syed Zahid Ali	19/01/2012	
Mr Gulu Anand	01/12/2011	
Ms Jan Moorhouse	01/12/2011	
Cllr Kamaljit Dhindsa		09/11/12

* Members of the Finance Committee

Company Secretary	
Mrs Harjinder Johal	01/12/2011

Senior Leadership Team	
Gerry Wadwa	Headteacher
Neil Bradford	Deputy Headteacher
Alison Lusuardi	Assistant Headteacher
Kamal Thacker	Assistant Headteacher
John Noel	Assistant Headteacher
Alka Patel	Assistant Headteacher
Alan Bate	Assistant Headteacher
Nicola Meston	Assistant Headteacher
Kate Johnson	Assistant Headteacher
Sapuran Gill (Left 13 April 2012)	Assistant Headteacher

Principal and Registered Office	Featherstone High School 11 Montague Waye Southall Middlesex UB2 5HF
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Company Registration Number	07800029
Date of Incorporation	06/10/2011
Date of Conversion to Academy Status	01/12/2011

Featherstone High School Company Limited by Guarantee

Reference and Administrative Details *(continued)*

Independent Auditor

MHA Macintyre Hudson
Euro House
1394 High Road
London
N20 9YZ

Bankers

Lloyds TSB
21-22 High Street
Uxbridge
UB8 1JD

Solicitors

Browne Jacobsen LLP
44 Castle Gate
Nottingham
NG1 7BJ

Featherstone High School Company Limited by Guarantee

Governors' Annual Report

Period ended 31 August 2012

The Governors present their annual report together with the audited financial statements of the Academy for the 9 months period ended 31 August 2012

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. It was incorporated on 6 October 2011 and opened as an Academy on 1 December 2011.

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 first accounting period of the Academy are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

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

Principal Activities

The conversion to Academy status was on 1 December 2011, at which point the entity's operations commenced. The principal object and activity of the Charitable Company is the operation of Featherstone High School, to provide education for pupils of different abilities between the ages of 11 and 19 with a specialism in Sciences and Sport. In addition, the Trust promotes for residents of Southall and adjacent areas sports facilities through its sports centre to improve the condition of life for those residents.

Method of Recruitment and Appointment or Election of Governors

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

The Governing Body comprises the Headteacher, 4 Parent Governors, 5 Community Governors, 3 Staff Governors, 3 Co-opted Governors and 1 Member's Governor. There is currently a vacancy for a Local Authority (LA) 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.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period ended 31 August 2012

Where necessary, other Governors are appointed after searching local community groups and businesses dependant on the person specification seen as needed. 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.

Where applicable, the LA Governor Services are contacted to advise of the LA vacancy within the Governing Body.

Policies and Procedures Adopted for the Induction and Training of Governors

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

Organisational Structure

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

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

The SLT for the period ended 31 August 2012 are the Headteacher, one Deputy Headteacher and 8 Assistant Headteachers. A restructure from 1 September 2012 has resulted in 1 Headteacher, 3 Deputy Headteachers, 5 Assistant Headteachers and 2 Associate Assistant Headteachers forming the SLT.

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

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in operational areas such as teaching, health and safety, bullying and school trips as well as those relating to the control of finance. They have introduced robust systems, including operational procedures such as the vetting of new staff (CRB 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. Where significant risk remains, they have ensured adequate insurance cover.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (continued)

Period ended 31 August 2012

Connected Organisations, including Related Party Relationships

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

The Academy also has a Featherstone School Sports Partnership (SSP) which exists to provide Physical Education lessons to schools in 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 Everything Garden Company (grounds maintenance), Simply Scrummy (catering company), EBSI (provision of work experience) during the period ended 31 August 2012. All these suppliers have related parties working at the Academy. However, no Governor had any beneficial interest in any contract with the Academy during the period. All transactions were on commercial terms.

Objectives and Activities

Objects and Aims

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

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

The main objectives of the Academy during the period ended 31 August 2012 are summarised below:

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

Objectives, Strategies and Activities

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

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

- Robust quality assurance processes which are transparent and inform all subsequent actions

Featherstone High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period ended 31 August 2012

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

The School Development Plan can also be seen for further information

Public Benefit

In setting the Academy objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions 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, £5,539 was collected as restricted charitable donations through a variety of activities including Children in Need, MacMillan Coffee Morning, Poppy Appeal, and so on. £3,761 has been passed on to the relevant charities as at 31 August 2012.

Equal opportunities policy

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

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

Achievements and Performance

The Academy is in its first period of operation and most indicators reveal an upward trend in performance and achievement. Examination results for 2012 were very pleasing on a number of measures. 96% of students achieved the equivalent of 5 GCSEs A*-C grade (2011 = 87%) and 66% of students achieved 5 A*-C including English and Mathematics (2011 = 53%). 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
- Is visited and scrutinised and supported by an independent Consultant Advisor
- Undertakes a rigorous review of attainment using RAISEONLINE and FFT to measure the progress of students paying particular regard to their achievement on entry and levels of progress secured

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

Additionally, several teachers are engaged in Master's Level research and we provide support for this in a variety of ways. All are allowed one day's paid study leave per year and we purchase resources when appropriate. Those

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (continued)

Period ended 31 August 2012

completing the Master's in Teaching and Learning with the Institute of Education have access to in school coaches and their tutor sessions are facilitated on site. All are given the opportunity to share their school based action research with the whole staff.

Going Concern

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

Financial Review

Financial Review and Key Performance Indicators

Most of the Academy's revenue is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The funding received during 9 months ended 31 August 2012 and the associated expenditure is 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. The buildings and other assets were transferred to the Academy upon conversion. The buildings were professionally valued on 7 June 2012. Other assets have been included in the Financial Statements at the best estimate, taking into account purchase price and useful life.

During the period ended 31 August 2012, the excess of income over expenditure in the period was £12,782,269 for the group and £12,768,692 for the Academy. The group has income in respect of fixed assets inherited on conversion, which amounted to £15,947,478. At 31 August 2012 the net book value of fixed assets for the group was £16,108,085 and £16,102,563 for the Academy, as shown in note 14 to the financial statements.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy is part of the London Borough of Ealing pooling scheme which allows the Academy to contribute a reduced rate than the rate calculated upon conversion for Employer Pension Contributions. An Actuarial Report upon conversion highlighted a deficit of £3,479,000. This inherited liability has increased to £3,787,000 as at 31 August 2012.

Financial and Risk Management Objectives and Policies

As an Academy funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in Government policy and funding levels. However the key risk is falling numbers on roll. The Governors have a risk management strategy which is managed and reviewed on a regular basis. Numbers on roll are reported to the Governing Body termly through the Headteachers Report. Governors are therefore kept fully aware of any trends in changes of numbers on roll and hence fully aware of any impending risk to financial health.

Cash flow is monitored weekly by the Academy and budgets presented to the Governors. The Academy has cash reserves which enable it to plan for future capital projects.

Featherstone High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period ended 31 August 2012

Principal Risks and Uncertainties

Featherstone High School is fully subscribed at entry level and main school numbers on roll are sustained year on year which currently represents a low risk. Sixth Form funding will reduce over the years due to it being brought in line with FE Colleges, hence this represents a risk of loss in funding. However Sixth Form numbers on roll have been increasing annually which has balanced the situation.

Reserves Policy

The Governors have agreed a new Reserves Policy for the school and will review this annually. The review encompasses the nature of income and expenditure streams and the need to match income with commitments. Demand on the Academy's reserves (restricted and unrestricted) will vary over the coming years. The Governors have determined that the appropriate level of in year contingency or 'reserves' should be a minimum 2% of the total budget (approximately £200,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of restricted reserves are £(3,347,724), after a pension deficit of £3,787,000.

The Academy's current level of unrestricted reserves are £13,853.

The Academy's current level of restricted fixed asset reserves are £16,102,563.

Restrictions on GAG carry forward balances have recently been removed, which means that the Academy is able to carry forward all surpluses at period 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 ongoing liabilities of the pension deficit as they fall due.

Investment Policy

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

Plans for Future Periods

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

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

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

Featherstone High School Company Limited by Guarantee

Governors' Annual Report (continued)

Period ended 31 August 2012

Statement of Governors' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in operation

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

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

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

Auditor

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 5-12-12 and signed on its behalf by

.....
Mr Rabindara Pathak 18-12-12
Chair of Governors

Featherstone High School Company Limited by Guarantee

Governance Statement

Period ended 31 August 2012

Scope of Responsibility

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

The Full Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Featherstone High School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Responsibilities. The Full Governing Body has formally met 3 times during the period ended 31 August 2012. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a possible
Ms Jennifer Adams	3	3
Mrs Saranjit Kaur Bangar	3	3
Mr Sudarshan Kumar Dhanda	3	3
Mrs Fay Denise Haras-Gummer (Vice Chair)	3	3
Mr Kewal Singh Kallha	3	3
Mr Rabindara Nath Pathak (Chairman)	2	3
Mr Sunil Seewon Prayag	3	3
Mrs Jane Sagoo	3	3
Mr Umesh Sharma	2	3
Mr Narinder Singh Shinhmar	3	3
Ms Apinder Sidhu	2	3
Miss Rachael Patricia Stribling	3	3
Mr Gerry Wadwa (Headteacher)	3	3
Ms Joy Spreadbury (Appointed 24 January 2012)	2	2
Mr Syed Zahid Ali (Appointed 19 January 2012)	2	2
Mr Gulu Anand (Appointed 1 December 2012)	2	2
Ms Jan Moorhouse (Appointed 1 December 2012)	2	2
Cllr Kamaljit Dhindsa	1	1
(Resigned at first Academy meeting 9 November 2011)		
Also Present.		
Alison Lusuardi	1	1
(attended July 2012 Meeting in Assistant Headteacher capacity)		

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 period ended 31 August 2012. Items discussed at sub-committee meetings are then reported and ratified at the next Full Governing Body meeting.

Featherstone High School Company Limited by Guarantee

Governance Statement *(continued)*

Period ended 31 August 2012

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

Governor	Meetings Attended	Out of a Possible
Mr Sunil Seewon Prayag (Chairman)	5	5
Mrs Fay Denise Haras-Gummer	5	5
Mr Kewal Singh Kallha	1	5
Mr Rabindara Nath Pathak	3	5
Mrs Jane Sagoo	4	5
Mr Gerry Wadwa (Headteacher)	5	5
Also Present:		
Mr Shahbaz Haider (Finance Manager)	5	5
Mr Sapuran Gill (Assistant Headteacher)	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Featherstone High School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific Internal Audit function and decided to appoint CEFM as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems on a termly basis. The RO reports to the Governing Body on the operation of the systems of control as well as making recommendations on improvement. CEFM have completed

Featherstone High School Company Limited by Guarantee

Governance Statement (*continued*)

Period ended 31 August 2012

their 3 visits in 2012 and the reports reflect positive work that has been carried out since conversion to Academy status

Review of Effectiveness


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

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

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

Approved by order of the members of the Governing Body on 5-12-12 and signed on its behalf by

 18-12-12
.....
Mr Rabindara Pathak
Chairman

 18/12/12
.....
Mr Gerry Wadwa
Accounting Officer

Featherstone High School Company Limited by Guarantee


Statement on Regularity, Propriety and Compliance

Period ended 31 August 2012

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

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

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


.....
Mr Gerry Wadwa
Accounting Officer

18/12/12

Featherstone High School Company Limited by Guarantee

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

Period ended 31 August 2012

We have audited the financial statements of Featherstone High School for the period ended 31 August 2012 which comprise the Group Statement of Financial Activities, the Group and Academy Trust's Balance Sheet, the Group Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2011/12 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

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

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 academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent's affairs as at 31 August 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Featherstone High School Company Limited by Guarantee

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

Period ended 31 August 2012

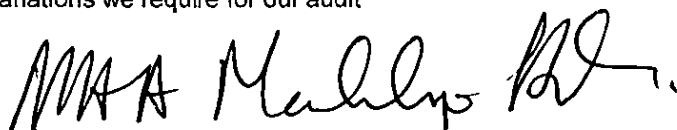
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial period for the 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

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



BRENDAN M 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

20 December 2012

Featherstone High School Company Limited by Guarantee

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

Period ended 31 August 2012

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 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Featherstone High School during the period 1 December 2012 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Featherstone High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Featherstone High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Featherstone High School and the EFA, for our work, for this report, or for the opinion 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 as published by the DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

Approach

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 December 2012 to 31 August 2012 has not been

**Featherstone High School
Company Limited by Guarantee**

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

Period ended 31 August 2012

applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



MHA MacIntyre Hudson
Chartered Accountants

Euro House
1394 High Road
London
N20 9YZ

20th December 2012 ,

Featherstone High School Company Limited by Guarantee

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

Period ended 31 August 2012

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	23,573	366,141	15,947,478	16,337,192
Activities for generating funds	3	259,222	55,549	—	314,771
Investment income	4	838	—	—	838
Funding for academy's educational operations	5	—	7,502,115	28,756	7,530,871
Other incoming resources	6	93,232	90,586	—	183,818
Total incoming resources		376,865	8,014,391	15,976,234	24,367,490
Resources expended					
Charitable activities	8	(155,334)	(10,791,570)	(188,841)	(11,135,745)
Expenses of trading company	8	(197,122)	—	(1,104)	(198,226)
Governance costs	9	—	(14,250)	—	(14,250)
Total resources expended		(352,456)	(10,805,820)	(189,945)	(11,348,221)
Net incoming resources before transfers	10	24,409	(2,791,429)	15,786,289	13,019,269
Transfer between funds		—	(321,796)	321,796	—
Net income for the period		24,409	(3,113,225)	16,108,085	13,019,269
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes		—	(237,000)	—	(237,000)
Net movement in funds		24,409	(3,350,225)	16,108,085	12,782,269
Reconciliation of funds					
Total funds brought forward		—	—	—	—
Total funds carried forward		24,409	(3,350,225)	16,108,085	12,782,269

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared

All of the academy trust's activities derive from acquisitions in the current financial period

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Featherstone High School Company Limited by Guarantee


Group Balance Sheet

31 August 2012

	Note	£	2012 £
Fixed assets			
Tangible assets	14		16,108,085
Current assets			
Debtors	16	243,330	
Cash at bank and in hand		594,528	
		<u>837,858</u>	
Creditors' amounts falling due within one year	17	(376,674)	
Net current assets			461,184
Total assets less current liabilities			<u>16,569,269</u>
Provisions for liabilities			
Pensions	18		(3,787,000)
Net assets			<u>£12,782,269</u>
Funds	20		
Restricted funds:			
Restricted fixed asset funds		16,108,085	
General funds		436,775	
Pension reserve	18	(3,787,000)	
Total restricted income funds			12,757,860
Unrestricted income funds			<u>24,409</u>
Total funds			<u>£12,782,269</u>

These financial statements were approved by the Governors, and authorised for issue on 5-12-12 and are signed on their behalf by

 18-12-12
Mr Rabinindra Pathak
Chair

 18/12/12
Mr Gerry Wadwa
Accounting Officer

Company Registration Number 07800029

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Featherstone High School Company Limited by Guarantee


Academy Balance Sheet

31 August 2012

	Note	£	2012 £
Fixed assets			
Tangible assets	14		16,102,563
Investment	15		1
Current assets			
Debtors	16	264,839	
Cash at bank and in hand		562,463	
		<u>827,302</u>	
Creditors: amounts falling due within one year	17	<u>(374,174)</u>	
Net current assets			453,128
Total assets less current liabilities			<u>16,555,692</u>
Provisions for liabilities			
Pensions	18		<u>(3,787,000)</u>
Net assets			<u>£12,768,692</u>
Funds	20		
Restricted funds			
Restricted fixed asset funds		16,102,563	
General funds		439,276	
Pension reserve	18	<u>(3,787,000)</u>	
Total restricted income funds			12,754,839
Unrestricted income funds			<u>13,853</u>
Total funds			<u>£12,768,692</u>

These financial statements were approved by the Governors, and authorised for issue on 5-12-12 and are signed on their behalf by

 18-12-12
Mr Rabinidara Pathak
Chair

 18/12/12
Mr Gerry Wadwa
Accounting Officer

Company Registration Number 07800029

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Group Cash Flow Statement

Period ended 31 August 2012

	Note	2012 £	£
Net cash inflow from operating activities	25		944,242
Returns on investments and servicing of finance	26		
Interest received		<u>838</u>	
Net cash inflow from returns on investments and servicing of finance			838
 Capital expenditure	 27		 (350,552)
Increase in cash			<u>£594,528</u>
 Analysis of changes in net funds			
	1 Dec 11 £	Cash flows £	31 Aug 12 £
Cash in hand and at bank	—	<u>594,528</u>	<u>594,528</u>

All of the cash flows are derived from acquisitions in the current financial period

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Featherstone High School Company Limited by Guarantee

Accounting Policies

Period ended 31 August 2012

Basis of Preparation

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

Consolidated Accounts

Consolidated accounts have been prepared for the Academy and its subsidiary, Featherstone Sports Centre Limited. The results of the subsidiary have been consolidated on a line by line basis. The unconsolidated result for the Academy would have been net incoming resources of £13,005,692, before the actuarial losses of £237,000. The Academy has taken advantage of section 403 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the Academy.

Incoming resources

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

Grants receivable

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

Donations

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

Grants receivable

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

Other income

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

Donated Services and Gifts in Kind

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

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

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

Resources Expended

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

Costs of generating funds

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

Charitable activities

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

Governance Costs

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

Investments

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

Fund Accounting

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

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

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

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Tangible Fixed Assets

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

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

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

Freehold buildings	50 Years
Long leasehold buildings	50 Years
Furniture and Equipment	5 Years
ICT equipment	4 Years
Motor Vehicles	4 Years

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

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

Leased Assets

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

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Pensions Benefits

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

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

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

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Taxation

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

Featherstone High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period ended 31 August 2012

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from the maintained school Featherstone High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Featherstone High School. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in voluntary income as a gift in kind / as net expenditure in other resources expended in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 22.

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements

Period ended 31 August 2012

1. General annual grant (GAG) - Academy

	2012 £
a. Results and Carry Forward for the Period	
GAG allocation for current period	7,073,771
Recurrent expenditure from GAG	(6,692,694)
Fixed assets purchased from GAG	(321,796)
GAG carried forward to next year	59,281
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(848,853)
GAG to surrender to DfE (12% rule breached if result is positive)	(789,572)
	no breach

2 Voluntary income Group

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Donations				
Donations	—	5,539	—	5,539
Transfer from Local Authority on conversion	23,573	360,602	15,947,478	16,331,653
	<u>23,573</u>	<u>366,141</u>	<u>15,947,478</u>	<u>16,337,192</u>

Academy

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Donations			
Donations	5,539	—	5,539
Transfer from Local Authority on conversion	360,602	15,940,852	16,301,454
	<u>366,141</u>	<u>15,940,852</u>	<u>16,306,993</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

3. Incoming resources from activities for generating funds Group

	Unrestricted Funds	Restricted Funds	Total Funds 2012
	£	£	£
Lettings income	253,739	–	253,739
Other income	5,483	55,549	61,032
	<u>259,222</u>	<u>55,549</u>	<u>314,771</u>

Academy

	Unrestricted Funds	Restricted Funds	Total Funds 2012
	£	£	£
Lettings income	69,635	–	69,635
Other income	5,483	55,549	61,032
	<u>75,118</u>	<u>55,549</u>	<u>130,667</u>

The following income and expenditure is included within the group figures and arises from the trading activities of the subsidiary

	£
Income	214,303
Expenditure	(200,726)
	<u>13,577</u>

4. Investment income Group and Academy

	Unrestricted Funds	Total Funds 2012
	£	£
Bank interest receivable	<u>838</u>	<u>838</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

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

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
EFA revenue grants			
General Annual Grant (GAG) (note 1)	7,073,771	–	7,073,771
Pupil Premium	258,104	–	258,104
SEN allocation	113,872	–	113,872
16-18 bursary	7,790	–	7,790
Devolved formula capital	–	28,756	28,756
	<u>7,453,537</u>	<u>28,756</u>	<u>7,482,293</u>
 Other income			
Trip income	48,578	–	48,578
	<u>48,578</u>	<u>–</u>	<u>48,578</u>
	<u>7,502,115</u>	<u>28,756</u>	<u>7,530,871</u>

6. Other incoming resources Group and Academy

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £
Catering income	93,232	–	93,232
Other grants and payments	–	90,586	90,586
	<u>93,232</u>	<u>90,586</u>	<u>183,818</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

7. Resources expended Group

	Staff costs £	Premises £	Other costs £	Total Funds 2012 £
Charitable activities:				
Direct costs	4,114,861	188,841	574,505	4,878,207
Support Costs	1,710,426	556,550	3,990,562	6,257,538
	<u>5,825,287</u>	<u>745,391</u>	<u>4,565,067</u>	<u>11,135,745</u>
Expenses of trading company	147,515	18,381	32,330	198,226
Governance costs including allocated support costs	–	–	14,250	14,250
	<u>5,972,802</u>	<u>763,772</u>	<u>4,611,647</u>	<u>11,348,221</u>

Academy

	Staff costs £	Premises £	Other costs £	Total Funds 2012 £
Charitable activities:				
Direct costs	4,114,861	188,841	574,505	4,878,207
Support Costs	1,710,426	556,550	3,990,562	6,257,538
	<u>5,825,287</u>	<u>745,391</u>	<u>4,565,067</u>	<u>11,135,745</u>
Governance costs including allocated support costs	–	–	11,750	11,750
	<u>5,825,287</u>	<u>745,391</u>	<u>4,576,817</u>	<u>11,147,495</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

8. Academy's educational operations Group and Academy

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
<i>Direct costs</i>				
Teaching & educational staff	–	4,114,861	–	4,114,861
Depreciation	–	–	188,841	188,841
Educational supplies	–	426,263	–	426,263
Examination fees	–	106,312	–	106,312
Staff development	–	18,029	–	18,029
Curriculum transport	–	23,901	–	23,901
	–	4,689,366	188,841	4,878,207
<i>Allocated support costs</i>				
Support staff costs	–	1,710,426	–	1,710,426
Repairs and maintenance	–	180,783	–	180,783
Energy	–	173,946	–	173,946
Cleaning costs	–	9,733	–	9,733
Insurance	–	44,259	–	44,259
Security	–	14,562	–	14,562
Catering costs	148,400	–	–	148,400
Bank and pension charges	–	122,617	–	122,617
Pension deficit on conversion	–	3,479,000	–	3,479,000
Other occupational costs	–	46,102	–	46,102
Facilities professional services	–	187,410	–	187,410
Administrative costs	–	82,949	–	82,949
Water and rates	–	50,417	–	50,417
Letting expenses	6,934	–	–	6,934
	155,334	6,102,204	–	6,257,538
	155,334	10,791,570	188,841	11,135,745
Expenses of trading subsidiary	197,122	–	1,104	198,226

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

9 Governance costs Group

	Restricted Funds	Total Funds 2012
	£	£
Accountancy fees	3,500	3,500
Audit fees	8,500	8,500
Responsible officer audit	2,250	2,250
	<u>14,250</u>	<u>14,250</u>

Governance costs (continued) Academy

	Restricted Funds	Total Funds 2012
	£	£
Accountancy fees	2,000	2,000
Audit fees	7,500	7,500
Responsible officer audit	2,250	2,250
	<u>11,750</u>	<u>11,750</u>

10 Net incoming/(outgoing) resources for the period Group

This is stated after charging

	2012 £
Staff pension contributions	591,546
Fees payable to auditor	
Audit	8,500
Accountancy	3,500
Depreciation	189,945

Academy

This is stated after charging

	2012 £
Staff pension contributions	576,144
Fees payable to auditor	
Audit	7,500
Accountancy	2,000
Depreciation	188,841

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

11. Staff costs and emoluments

	Group 2012 £	Academy 2012 £
Wages and salaries	4,839,486	4,714,836
Social security costs	409,943	402,480
Other pension costs	591,546	576,144
	<u>£5,840,975</u>	<u>£5,693,460</u>
Supply teacher costs	131,827	131,827
	<u>£5,972,802</u>	<u>£5,825,287</u>

Particulars of employees for the 9 month period:

	Group 2012	Academy 2012
The average number of employees during the period,		
Teachers	94	94
Administration and support	77	71
Management	10	10
	<u>181</u>	<u>175</u>

The number of employees whose remuneration for the 9 month period fell within the following bands, were

	9 months 2012
£60,000 to £69,999	1
£80,000 to £89,999	1
	<u>2</u>

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

12. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governor's remuneration, including pension contributions, in the 9 month period to 31 August 2012 was as follows

	9 months 2012 £
Mr G Wadwa (Principal)	£85k-£90K
Other staff governor 1	£45k-£50K
Other staff governor 2	£35k-£40K
Other staff governor 3	£20k-£25K

No expenses were paid to governors for the period to 31 August 2012

13. Governors' and officers' insurance

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

14. Tangible fixed assets Group

	Freehold property £	Equipment £	Computer equipment £	Total £
Cost				
Additions	206,278	53,299	90,975	350,552
Transfers	15,880,000	6,626	60,852	15,947,478
At 31 August 2012	<u>£16,086,278</u>	<u>£59,925</u>	<u>£151,827</u>	<u>£16,298,030</u>
Depreciation				
Charge for the period	168,095	3,297	18,553	189,945
At 31 August 2012	<u>£168,095</u>	<u>£3,297</u>	<u>£18,553</u>	<u>£189,945</u>
Net book value At 31 August 2012	<u>15,918,183</u>	<u>56,628</u>	<u>133,274</u>	<u>16,108,085</u>

Academy

	Freehold property £	Equipment £	Computer equipment £	Total £
Cost				
Additions	206,278	53,299	90,975	350,552
Transfers	15,880,000	–	60,852	15,940,852
At 31 August 2012	<u>£16,086,278</u>	<u>£53,299</u>	<u>£151,827</u>	<u>£16,291,404</u>
Depreciation				
Charge for the year	168,095	2,193	18,553	188,841
At 31 August 2012	<u>£168,095</u>	<u>£2,193</u>	<u>£18,553</u>	<u>£188,841</u>
Net book value At 31 August 2012	<u>15,918,183</u>	<u>51,106</u>	<u>133,274</u>	<u>16,102,563</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

15 Investments Academy

**2012
£**

Investments

£1

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 2012 £	Academy 2012 £
Trade debtors	5,260	5,260
Other debtors	137,085	158,594
Prepayments	100,985	100,985
	<u>£243,330</u>	<u>£264,839</u>

17. Creditors: Amounts falling due within one year

	Group 2012 £	Academy 2012 £
PAYE and social security	169,337	169,337
Accruals and deferred income	207,337	204,837
	<u>£376,674</u>	<u>£374,174</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

18. Pensions and similar obligations

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

As described below the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

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

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

18. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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

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

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

Scheme Changes

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

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

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

18. Pensions and similar obligations *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £306,000, of which employer's contributions totalled £232,000 and employees' contributions totalled £74,000. The agreed contribution rates for future years are 19.6% for employers and between 5.5-7.5% for employees.

Principal actuarial assumptions

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2012

18. Pensions and similar obligations *(continued)*

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

	At 31 August 2012
Retiring today	
Males	21.9
Females	24.7
Retiring in 20 years	
Males	23.7
Females	26.6

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

	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£
Equities	7.0	296,000
Bonds	3.4	134,000
Other	7.0	18,000
Cash	0.5	3,000
Total market value of assets		451,000
Present value of scheme liabilities - funded		(4,238,000)
Surplus/(deficit) in the scheme		(3,787,000)

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2012

18. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2012 £
Current service cost (net of employee contributions)	181,000
Total operating charge	181,000

Analysis of pension finance income/(costs)

	2012 £
Expected return on pension scheme assets	12,000
Interest on pension liabilities	(134,000)
Pension finance income/(costs)	(122,000)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS17 is a £237,000 loss.

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

	2012 £
On conversion	3,594,000
Current service cost	181,000
Interest on pension liabilities	134,000
Employee contributions	74,000
Actuarial gain/(loss)	251,000
Benefits/transfers paid	4,000
At 31 August 2012	4,238,000

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

	2012 £
On conversion	115,000
Expected return on pension scheme assets	12,000
Actuarial gain/loss	14,000
Employer contributions	232,000
Employee contributions	74,000
Benefits/transfers paid	4,000
At 31 August 2012	451,000

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

18. Pensions and similar obligations *(continued)* **Reconciliation of opening and closing deficit:**

	2012 £
Pension scheme liability transferred	(3,479,000)
Current service cost (net of employee contributions)	(181,000)
Employer contributions	232,000
Other finance income	(122,000)
Actuarial gain/(loss)	(237,000)
Deficit at 31 August 2012	<u>(3,787,000)</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £346,000

The five year history of experience adjustments is as follows:

	2012 £
Present value of defined benefit obligations	(4,238,000)
Fair value of share of scheme assets	451,000
Deficit in the scheme	<u>(3,787,000)</u>
Experience adjustments on share of scheme assets	£14,000
Experience adjustments on scheme liabilities	<u>£(251,000)</u>

19. Commitments under operating leases **Group and Academy**

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases on plant and equipment as set out below

	Operating leases £
Operating leases which expire.	
Within 2 to 5 years	<u>128,277</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

20 Funds Group

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2012
Restricted general funds					
General annual grant (GAG)	7,073,771	(6,695,813)	–	(321,796)	56,162
Other DfE/EFA grants	379,766	(379,766)	–	–	–
Pension reserve	–	(3,550,000)	(237,000)	–	(3,787,000)
Other restricted	560,854	(180,241)	–	–	380,613
	<u>8,014,391</u>	<u>(10,805,820)</u>	<u>(237,000)</u>	<u>(321,796)</u>	<u>(3,350,225)</u>
Restricted fixed asset funds					
DfE/EFA capital grant	28,756	(335)	–	–	28,421
Capital expenditure from GAG	–	(3,750)	–	321,796	318,046
Assets on conversion	15,947,478	(185,860)	–	–	15,761,618
	<u>15,976,234</u>	<u>(189,945)</u>	<u>–</u>	<u>321,796</u>	<u>16,108,085</u>
Total restricted funds	<u>23,990,625</u>	<u>(10,995,765)</u>	<u>(237,000)</u>	<u>–</u>	<u>12,757,860</u>
Unrestricted funds					
General unrestricted funds	376,865	(352,456)	–	–	24,409
Total unrestricted funds	<u>376,865</u>	<u>(352,456)</u>	<u>–</u>	<u>–</u>	<u>24,409</u>
Total funds	<u>24,367,490</u>	<u>(11,348,221)</u>	<u>(237,000)</u>	<u>–</u>	<u>12,782,269</u>
Retained by Academy:					12,768,692
Retained by subsidiary:					13,577

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

Academy

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2012
Restricted general funds					
General annual grant (GAG)	7,073,771	(6,692,694)	—	(321,796)	59,281
Other DfE/EFA grants	379,766	(379,766)	—	—	—
Pension reserve	—	(3,550,000)	(237,000)	—	(3,787,000)
Other restricted funds	560,854	(180,859)	—	—	379,995
	<u>8,014,391</u>	<u>(10,803,319)</u>	<u>(237,000)</u>	<u>(321,796)</u>	<u>(3,347,724)</u>
Restricted fixed asset funds					
DfE/EFA capital grant	28,756	(333)	—	—	28,423
Capital expenditure from GAG	—	(3,730)	—	321,796	318,066
Private sector capital sponsorship	15,940,852	(184,778)	—	—	15,756,074
	<u>15,969,608</u>	<u>(188,841)</u>	<u>—</u>	<u>321,796</u>	<u>16,102,563</u>
Total restricted funds	<u>23,983,999</u>	<u>(10,992,160)</u>	<u>(237,000)</u>	<u>—</u>	<u>12,754,839</u>
Unrestricted funds					
General unrestricted funds	169,188	(155,335)	—	—	13,853
Total unrestricted funds	<u>169,188</u>	<u>(155,335)</u>	<u>—</u>	<u>—</u>	<u>13,853</u>
Total funds	<u>24,153,187</u>	<u>(11,147,495)</u>	<u>(237,000)</u>	<u>—</u>	<u>12,768,692</u>

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

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

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

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

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

21. Analysis of net assets between funds

Group

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	16,108,085	16,108,085
Current assets	24,409	436,775	–	461,184
Pension scheme liability	–	(3,787,000)	–	(3,787,000)
	<u>24,409</u>	<u>(3,350,225)</u>	<u>16,108,085</u>	<u>12,782,269</u>

Academy

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	16,102,563	16,102,563
Current assets	13,853	439,276	–	453,129
Pension scheme liability	–	(3,787,000)	–	(3,787,000)
	<u>13,853</u>	<u>(3,347,724)</u>	<u>16,102,563</u>	<u>12,768,692</u>

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements (continued)

Period ended 31 August 2012

22. Conversion to an Academy Trust

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

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

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

Group

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

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

Academy

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

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

23. Ultimate controlling party
There is no ultimate controlling party

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

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

	2012
	£
Net incoming resources before transfers	13,019,269
Depreciation	189,945
Fixed assets transferred from local authority on conversion	(15,947,478)
Pension transferred from local authority on conversion	3,479,000
Interest receivable	(838)
FRS 17 Pension cost less contributions payable	(51,000)
FRS 17 pension finance income	122,000
Decrease/(increase) in debtors	(243,330)
(Decrease)/increase in creditors	376,674
Net cash inflow from operating activities	<u>944,242</u>

26. Returns on investments and servicing of finance

	2012
	£
Interest received	<u>838</u>

27. Analysis of changes in net debt

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

28. Members' liability

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

29. Related party transactions

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

Featherstone High School Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period ended 31 August 2012

regulations and normal procurement procedures. None of the governors have received any benefit from any arrangements during the period. The following related party transactions were identified during the period to 31 August 2012:

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

During the period the Academy paid £2,513 to Simply Scrummy Limited, a business which is related to a teacher's wife, for catering services.

During the period the Academy paid £12,975 to The Everything Garden Company, a business which is related to the caretaker's brother, for grounds maintenance.