

Registered number: 07697587

FEVERSHAM COLLEGE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

FEVERSHAM COLLEGE

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Members, Directors and Advisers	1 - 2
Directors' Report	3 - 9
Governance Statement	10 - 13
Statement on Regularity, Propriety and Compliance	14
Directors' Responsibilities Statement	15
Independent Auditors' Report	16 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Consolidated Statement of Financial Activities	20
Consolidated Balance Sheet	21
Academy trust Balance Sheet	22
Consolidated Cash Flow Statement	23
Notes to the Financial Statements	24 - 41

FEVERSHAM COLLEGE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

DK Awan
S Azam
G Murtaza
G Rehman

Directors

AJ Haider, Chair¹
A Khan, Vice Chair
CA Skelding, Head teacher¹
Y Akhtar, Staff Director¹
SR Awan
M Ayyaz
C Baaziz, Staff Director
A Hussain (appointed 1 September 2014, resigned 1 September 2015)
J Khan¹
MK Khan¹
MP Khan¹
R Khan
K Mahmood
B Mohammed
M Mushtaq
JS Scatchard, Staff Director

¹ Audit, Policy & Finance Committee

Company registered number

07697587

Principal and registered office

158 Cliffe Road
Undercliffe
Bradford
West Yorkshire
BD3 0LT

FEVERSHAM COLLEGE

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Company secretary

L Murphy

Senior leaders

C Skelding, Head teacher
R Shafquat, Deputy Head Curriculum
A Crawshaw, Deputy Head Teaching & Learning
L Murphy, Business Manager
R Naznine, Assistant Head Behaviour
R Noor, Assistant Head Student, Leadership & ITT
S Khan, Islamic Leader

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank
44 Queens Street
Morley
Leeds
LS27 9BR

Solicitors

Bond Dickinson LLP
One Trinity
Broad Chare
Newcastle
NE1 2HF

FEVERSHAM COLLEGE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The Directors present their annual report together with the consolidated financial statements and auditors' report of the charitable company and of the group for the period 1 September 2014 to 31 August 2015.

The annual report serves the purposes of both the trustees' report, and a directors' report under company law.

The trust operates a secondary academy in Bradford. The academy has a pupil capacity of 840 and had a roll of 720 in the school census on 1 October 2015. Feversham College increased its PAN with effect from September 2012 and now admits four forms of entry into each new Year 7. The phased growth will be completed in 2016 when all years from 7 to 11 will be full.

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 trust. The Directors of Feversham College are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Feversham College.

Details of the Directors who served during the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Directors' indemnities

The academy has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

Method of recruitment and appointment or election of Directors

The term of office for any Director shall be 4 years, save that this limit shall not apply to the Head teacher or any post held ex officio. Subject to remaining eligible to be a Director, any Director may be re-appointed or re-elected.

As clearly set out in the Articles of Association, where a vacancy for a Parent Director is required to be filled by election, the Board of Directors shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given the opportunity to do so.

The Board of Directors shall make all necessary arrangements for, and determine all matters relating to, the election of Staff Directors.

The Foundation Directors may be appointed by the Foundation.

The LA may appoint the LA Director.

The Directors may appoint up to 2 Co-opted Directors and the same criteria are applied. The academy also accepts the position that the Secretary of State, being dissatisfied with the work and progress of the Board of Directors, may appoint additional Directors.

FEVERSHAM COLLEGE

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of Directors

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

Organisational structure

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

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

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

Connected organisations, including related party relationships

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

Further details are stated in Note 25 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

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

FEVERSHAM COLLEGE

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2015 are summarised below:

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

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

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

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 19.

Public benefit

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Total students in the year ended 31 August 2015 numbered 675 and the Academy has a full complement in all year groups. The Academy has obtained agreement from the Department for Education to admit 95 students each year from September 2012, increasing to 120 with effect from September 2013.

Examination results for 2015 remained above national floor standards and significantly above the majority of Bradford schools. At post 16, candidates achieved an average of 784 points (750 in 2014). At GCSE 73% of the grades were A*-C (compared to 83% in 2014). The percentage of students achieving 5+ A*-C passes including English and Math was 63% (compared to 74% in 2014).

FEVERSHAM COLLEGE

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Going concern

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

Key financial performance indicators

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

<u>Key performance indicator</u>	<u>Financial Year 2014/15</u>
Year end cash reserves as a % of GAG income	30.29%
Teachers' pay as a % of GAG income	54.23%
Total staff pay as a % of GAG income	85.67%
Teachers' pay as a % of total revenue income	46.34%
Total staff pay as a % of total revenue income	73.19%
Total GAG income per pupil	£6,119
A*-C (including Maths and English)	63%

FINANCIAL REVIEW

Financial report for the year

Most of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the EFA. In accordance with The Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, the consolidated accounts show total expenditure of £4,844,000 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains/losses, and excluding restricted fixed asset funds) was £392,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives, or relating to the operation of Feversham First Steps Limited.

At 31 August 2015 the net book value of fixed assets of the academy was £17,858,000 and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The provisions of Financial Reporting Standard No.17 'Retirement Benefits' (FRS17) have been applied in full, resulting in a deficit of £511,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2015 of £18,592,000 comprising £17,767,000 of restricted funds and £825,000 of unrestricted funds.

The group held fund balances at 31 August 2015 of £18,592,000 comprising £17,608,000 of restricted funds and £984,000 of unrestricted funds.

FEVERSHAM COLLEGE

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Financial and risk management objectives and policies

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

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

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

Principal risks and uncertainties

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

- 1) Government Funding. The academy has considerable reliance on continued government funding through the EFA. In 2014/15 99% of the Academy's recurrent revenue was publically funded, this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same rate or on the same terms.
- 2) Pension Liabilities. The financial statements report the share of the pension scheme deficit on the academy's balance sheet in line with requirements of FRS 17. We will continue to carefully monitor the level of exposure to the pension fund deficit.
- 3) Minimise the risk of litigation. Leadership and Directors are highly focused on the need to ensure that the risks of litigation from employees, customers, suppliers, parents, students and other stakeholders are minimised in order to prevent reputational damage and financial loss.
- 4) Health and Safety compliance. Leadership and Directors are highly focused on the need to ensure risks of damage to property and persons are minimised by adhering to a robust Health and Safety policy and by calling on expert advice in the area where required.
- 5) Ensure ongoing cash solvency. Work closely with external auditors, internal audit checks and Audit, Policy & Finance Committee overview to ensure internal controls are in place to minimise the possibility of unexpected financial losses. They will be continued robust scrutiny of financial information to ensure due diligence in all aspects of financial planning and budgeting to include robust cash management and forecasting.

Reserves policy

The Directors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £390,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £984,000 which is sufficient. The academy intends to utilise surplus reserves over the next couple of years to support the expenses of conversion from a SAT to a MAT, including the increase in capacity of both teaching and back office provision in the short term. As the MAT develops a top slice mechanism will provide additional funding going forward.

FEVERSHAM COLLEGE

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy

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

PLANS FOR FUTURE PERIODS

Future developments

Compliance with national curriculum

The new National Curriculum, introduced in September 2014 will be further embedded across the college and influence the options for our KS4 students. Feversham College offer guidance and support, where appropriate, to prompt the best academic interests of our students and to also promote the spiritual, moral, cultural, mental and physical development of our students. The aim of Feversham College is to prepare our students for the opportunities, responsibilities and experiences of later life and to ensure that they are able to contribute fully to the wider British society.

Compliance with legislation

Schools and academies are required by law to follow the statutory guidance that applies to them. Feversham College, under the guidance of the Head teacher and experienced Directors of the academy, will aim to be compliant in all areas of statutory legislation including the following keys areas : SEND, Finance, Admissions, Equality, Curriculum, Governance and Safeguarding.

Pupil Assessment for learning

Assessment for learning is the process of seeking and interpreting evidence for use by learners and their teachers to decide where the learners are in their learning, where they need to go and how best to get there. Feversham College will work to ensure that every student knows how she is doing, every teacher is equipped to make informed decisions about their students attainment and understands the principles of progression.

Phased Growth

Feversham College has developed proven growth methodologies that will enable our college to continue to expand whilst ensuring the academy remains both attractive and relevant to the community that we serve. The academy, under the guidance from the Head teacher and the experience Directors will further embed the current outstanding education offered to all current students and for the new students that will help shape the future of our academy and that of any new free schools or academy sponsor schools that the Feversham Academy Trust will be responsible for in the future.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Directors are aware:

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

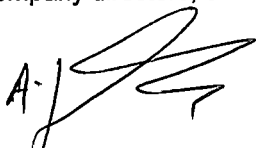
FEVERSHAM COLLEGE

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

AUDITORS

The auditors, Clive Owen LLP, have indicated their willingness to continue in office.

This report, incorporating the Group Strategic Report, was approved by order of the Board of Directors, as the company directors, on 7 December 2015 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'AJ Haider', written over a horizontal line.

**AJ Haider
Chair of Directors**

FEVERSHAM COLLEGE

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Directors has delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Feversham College and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Director	Meetings attended	Out of a possible
AJ Haider, Chair	3	4
A Khan, Vice Chair	3	4
CA Skelding, Head teacher	4	4
Y Akhtar, Staff Director	4	4
SR Awan	0	4
M Ayyaz	3	4
C Baaziz, Staff Director	0	4
A Hussain	0	4
J Khan	3	4
MK Khan	2	4
MP Khan	3	4
R Khan	1	4
K Mahmood	1	4
B Mohammed	1	4
M Mushtaq	1	4
JS Scatchard, Staff Director	4	4

Governance reviews:

Director Review:

All future Directors shall be appointed or elected, as the case may be, under the articles of association and funding agreement. The academy trust will aim to retain/recruit the following Directors:

- Parent Directors
- Staff Directors
- Additional Directors, as deemed necessary by the SOS, under the relevant clauses of the articles of association. The Head teacher shall be treated for all purposes as being an ex officio Director.

Training and induction provided for new Directors will be dependent upon their existing experience but will always include a tour of the academy and an opportunity to meet with staff and other Directors. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other relevant documents needed to ensure that they are able to discharge their duties. Induction for new Directors is normally conducted in an informal way, tailored specifically to the individual. Training providers, including the Local Authority are bought in as and when required. All Directors are DBS checked on appointment. A Directors skills analysis aims to highlight any gaps in appropriate governance linked to key areas of the academy. Regular reviews take place.

The Audit, Policy and Finance Committee is a sub-committee of the main Board of Directors. Its purpose is to ensure Feversham College remains a going concern to enable the delivery of an outstanding education for pupils aged 11-19.

FEVERSHAM COLLEGE

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
AJ Haider	2	2
CA Skelding	2	2
Y Akhtar	2	2
J Khan	0	2
MK Khan	1	2
MP Khan	0	2

REVIEW OF VALUE FOR MONEY

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

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

- **Raising Student Achievement**
This is demonstrated by the continued upward trend in exam results, with the 2014/15 academic continuing to be above National expectations. For further information please refer to the Academy web site

<http://www.fevershamcollege.com/exam-results.php>

- **GCSE**
GCSE results were above National floor targets with 63% of students achieving 5 A*-C including English and Maths. 99% of students achieved any 5 or more A*-G grades.

Feversham College has development and fully embedded a student tracking system for individuals that track levels of progress from key stage 2 through to Post 16. Feversham College also tracks attendance and behaviour of all pupils, with attendance being consistently above national expectations.

Feversham College will ensure that where possible additional needs of individual pupils will be met and appropriate resources (staff and equipment) will be made available such as one to one support or stretch and challenge for the more able pupils.

- **Robust governance and financial oversight**
Feversham College has a dedicated Audit, Policy & Finance committee, who are responsible for determining the school's financial priorities linking this to the long term vision, the College Improvement Plan and directions given by the Full Board of Directors.