

Registered number: 07697587 (England and Wales)

FEVERSHAM EDUCATION TRUST
(formerly known as Feversham College)
(A Company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

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FEVERSHAM EDUCATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

DK Awan
S Azam
M Khan (appointed 1 December 2015)
G Murtaza
G Rehman

Directors

AJ Haider, Chairman¹
C A Skelding, Head teacher¹
S R Awan (resigned 18 February 2016)
Y Akhtar, Staff Director (resigned 18 February 2016)¹
M Ayyaz (resigned 18 February 2016)
C Baaziz, Staff Director (resigned 18 February 2016)
A Hubbard (appointed 18 February 2016)
A Khan (resigned 18 February 2016)
J Khan¹
M K Khan¹
M P Khan (resigned 18 February 2016)¹
R Khan (resigned 18 February 2016)
K Mahmood (resigned 18 February 2016)
L Murphy, Staff Director (appointed 18 February 2016)
B Mohammed (resigned 18 February 2016)
P Menham (appointed 18 February 2016)
M Mushtaq (resigned 29 October 2015)
J S Scatchard, Staff Director (resigned 18 February 2016)

¹ Audit, Policy & Finance Committee

On conversion to Multi Academy Trust status a revised structure consisting of the Board of Directors and Local Governing Bodies was introduced. As a result a number of Directors resigned but remain on the Local Governing Body.

Membership of the Local Governing Body for Feversham College from 18 February 2016 was as follows:

AJ Haider, Chairman
C A Skelding, Head teacher
S R Awan
Y Akhtar
M Ayyaz
C Baaziz
A Khan
J Khan
M K Khan
M P Khan
R Khan
K Mahmood
B Mohammed
J S Scatchard

Company registered number

07697587

FEVERSHAM EDUCATION TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, DIRECTORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Company name

Feversham Education Trust

Principal and registered office

158 Cliffe Road
Undercliffe
Bradford
West Yorkshire
BD3 0LT

Company secretary

L Murphy

Senior leaders (Feversham College)

C Skelding, Headteacher
R Shafquat, Deputy Head Curriculum
R Naznine, Deputy Head Teaching & Learning
S Muneer, Deputy Head
L Murphy, Business Manager
R Noor, Assistant Head Student, Leadership & ITT
J Abbott, Assistant Head Behaviour
S Khan, Strategic Leader RE/IE

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

Browne Jacobson
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the financial statements and auditor's report of the charitable company and the group for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Directors' Report, and a Directors' report under company law.

The trust operates a secondary academy in Bradford - Feversham College. The academy has a pupil capacity of 840 and had a roll of 755 in the school census on 1 October 2016. 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 2017 when all years from 7 to 11 will be full.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of the charitable company is to advance for the public benefit education in the United Kingdom. To this end, in the period the principal activity was 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.

Objectives, strategies and activities

The main objectives of the academy trust during the year ended 31 August 2016 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 trust's business in accordance with the highest standards of integrity, probity and openness.

The academy trust's main strategy is encompassed in its mission statement which is 'To provide the best quality of education for all our learners within a secure learning environment'. To this end the activities provided include:

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

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

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES (CONTINUED)

Public benefit

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Total students in the year ended 31 August 2016 numbered 721 and the academy has a full complement in all year groups. The academy 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 2016 remained significantly above national floor standards and national averages. At GCSE the percentage of students achieving 5+A*-C passes (including English & Maths) was 73%, which compares favourably with the comparable cohort in 2014.

At post 16, there was an overall decrease in the average point score per entry to 752 points (784 in 2015). However, the average point score per pupil at A level increased and as can be seen below is now in line with the national average.

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 (Academy)</u>	<u>Financial Year 2015/16</u>	<u>Financial Year 2014/15</u>
Year end cash reserves as a % of GAG income	39.12%	30.29%
Teachers' pay as a % of GAG income	59.61%	54.23%
Total staff pay as a % of GAG income	90.32%	85.67%
Teachers' pay as a % of total revenue income	47.51%	46.34%
Total staff pay as a % of total revenue income	71.98%	73.19%
Total GAG income per pupil	£5,673	£6,119
A*-C (including Maths and English)	73%	63%

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

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.

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 2016 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 2016, the consolidated accounts show total expenditure of £5,079,000 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 £465,000.

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

At 31 August 2016 the net book value of fixed assets of the academy was £17,542,000 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 (FRS) 102 have been applied in full in respect of the LGPS, resulting in a deficit of £1,460,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2016 of £17,778,000 comprising £16,656,000 of restricted funds and £1,122,000 of unrestricted funds.

The group held fund balances at 31 August 2016 of £17,778,000 comprising £16,656,000 of restricted funds and £1,122,000 of unrestricted funds.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW (CONTINUED)

Financial and risk management objectives and policies

The academy trust has an embedded system of internal control, including financial, operational and risk management which is designed to protect the academy trust'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 trust.

A risk register is held by the academy trust, 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 trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Reserves policy

The Directors review the reserve levels of the academy trust 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 trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,122,000 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.

Principal risks and uncertainties

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

- 1) Government Funding. The academy trust has considerable reliance on continued government funding through the EFA. In 2015/16 99% of the academy trust'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 trust's balance sheet in line with requirements of FRS 102. 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.

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW (CONTINUED)

Investment policy

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

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

The charitable company is known as Feversham Education Trust.

During the period the name of the charitable company was changed from Feversham College to Feversham Education Trust.

Details of the Directors who served during the year 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.

Method of recruitment and appointment or election of Directors

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

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

Except for staff Directors, no other Directors receive remuneration for their services other than reasonable out of pocket expenses.

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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.

Pay policy for key management personnel

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

Organisational structure

During the year the academy trust continued to operate a unified management structure. The structure consists of four levels: the Directors, the Local Governing Bodies, 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 trust, capital expenditure and senior staff appointments.

The Senior Leaders are the Head teacher, three Deputy Head teachers, the Business manager, two assistant Head teachers and one Islamic Leader. These leaders control the academy trust 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.

The organisational structure will change in future periods to reflect the transition to a MAT and will be based on the following principles:

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

FEVERSHAM EDUCATION TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships

Feversham First Steps Limited is a wholly owned subsidiary of Feversham Education Trust.

Further details are stated in Note 24 to the Financial Statements.

Directors' indemnities

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

PLANS FOR FUTURE PERIODS

Multi academy Trust

The charitable company was granted multi academy trust status effective from 17 February 2016 and since the end of the accounting period Queensbury School has successfully transitioned into the academy trust.

The overriding aim of the academy trust is to provide the best quality of education for all within a secure leaning environment. Our sponsor academy status will see us actively seeking opportunities to work in partnership with additional primary and secondary schools to provide outstanding education to as wide a number of students as possible

Feversham Education Trust will be opening its first free school, Bradford Girls Academy, in September 2018.

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 Education Trust 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 Education Trust 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 Education Trust, under the guidance of the principal and experienced Directors, 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 Education Trust 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.

**FEVERSHAM EDUCATION TRUST
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**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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.

AUDITORS

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

This report was approved by order of the Board of Directors on 14 November 2016 and signed on its behalf by:


AJ Haider
Chair of Directors

FEVERSHAM EDUCATION TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Directors has delegated the day-to-day responsibility to the 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 Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. For the early part of the year the Board of Directors also acted as the Local Governing Body of Feversham College. On conversion to Multi Academy Trust status a number of Directors resigned from the Board but remained on the Local Governing Body of Feversham College. The Local Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Local Governing Body for Feversham College was as follows:

Director	Meetings attended	Out of a possible
AJ Haider	4	4
C A Skelding	4	4
S R Awan	3	4
Y Akhtar	3	4
M Ayyaz	3	4
C Baaziz	3	4
A Khan	3	4
J Khan	0	4
M K Khan	2	4
M P Khan	2	4
R Khan	0	4
K Mahmood	2	4
B Mohammed	1	4
M Mushtaq	1	1
J S Scatchard	3	4

During the year the structure of the Board of Directors and Governors has been reviewed and a new structure consisting of a Board of Directors and Local Governing Bodies was introduced to support the Multi Academy Trust.

The Board of Directors met once during the year. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
AJ Haider, Chairman	1	1
C A Skelding, Head teacher	1	1
A Hubbard	1	1
J Khan	0	1
M K Khan	1	1
P Menham	1	1
L Murphy	0	1