

FELTHAM COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

COMPANY REGISTRATION NUMBER:
07798639 (ENGLAND AND WALES)

FELTHAM COMMUNITY COLLEGE

FINANCIAL STATEMENTS

YEAR TO 31 AUGUST 2015

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FELTHAM COMMUNITY COLLEGE
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR TO 31 AUGUST 2015

Registered Charity Name	Feltham Community College
Company Registration Number	07798639 (England and Wales)
Principal and Registered Office	Feltham Community College Browells Lane Feltham Greater London TW13 7EF
Chairman of Governors	Nicolas Grant
Other Governors (all governors are members and trustees)	John Cadogan Victoria Eadie (Headteacher and Accounting Officer) Nicola Fisher Victoria Griffin (resigned 4 January 2015) Joanna Houghton (resigned 7 July 2015) Paul Jabbal Sureshkumar Kandangwa Harprit Sekhon Marjorie Semple (Responsible Officer) David Snaddon Susan Stone Charlotte Warner (appointed 24 March 2015) Karen West Penny Wilson
Company Secretary	Penny Davies
Chief Finance Officer	John Dixon
Independent Auditor	Day Smith & Hunter Batchworth House Batchworth Place Church Street Rickmansworth WD3 1JE
Bankers	HSBC Group Plc 8-14 Canada Square London E14 5HQ
Solicitors	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT

YEAR TO 31 AUGUST 2015

The Governors present their annual report together with the financial statements and auditor's report of Feltham Community College (the charitable company) for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 governors act as trustees and members for the charitable activities of Feltham Community College and are also the directors of the charitable company for the purposes of company law, these terms are used interchangeably throughout these financial statements. The charitable company is known as Feltham Community College.

Details of the governors who served throughout 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 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

In accordance with normal commercial practice the Academy has purchased Governors liability insurance to protect them from claims arising from negligent acts, errors or omissions occurring whilst acting in good faith on Academy business.

Principal Activities

The principal object and activity of the charitable company is the operation of Feltham Community College, to provide education for pupils of differing abilities between the ages of 11 and 19.

Method of Recruitment and Appointment or Election of Governors

The members of the academy trust comprise the signatories to the Memorandum, one person appointed by the Secretary of State (in the event that the Secretary of State appoints a person for this purpose), the Chair of Governors and the Headteacher.

The number of governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The academy trust shall have the following governors: up to one governor (appointed under Article 50 of the Articles of Association), up to one LA governor, six parent governors, up to two staff governors, up to four partnership governors, up to three community governors, the Head Teacher, any additional governors, up to one Co-opted governor. The Members may appoint up to one Governor save that no more than one third of the total number of individuals appointed as governors shall be employees of the academy trust (including the Head Teacher).

The term of office for any governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the governors held four meetings. The training and induction provided for new governors depends on their existing experience. All new governors are given a tour of the school and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure consists of three levels: the governors, Senior Leadership Team ("SLT"), Heads of Faculty/Departments and Year Achievement Co-ordinators. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors 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 SLT comprises the Headteacher, Deputy Headteachers and Assistant Headteachers. These leaders work in the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them. The SLT divides into two working groups: Aspirations and Wellbeing and Teaching for Learning. Each team is linked directly to named Governors who are "experts" in the working of that team. The SLT line manage Curriculum Faculty/department areas and Year Achievement Co-ordinators. SLT teams are responsible for the Academy's Self-Evaluation (SEF) and Academy's Development Plan.

The Academy has a strong middle leadership which includes, Heads of Faculty, Heads of Department and Achievement Coordinators. Budgets are allocated to Middle Leaders for them to manage.

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 are satisfied that systems and procedures are in place to mitigate the exposure to major risks.

Related Parties and other Connected Charities and Organisations

There were three related party organisations with which Feltham Community College conducted business;

- Metropolitan Construction - a company owned by the brother of the Chief Finance Officer, John Dixon
- AC Breeze - a company owned by the brother of a governor, David Snaddon
- West Thames College – a further and higher education college which has a governor in common and operates in partnership with Feltham Community College

All transactions with these related parties was conducted at arms length in accordance with the normal tendering procedures and were authorised by Victoria Eadie as Headteacher.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

Objectives and Activities

Objects and Aims

The charitable company's object is specifically restricted to the following:

- a. To advance, for the public benefit, education in the United Kingdom. In particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- b. To promote for the benefit of individuals living in Hounslow and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, Strategies and Activities

Feltham Community College (FCC) is an average sized mixed 11-19 Academy Trust with circa 920 students on roll. We have a high number of students with special educational needs and/or disabilities of whom 5% have statements of special educational needs. We have a physical disability centre as well as an autistic spectrum disorder unit and these students are fully integrated into the main school. In addition FCC works in partnership and co-location with The Rise, an Autistic Special Free School. Around 50% of students are from a minority ethnic background and 46% are on free school meals.

FCC was inspected by OFSTED 23-24th September 2014 and was judged as a 'Good' school overall and good in each category: Leadership and Management, Behaviour and Safety, Quality of Teaching, Achievement of Pupils and Sixth Form Provision. OFSTED gave the following key reasons for the school being judged as good:

- The headteacher is a tenacious leader who pursues an inspiring vision relentlessly.
- Governors share the headteacher's ambitions for the school and are increasingly adept in their support. They challenge the school's performance with rigour in almost all areas.
- A shared culture of outstanding care, compassion and ambition for all students permeates all areas of the school.
- Most groups of students make good progress, including those with special educational needs and those who speak English as an additional language.
- Students of all abilities make exceptional progress in English. The development of students' literacy is a significant strength across all subjects.
- Teaching in most subjects is good, and occasionally it is outstanding.
- Teachers are supported extremely well. The school provides them with excellent training and development opportunities.
- Students are keen to learn and their behaviour in and out of lessons is good. There is a tangible atmosphere of mutual respect between adults and students throughout the school.
- The sixth form is good. Skilled, incisive leadership is securing good achievement for all students in an atmosphere of aspirational ambition.
- The school has excellent arrangements to keep students safe.

It is not yet an outstanding school because

- Achievement in mathematics, whilst improving strongly, is not yet outstanding.
- Leaders have not done enough to develop students' numeracy skills across the curriculum.
- More able students do not make consistently good progress.
- Learning environments do not always contribute to students' learning

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

The **Sixth Form** was judged as being good. The continued rise in results has been described by OFSTED as likely to be sustained which would give a judgment of outstanding. The curriculum provides diverse and ambitious pathways for all students. Study programmes are bespoke to every learner and this skilled provision results in rapidly improving attainment and high retention levels with a success well above national average.

Students enjoy excellent careers education, advice and guidance. As a result, the proportion of students progressing on to higher education, including increasing numbers to the Russell Group universities, is at record levels. Students describe teaching in the Sixth Form as being 'top notch' and inspectors agree.

Feltham Community College is a vibrant, dynamic, energetic school. We are a centre of excellence for innovative pedagogical development with every member of our community engaging in reflection, leadership and learning. We ensure personalised learning opportunities in an active and creative environment which gives every student the maximum opportunity to succeed.

Public Benefit

The Trustees confirm that they have complied with the requirements of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission (<https://www.gov.uk/running-charity>) in determining the activities undertaken by the Charity.

This report makes clear that Feltham Community College complies with the Principles set out in the Charity Commission public benefit guidance.

There is no harm or detriment being incurred by pursuit of the charities aims.

Beneficiaries are members of the public and include women, men and children, and their communities (both faith and secular) in general. The beneficiaries are therefore appropriate to the aims.

The opportunities for benefit are not unreasonably restricted by geographical or other restrictions or by the ability to pay any fees charged.

People in poverty and low incomes are included in the opportunity to benefit.

There are no private benefits being incurred.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

Strategic Report

Achievements and Performance

Key Performance Indicators

The governors consider the level of 'revenue reserves' to be the key performance indicator of the company. This balance is the total of the restricted general reserves (less pension) and the unrestricted reserves, indicating the level of reserves carried forward with which the company can use to further its charitable goals. At the year end the level of revenue reserves is £662,092 (2014: £96,263). Management consider a revenue reserve figure above nil to be essential to the ongoing performance of the academy.

The key performance indicators are monitored against prior period performance and to the industry averages.

Going Concern

Most of the Academy's income is obtained from 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 excess of income over expenditure for the year was a £243,215 surplus (2014: £516,552 deficit) (before pension scheme adjustments).

At 31 August 2015 the net book value of fixed assets was £17,638,197 (2014: £17,726,811) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

After making appropriate enquiries, the board of trustees 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 Review

Reserves policy

The Academy's unrestricted general fund is its funds after excluding restricted funds. Free reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically unrestricted general reserves represent income to the Academy which is to be spent at the trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Academy's current level of unrestricted general reserves is £260,266 (2014: £36,364) as shown in note 16.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

Reserves policy (continued)

Demand on the Academy's restricted general reserves will vary over the coming years. The Academy's long term policy is that an appropriate level of reserves should be built up 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. In addition such a reserve can be used to help deal with fluctuations in income caused by changes in student numbers or fluctuations caused by changes to the funding formula.

The Academy's current level of restricted general reserves is £401,826 (2014: £59,899).

On conversion the academy inherited land, buildings and equipment from the local authority. This was included as a gifted income to the academy. The academy also receives funding for the explicit purpose of purchasing items of a capital nature. As this income should not be used to fund fluctuations in the funding income it is held separately from the restricted general reserves (see above) as restricted fixed asset reserves.

The Academy's current level of restricted fixed asset reserves is £17,638,197 (2014: £17,726,811).

Investment policy

The Governors have resolved to invest any funds available in a short term (no more than 3 months) low risk bank deposit account.

Principal Risk Uncertainties

The Academy is under subscribed at entry and main school numbers are declining. The Pupil Place Planning Committee of Hounslow project an increase in numbers for the next two years followed by a one year decline. After this the long forecast shows a shortage in secondary places. This does create a medium term risk but is managed by the Academy through robust staffing and curriculum planning and costings. Sixth Form numbers have increased which helps to mitigate the decrease in Sixth Form funding.

Plans for Future Years

The Academy 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 regard to employment or continuing in training or formal 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.

Funds held as Custodian Trustee of Behalf of Others

There are no asset or arrangements which are segregated or held under the safe custody of the trustees.

Auditor

Insofar as the governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Day Smith and Hunter will therefore continue in office.

FELTHAM COMMUNITY COLLEGE

GOVERNORS' REPORT (continued)

YEAR TO 31 AUGUST 2015

This Governors report, incorporating a strategic report, as set out on pages 2 to 8, was approved by order of the Board of Governors, as the company directors on 8th December 2015 and signed on its behalf by:

.....

Nicolas Grant
(Chair of Governors)

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT

YEAR TO 31 AUGUST 2015

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Feltham Community 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 governing body 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 Feltham Community College and the Secretary of State for Education. They are 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 Governors' Responsibilities. The governing body has formally met four times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor		Meetings attended	Out of a possible
John Cadogan		3	4
Victoria Eadie		4	4
Nicola Fisher		3	4
Nicolas Grant		3	4
Victoria Griffin	(resigned 4 January 2015)	2	2
Joanna Houghton	(resigned 7 July 2015)	2	4
Paul Jabbal		2	4
Sureshkumar Kandangwa		3	4
Harprit Sekhon		3	4
Marjorie Semple		2	4
David Snaddon		4	4
Susan Stone		3	4
Charlotte Warner	(appointed 24 March 2015)	2	2
Karen West		4	4
Penny Wilson		4	4

The Finance Committee is a sub-committee of the main governing body. Its purpose is to consider strategic financial issues on behalf of the Governing Body. It has a general role to advise the Headteacher on all matters relating to the finances of the Academy and to abide by the requirements and guidelines of the Education Funding Agency. It also has delegated authority from the Governing Body to authorise expenditure up to £100,000.

It was also agreed that the Finance Committee would take on the roles and responsibilities of an Audit Committee.

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (continued)

YEAR TO 31 AUGUST 2015

Governance (continued)

Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Victoria Eadie	4	4
Joanna Houghton	0	4
David Snaddon	4	4
Karen West	4	4
Penny Wilson	4	4

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 placed in Feltham Community College for the year to 31 August 2015 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 trust 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 trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The governors have appointed Marjorie Semple, a governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. In the year, the RO function has been fully achieved in accordance with the Education Funding Agency's requirements.

FELTHAM COMMUNITY COLLEGE

GOVERNANCE STATEMENT (continued)

YEAR TO 31 AUGUST 2015

Review of Effectiveness

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

- the work of the responsible officer (delegated to Day, Smith & Hunter);
- the work of the external auditor;
- the financial management and governance self-assessment process ; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 8th December 2015 and signed on its behalf by:

.....
Nicolas Grant
(Chair of Governors)

.....
Victoria Eadie
(Accounting Officer)

FELTHAM COMMUNITY COLLEGE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR TO 31 AUGUST 2015

As accounting officer of Feltham Community College I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for education. 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 trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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. If any instances are identified after the date of this statement, these will be notified to the governors and EFA.

.....
Victoria Eadie
(Accounting Officer)

8th December 2015

FELTHAM COMMUNITY COLLEGE

STATEMENT OF GOVERNORS' RESPONSIBILITIES

YEAR TO 31 AUGUST 2015

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

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

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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education Funding Agency/Department for Education 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 8th December 2015 and signed on its behalf by:

.....
Nicolas Grant
(Chair of Governors)

FELTHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNING BODY OF FELTHAM COMMUNITY COLLEGE

YEAR TO 31 AUGUST 2015

We have audited the financial statements of Feltham Community College for the year to 31 August 2015 on pages 18 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 charitable company'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA

FELTHAM COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE GOVERNING BODY OF FELTHAM COMMUNITY COLLEGE (continued)**

YEAR TO 31 AUGUST 2015

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report and Governance Statement for the financial year for which the financial statements are prepared are 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ALEXANDER J BELL FCA (Senior Statutory Auditor)

For and on behalf of
DAY, SMITH & HUNTER
Chartered Accountants
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire WD3 1JE

16th December 2015

FELTHAM COMMUNITY COLLEGE

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO FELTHAM COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY

YEAR TO 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 15 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Feltham Community College during the year to 31 August 2015 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 Feltham Community College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Feltham Community College 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 Feltham Community College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Feltham Community College's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Feltham Community College's funding agreement with the Secretary of State for Education dated 29 October 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the controls procedures in place to monitor and control income and expenditure
- a discussion with the Chief Finance Officer to substantiate any claims made by the Accounting Officer
- a review of the nominal ledger for any inappropriate expenses

FELTHAM COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO FELTHAM COMMUNITY COLLEGE
AND THE EDUCATION FUNDING AGENCY (continued)**

YEAR TO 31 AUGUST 2015

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

ALEXANDER J BELL FCA (Senior Statutory Auditor)

For and on behalf of
DAY, SMITH & HUNTER
Chartered Accountants
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire WD3 1JE

16th December 2015

FELTHAM COMMUNITY COLLEGE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR TO 31 AUGUST 2015

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	53,025	21,741	74,766	249,645
Activities for generating funds	3	298,268	-	-	298,268	294,254
Investment income	4	674	-	-	674	578
Incoming resources from charitable activities:						
Funding for the academy's educational operations	5	-	7,916,292	-	7,916,292	8,147,640
TOTAL INCOMING RESOURCES		298,942	7,969,317	21,741	8,290,000	8,692,117
RESOURCES EXPENDED						
Cost of generating funds:						
Academy's educational operations	7	75,040	7,830,990	121,365	8,027,395	9,192,119
Governance costs	8	-	19,390	-	19,390	16,550
TOTAL RESOURCES EXPENDED		75,040	7,850,380	121,365	8,046,785	9,208,669
NET INCOMING/(OUTGOING)						
RESOURCES BEFORE TRANSFERS						
Gross transfers between funds	16	-	(11,010)	11,010	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR		223,902	103,927	(88,614)	243,215	(516,552)
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial loss on defined benefit pension scheme	16	-	(114,000)	-	(114,000)	(1,006,000)
NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS		223,902	(6,073)	(88,614)	129,215	(1,522,552)
Total funds brought forward at 1 September 2014		36,364	(3,553,101)	17,726,811	14,210,074	15,732,626
Total funds carried forward at 31 August 2015		260,266	(3,559,174)	17,638,197	14,339,289	14,210,074

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

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

The notes on pages 21 to 36 form part of these financial statements.

FELTHAM COMMUNITY COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	12	17,638,197	17,726,811
Current assets			
Stock	13	15,000	15,000
Debtors	14	252,594	201,253
Cash at bank and in hand		893,653	425,384
		1,161,247	641,637
Creditors: amounts falling due within one year	15	(499,155)	(545,374)
Net current assets		662,092	96,263
Net assets excluding pension liability		18,300,289	17,823,074
Pension scheme liability	24	(3,961,000)	(3,613,000)
Net assets including pension liability		14,339,289	14,210,074
Funds of the academy:			
Restricted funds			
Fixed asset funds	16	17,638,197	17,726,811
General funds	16	401,826	59,899
Pension reserve	16	(3,961,000)	(3,613,000)
Total restricted funds		14,079,023	14,173,710
Unrestricted income funds			
General funds	16	260,266	36,364
Total unrestricted funds		260,266	36,364
Total funds		14,339,289	14,210,074

The financial statements on pages 18 to 36 were approved by the governors, and authorised for issue on 8th December 2015 and are signed on their behalf by:

.....
Nicolas Grant
(Chair of Governors)

Registered company Number: 07798639
 The notes on pages 21 to 36 form part of these financial statements.

FELTHAM COMMUNITY COLLEGE

CASH FLOW STATEMENT

YEAR TO 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	467,595	(153,635)
Returns on investments and servicing of finance:			
Interest received	20	674	578
Net cash inflow from returns on investments and servicing of finance		674	578
Capital expenditure:			
Payments to acquire tangible fixed assets	21	-	-
Net cash outflow from capital expenditure		-	-
Increase/(decrease in cash)	22	468,269	(153,057)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		425,384	578,441
Net funds at 31 August 2015		893,653	425,384

The notes on pages 21 to 36 form part of these financial statements.

FELTHAM COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 AUGUST 2015

1. Statement of Accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention 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 2014 to 2015 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.

Going Concern

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

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other Income**
Other income, including the hire of facilities and the sale of school uniform, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

1. Statement of Accounting policies (continued)

- **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 academy trust's policies.

Fixed assets transferred to the Academy, from the predecessor establishment, on the date of conversion were included under incoming resources from generated funds. 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 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 letting and other activities that raise funds.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets, or combined groups of similar assets, costing £2,000 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 academy trust's depreciation policy. Where tangible assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

1. Statement of Accounting policies (continued)

Tangible Fixed Assets (continued)

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

Equipment, fixtures and fittings	20%	on cost
Computer equipment	33%	on cost
Motor Vehicles	20%	on cost

The academy maintains its freehold buildings in such a state of repair that in the opinion of the Governors their residual values at the date of acquisition and subsequent improvements will always be at least equal to their book values. Consequently no depreciation is charged on such property.

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.

Operating lease transactions

Rentals under operating leases are charged on straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust 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 trust is 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.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes. These assets are held separately from those of the academy trust.

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 trust 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 24, the TPS is a multi-employer scheme and the academy trust 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 are recognised as they are paid each year.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

1. Statement of Accounting policies (continued)

Pensions Benefits (continued)

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the Education Funding Agency (EFA), The Department for Education (DfE) 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 EFA and DfE.

2. Voluntary Income

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Other Donations	-	53,025	-	53,025	12,663
Capital Grants	-	-	21,741	21,741	236,982
	<u>-</u>	<u>53,025</u>	<u>21,741</u>	<u>74,766</u>	<u>249,645</u>

3. Activities For Generating Funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Hire of facilities	276,310	-	-	276,310	246,774
Other income	21,958	-	-	21,958	47,480
	<u>298,268</u>	<u>-</u>	<u>-</u>	<u>298,268</u>	<u>294,254</u>

4. Investment Income

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Investment income	674	-	-	674	578
	<u>674</u>	<u>-</u>	<u>-</u>	<u>674</u>	<u>578</u>

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

5. Funding For The Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	6,284,695	-	6,284,695	6,841,930
Other DfE/EFA grants	-	1,397,821	-	1,397,821	533,920
	<u>-</u>	<u>7,682,516</u>	<u>-</u>	<u>7,682,516</u>	<u>7,375,850</u>
Other Government grants					
Special educational projects	-	233,776	-	233,776	771,790
	<u>-</u>	<u>7,916,292</u>	<u>-</u>	<u>7,916,292</u>	<u>8,147,640</u>

6. Resources Expended

	Staff Costs £	Premises Costs £	Other Costs £	Total 2015 £	Total 2014 £
Cost of generating voluntary income Academy's educational operations:					-
Direct costs	6,047,304	121,365	399,631	6,568,300	7,513,337
Allocated support costs	32,096	1,007,651	419,348	1,459,095	1,678,782
	<u>6,079,400</u>	<u>1,129,016</u>	<u>818,979</u>	<u>8,027,395</u>	<u>9,192,119</u>
Governance costs including allocated support costs	-	-	19,390	19,390	16,550
	<u>6,079,400</u>	<u>1,129,016</u>	<u>838,369</u>	<u>8,046,785</u>	<u>9,208,669</u>

Income/(expenditure) resources for the year include:

	2015 £	2014 £
Fees payable to auditor		
Audit	9,500	9,250
Other fees payable to auditor	7,950	6,800
	<u>17,450</u>	<u>16,050</u>

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

7. Charitable Activities – Academy’s Educational Operations

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Direct costs					
Teaching and educational support staff costs	75,040	5,972,264	-	6,047,304	6,919,837
Depreciation	-	-	121,365	121,365	128,055
Educational supplies	-	202,727	-	202,727	186,643
Examination fees	-	72,553	-	72,553	94,220
Staff development	-	33,506	-	33,506	19,631
Educational consultancy	-	27,102	-	27,102	74,848
Other direct costs	-	63,743	-	63,743	90,103
	<u>75,040</u>	<u>6,371,895</u>	<u>121,365</u>	<u>6,568,300</u>	<u>7,513,337</u>
Allocated support costs					
Support staff costs	-	32,096	-	32,096	70,480
Recruitment and support	-	21,523	-	21,523	6,598
Maintenance of premises and equipment	-	559,631	-	559,631	771,075
Cleaning	-	167,620	-	167,620	155,250
Rent and rates	-	206,954	-	206,954	179,027
Insurance	-	73,446	-	73,446	47,601
Security and transport	-	4,394	-	4,394	15,792
Catering	-	69,644	-	69,644	75,381
Bank interest and charges	-	931	-	931	792
Other support cost	-	322,856	-	322,856	356,786
	<u>-</u>	<u>1,459,095</u>	<u>-</u>	<u>1,459,095</u>	<u>1,678,782</u>
	<u>75,040</u>	<u>7,830,990</u>	<u>121,365</u>	<u>8,027,395</u>	<u>9,192,119</u>

8. Governance Costs

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Legal and professional fees	-	1,940	-	1,940	500
Auditor’s remuneration					
Audit of financial statements	-	9,500	-	9,500	9,250
Responsible officer audit	-	-	-	-	-
Other services	-	7,950	-	7,950	6,800
	<u>-</u>	<u>19,390</u>	<u>-</u>	<u>19,390</u>	<u>16,550</u>

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

9. Staff Costs and Emoluments

a) Staff costs

Staff costs during the year were:

	2015	2014
	£	£
Wages and salaries	4,781,718	5,571,500
Social security costs	359,266	422,952
Pension costs	906,320	925,385
	6,047,304	6,919,837
Supply staff costs	32,096	70,480
	6,079,400	6,990,317

b) Staff severance payments

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £nil (2014: £8,513).

c) Staff numbers

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	2015	2014
Teachers	66.1	79.4
Administration and support	76.4	78.5
Management	10.2	11.0

d) Higher paid staff

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

	2015	2014
£60,001 - £70,000	5	8
£70,001 - £80,000	3	2
£80,001 >	1	2

83 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £303,423. 67 employees participated in the Local Government Pension Scheme, pension contributions amounted to £274,000.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

10. Governors' Remuneration and Expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. The value of governors' remuneration was as follows:

Victoria Eadie (principal and trustee):

Remuneration: £110,000 - £120,000 (2014: £100,000 - £110,000)

Employers pension contributions: £15,000 - £20,000 (2014: £10,000 - £15,000)

Karen West (staff trustee):

Remuneration: £30,000-£40,000 (2014: £30,000 - £40,000)

Employers pension contributions: £5,000 - £10,000 (2014: £5,000 - £10,000)

John Cadogan (staff trustee):

Remuneration: £50,000 - £60,000 (2014: £40,000 - £50,000)

Employers pension contributions: £5,000 - £10,000 (2014: £5,000 - £10,000)

Other related party transactions involving the governors are set out in note 25.

11. 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £44,086 (2014: £42,162).

The cost of this insurance is included in the total insurance cost.

12. Tangible Fixed Assets

	Motor vehicles £	Computer equipment £	Freehold land and buildings £	Equipment, fixtures and fittings £	Total £
Cost/Valuation					
At 1 September 2014	36,695	137,482	17,474,559	386,998	18,035,734
Additions	13,349	7,900	-	11,502	32,751
At 31 August 2015	50,044	145,382	17,474,559	398,500	18,068,485
Depreciation					
At 1 September 2014	16,513	90,867	-	201,543	308,923
Charge for the year	8,909	35,056	-	77,400	121,365
At 31 August 2015	25,422	125,923	-	278,943	430,288
Net book value					
At 31 August 2015	24,622	19,459	17,474,559	119,557	17,638,197
At 31 August 2014	20,182	46,615	17,474,559	185,455	17,726,811

The land and buildings were valued on incorporation at their open market value and, in the opinion of the governors, no event or transaction has occurred since to indicate that a material change is necessary.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

13. Stock

	2015 £	2014 £
Clothing	15,000	15,000

14. Debtors

	2015 £	2014 £
Trade debtors	55,842	86,878
VAT recoverable	27,958	23,725
Prepayments and accrued income	168,794	90,650
	252,594	201,253

15. Creditors: Amounts Falling Due Within One Year

	2015 £	2014 £
Trade creditors	224,309	220,535
Taxation and social security	112,568	122,892
Other creditors	82,759	96,722
Accruals	79,519	105,225
	499,155	545,374

16. Funds

	Balance at 1 September 2014 £	Incoming resources £	Gains, losses and transfers £	Resources expended £	Balance at 31 August 2015 £
Restricted fixed asset funds					
DfE/EFA capital grants	17,588,620	21,741	(21,741)	(57,032)	17,531,588
Capital expenditure from GAG	138,191	-	32,751	(64,333)	106,609
	17,726,811	21,741	11,010	(121,365)	17,638,197
Restricted general funds					
General Annual Grant (GAG)	-	6,284,695	-	(6,438,663)	(153,968)
Other DfE/EFA grants	-	1,397,821	(11,010)	(1,039,782)	347,029
Other income	59,899	286,801	-	(137,935)	208,765
	59,899	7,969,317	(11,010)	(7,616,380)	401,826
Pension reserve	(3,613,000)	-	(114,000)	(234,000)	(3,961,000)
Total restricted funds	14,173,710	7,991,058	(114,000)	(7,971,745)	14,079,023
Unrestricted funds					
General	36,364	298,942	-	(75,040)	260,266
Total funds	14,210,074	8,290,000	(114,000)	(8,046,785)	14,339,289

The transfers made above relate to:

- the removal of £21,741 from the restricted fixed asset fund regarding capital grants which relate to non-capitalised items, instead relating to large 'capital' projects.
- the transfer of £32,751 of restricted income used to fund the purchase of capitalised items.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

17. Analysis of Net Assets Between Funds

Fund balances at 31 August 2015 are represented by;

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	-	-	17,638,197	17,638,197	17,726,811
Current assets	250,766	910,481	-	1,161,247	641,637
Current liabilities	-	(499,155)	-	(499,155)	(545,374)
Pension scheme liability	-	(3,961,000)	-	(3,961,000)	(3,613,000)
Total Funds	<u>250,766</u>	<u>(3,549,674)</u>	<u>17,638,197</u>	<u>14,339,289</u>	<u>14,210,074</u>

18. Financial Commitments

At 31 August 2015 the academy has annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Operating leases		
Expiring within one year	36,734	36,734
Expiring within two and five years inclusive	-	36,734
Expiring in over five years	-	-
	<u> </u>	<u> </u>

19. Reconciliation of Net Incoming to Net Cash Inflow from Operating Activities

	2015 £	2014 £
Net income	243,215	(516,552)
Depreciation (note 12)	121,365	128,055
Capital grants from DfE and other capital income	(32,751)	(56,323)
Interest receivable (note 4)	(674)	(578)
FRS 17 pension cost less contributions payable (note 24)	126,000	110,000
FRS 17 pension finance income (note 24)	108,000	100,000
(Increase)/decrease in stock	-	-
(Increase)/decrease in debtors	(51,341)	83,858
Increase/(decrease) in creditors	(46,219)	(2,095)
Net cash inflow/(outflow) from operating activities	<u>467,595</u>	<u>(153,635)</u>

20. Returns on Investments and Servicing of Finance

	2015 £	2014 £
Interest received	<u>674</u>	<u>578</u>
Net cash inflow from returns on investment and servicing of finance	<u>674</u>	<u>578</u>

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

21. Capital Expenditure and Financial Investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(32,751)	(56,323)
Capital grants from DfE/EFA	-	-
Capital funding from others	32,751	56,323
	<u> </u>	<u> </u>
Net cash outflow from capital expenditure and financial investment	<u> </u>	<u> </u>

22. Analysis of Changes in Net Funds

	At		At
	1 September		31 Aug
	2014	Cash flows	2015
	£	£	£
Cash in hand and at bank	<u>425,384</u>	<u>468,269</u>	<u>893,653</u>

23. 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.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

24. Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS was 31 March 2013.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2015. Membership is automatic for full-time teachers and lecturers and from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (currently 14.1%) (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

24. Pension and Similar Obligations (Continued)

The pension costs paid to TPS in the period amounted to £79,710 (2014: £94,961).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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 year ended 31 August 2015 was £370,000 (2014: £342,000), of which employer's contributions totalled £274,000 (2014: £261,000) and employees' contributions totalled £96,000 (2014: £81,000).

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

Principal Actuarial Assumptions

	At 31 August 2015 % pa	At 31 August 2014 % pa
Rate of increase in salaries	4.5	4.5
Rate of increase for pensions in payment/inflations	2.7	2.7
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	2.7	2.7

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 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.1	22.0
Females	26.6	26.5
<i>Retiring in 20 years</i>		
Males	24.2	24.1
Females	28.9	28.8

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

24. Pension and Similar Obligations (Continued)

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

	Expected return at 31/08/2015	Fair value at 31/08/2015	Expected return at 31/08/2014	Fair value at 31/08/2014
		£		£
Equities	6.4%	1,565,000	6.4%	1,445,000
Gilts	3.0%	131,000	3.0%	83,000
Other Bonds	3.6%	372,000	3.6%	287,000
Property	5.6%	135,000	5.6%	103,000
Absolute return fund	6.4%	97,000	6.4%	83,000
Cash	2.9%	73,000	2.9%	57,000
Total market value of assets		2,373,000		2,058,000
Present value of scheme liabilities- Funded		6,334,000		5,671,000
Deficit in the scheme		3,961,000		3,613,000

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return on gilts and other bonds are assumed to be the gilt yield and the corporate bond yield respectively. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £12,000 (2014: £145,000)

Amounts recognised in the statement of financial activities

	2015	2014
	£	£
Current service cost	400,000	371,000
Past service cost	-	-
Total operating charge	<u>400,000</u>	<u>371,000</u>

Analysis of pension finance costs

	2015	2014
	£	£
Expected return on pension scheme assets	127,000	91,000
Interest on pension liabilities	(235,000)	(191,000)
Pension finance costs	<u>(108,000)</u>	<u>(100,000)</u>

The actuarial gains and losses for the current year 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 FRS 17 is a £114,000 (2014: £1,006,000) loss.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

24. Pension and Similar Obligations (Continued)

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

	2015	2014
	£	£
At 1 September 2014	5,671,000	3,841,000
Current service cost	400,000	371,000
Interest cost	235,000	191,000
Employee contributions	96,000	81,000
Actuarial (losses)/gains	(1,000)	1,209,000
Benefits paid	(67,000)	(22,000)
At 31 August 2015	<u>6,334,000</u>	<u>5,671,000</u>

Movements in fair value of academy's share of scheme assets:

	2015	2014
	£	£
At 1 September 2014	2,058,000	1,444,000
Expected return on assets	127,000	91,000
Actuarial gains	(115,000)	203,000
Employer contributions	274,000	261,000
Employee contributions	96,000	81,000
Benefit paid	(67,000)	(22,000)
At 31 August 2015	<u>2,373,000</u>	<u>2,058,000</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £305,000.

FELTHAM COMMUNITY COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR TO 31 AUGUST 2015

24. Pension and Similar Obligations (Continued)

The three year experience adjustments are as follows;

	2015	2014	2013	2012	2011
	£	£	£	£	£
Present value of defined benefit obligations	(6,334,000)	(5,671,000)	(3,841,000)	(3,173,000)	(2,270,000)
Fair value of share of scheme assets	2,373,000	2,058,000	1,444,000	1,043,000	716,000
Deficit in the scheme	<u>(3,961,000)</u>	<u>(3,613,000)</u>	<u>(2,397,000)</u>	<u>(2,130,000)</u>	<u>(1,554,000)</u>
Experience adjustments on share of scheme assets	(115,000)	203,000	109,000	29,000	-
Experience adjustments on scheme liabilities	-	(616,000)	-	-	-

25. Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. The following related party transactions take place in the period of account:

The academy received works from Metropolitan Construction, a related company, as John Dixon, the business manager, is a brother of the company owner. The invoices throughout the year amounted to £nil (2014: £47,202), with £nil (2014: £162) being outstanding as at the year end.

The academy received works from AC Breeze, a related company, as David Snaddon, a trustee, is a brother of the company owner. The invoices throughout the year amounted to £1,576 (2014: £625), with £nil (2014: £nil) being outstanding as at the year end.

The academy received works from West Thames College, a related company, as Marjorie Semple, a trustee, is a chief executive of the company. The invoices throughout the year amounted to £44,520 (2014: £68,474), with £7 (2014: £nil) being outstanding as at the year end.

Within trade debtors there were amounts due from The Rise School, a related company, as Charlotte Warner, a trustee, is a governor of the company. The invoices throughout the year amounted to £71,099 (2014: £nil), with £9,237 (2014: £nil) being outstanding as at the year end.