

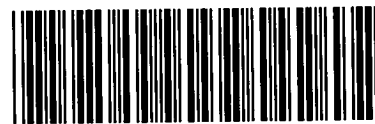
REGISTRAR'S
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Financial Statements

The John Henry Newman Catholic College (A Company Limited by Guarantee)

For the year ended 31 August 2014

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Registered number: 07414011

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The John Henry Newman Catholic College
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Governors and Advisers

For the year ended 31 August 2014

Members

Mr Russell
Mr Keegan
Mrs Gilbride
Mrs Fitzpatrick
Dr Wilcher

Governors

Mrs D Fitzpatrick
Mrs A Gilbride
Mr G Keegan*
Mr M Russell*, Chair
Dr R Wilcher
Mr J Hawley
Mrs J Richens
Mr A Johnson*
Mrs V McMenamin
Mrs M Symons*
Mrs J McGuirk*, Principal
Mrs C Ward (appointed 1 September 2013)
Father C Miller (appointed 1 December 2013)

* Members of the Finance and General Purposes Committee

Company registered number

07414011

Principal and registered office

Bishop Challoner Catholic College
Institute Road
Birmingham
B14 7EG

Clerk to the Governors

Mrs J Griffiths

Senior management team

Mrs J McGuirk, Principal
Mr A Neal, Vice Principal
Mr A Matheson, Vice Principal
Mrs R Prince, Director of Finance and Operations

Reference and Administrative Details of the Academy, its Governors and Advisers

For the year ended 31 August 2014

Administrative details (continued)

Independent auditors

Grant Thornton UK LLP
Chartered Accountants
300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

Bankers

Lloyds TSB Bank plc
22A Great Hampton Street
Birmingham
B18 6AH

Solicitors

Howes Percival LLP
Oxford House
Cliftonville
Northampton
NN1 5PN

Governors' Report

For the year ended 31 August 2014

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

Structure, governance and management

Constitution

The Academy 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.

The Governors act as the Trustees for the charitable activities of The John Henry Newman Catholic College and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The John Henry Newman Catholic College.

Details of the Governors who served throughout 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 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

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

Method of recruitment and appointment or election of Governors

Bishop Challoner Catholic College (BCCC) is the Principal Sponsor of The John Henry Newman Catholic College (JHNCC). The Principal Sponsor has appointed the Sponsor Governors. The Local Authority (LA) may appoint the LA Governor by written notice delivered to the office. The Principal is treated for all purposes as being an ex officio Governor.

The Parent Governor is elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time they are elected. The Governing Body makes all necessary arrangements for an election of Parent Governors, including confirmation that a person is a parent of a registered pupil. Any election of Parent Governors which is contested is held by secret ballot. The arrangements made for the election of a Parent Governor, provides opportunities to vote by post or having the paper returned to the Academy by a registered pupil. Where an election is required for a Parent Governor, the Governing Body ensures that all parents are informed of the vacancy and that it is required to be filled by election, that they are entitled to stand as a candidate and vote at the election and given an opportunity to do so. If the number of parents standing for election is less than the number of vacancies the Governing Body may make an appointment. In appointing a Parent Governor, the Governing Body appoints a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Governors' Report (continued)

For the year ended 31 August 2014

The Governors appoint up to 3 co-opted Governors. A co-opted Governor means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed.

The term of office for any Governor is 4 years, save that this time limit shall not apply to either the Principal or Governors appointed by the Principal Sponsor. Subject to remaining eligible to be a Governor, any Governor may be re-appointed or re-elected.

A Governor may cease to hold office if they resign their office by notice to the Academy Trust (but only if at least three Governors will remain in office when the notice of resignation is to take effect). A Governor shall cease to hold office if they are removed by the person or persons who appointed him.

No person shall be qualified to be a Governor unless they are aged 18 or over at the date of their election or appointment. No current pupil of the Academy shall be a Governor.

The Governors shall, each school year, at their first meeting in that year, elect a Chair and Vice Chair from among their number. A Governor who is employed by the Academy is not eligible for election as Chair or Vice Chair. The Chair or Vice Chair shall hold office until his successor has been elected. The Chair or Vice Chair may at any time resign his office by giving notice in writing to the Secretary. Where the Chair is absent from any meeting and there is at the time a vacancy in the office of Chair, the Vice Chair shall act as the Chair for the purposes of the meeting.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors are welcome to visit the Academy and 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. As there are normally only two to three new Governors a year, induction will be done informally and is tailored specifically to the individual.

Organisational structure

The management structure consists of three levels, the Governors, the Principal and the Leadership Team. The Headteacher of the sponsor school is Executive Head, whose role is to give strategic advice and support the Governors and Principal.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The leadership team is comprised of the Principal, Deputy Principals and Vice Principals, 4 Strategic Directors and the Finance and Operations Director.

The Leadership Team manage the Academy on a day to day level, implementing the approved policies.

Connected organisations, including related party relationships

The College has a close relationship with its sponsor school, Bishop Challoner Catholic College, whose Headteacher provides strategic support to the Principal and the Governors. The majority of the Governing Body comprises Foundation Governors from the sponsor school.

Governors' Report (continued)

For the year ended 31 August 2014

Risk management

A list of risks and hazards, including Financial Risks, have been identified in the Academy's Risk Assessment. Risks are assessed for likelihood and consequence and controls are identified to mitigate those risks. Mitigated risks are then reassessed and activities are conducted only with those controls in place. Each area of risk is assigned to a member of the JHNCC staff, supported by a deputy. The Academy Risk Register is reviewed by Governors annually.

Individual risks are also assessed for each area of the academy and for activities such as trips and visits. Trip risk assessments are reviewed and signed off by both the Educational Visits Officer and the Principal.

Objectives and Activities

Objects and aims

The Academy's object is to advance, for the public benefit, education in the United Kingdom, in particular by managing and developing the Academy offering a broad and balanced curriculum. The Academy is conducted as a Catholic school in accordance with Latin Rite Canon Law and the teachings of the Catholic Church. Religious education and worship is in accordance with the teachings, doctrines and norms of the Catholic Church. At all times, the Academy serves as a witness to the Catholic faith.

Objectives, strategies and activities

In furtherance of the object the Academy may exercise powers to financially operate in the name of the Academy, raise funds and to invite and receive contributions, acquire, alter, improve or dispose of property, employ such staff as are necessary for the proper pursuit of the object and to make necessary provision for pensions and superannuation for staff and their dependants.

Also, they may establish or support any charitable trusts, associations or institutions formed for all or any of the purposes of the object, co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the object and to exchange information and advice with them.

The Academy may offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils, provide educational facilities and services to students of all ages and the wider community for the public benefit.

It may carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experiences of industry, commerce, other schools and the voluntary sector to the education of pupils in academies.

To do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the object. The income and property of the Academy Trust shall be applied solely towards the promotion of the object.

Governors' Report (continued)

For the year ended 31 August 2014

Principal activities

To advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Given that the Academy is established by the Catholic Church, the Academy is to be conducted as a Catholic school in accordance with Latin Rite Canon Law, in particular:

- Religious education is to be in accordance with the teachings, doctrines, general and particular norms of the Catholic Church.
- Religious worship is to be in accordance with the rites, practices and discipline and liturgical norms of the Catholic Church.
- The Academy is to serve as a witness to the Catholic faith in Lord Jesus Christ.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The Governors consider that the Academy's aims are demonstrably for the public benefit.

Strategic report

Achievements and performance

John Henry Newman Catholic College opened as an Academy in January 2011 following the forced closure of the predecessor school. Within a very short period standards and achievements have rapidly improved.

John Henry Newman Catholic College was heavily oversubscribed for September 2014 and numbers on roll have significantly increased over the last year.

Attainment has risen in all areas with significant increases in Ebac subjects including English and Maths.

In 2014 47.4% of students achieved 5 A* C including English and Maths.

Students from John Henry Newman Catholic College now participate in the widest variety of extracurricular activities and the Arts status of the college is well used as a vehicle to improve motivation and confidence. Students now say 'it's cool to achieve' and they enjoy coming to school. In 2013, JHNCC was accredited the prestigious award of 'Arts Mark Gold'.

In May 2013 after just 2 years since opening, John Henry Newman Catholic College achieved the very rare accolade of 'Outstanding' by Ofsted. During this inspection 93% of lessons were graded as 'Good to Outstanding' and no inadequate teaching was observed. Leadership and management was graded as 'Outstanding'. Behaviour was graded as 'Outstanding' and the attainment of the students in such a short period was graded as 'Good' with 'Outstanding' progress.

Governors' Report (continued)

For the year ended 31 August 2014

Key performance indicators

Exceptional improvement in provision and outcomes has given rise to a dramatic increase in confidence in the Academy within the local community. The college has experienced an exceptionally rapid increase in student numbers. The number of applications to John Henry Newman Catholic Academy for 2014/15 resulted in 240 first choice places offered (As per PAN as agreed with the DFE), 3 places offered following successful appeals (15 appeals in total) and 69 applications on the waiting list. This equated to an increase of 108 students for the academic year of 2014/2015.

The outcomes for our Key Stage 5 students continues to improve at a rapid rate and results show significant increase in pass rates at both AS and A level which based on last year's national averages are likely to exceed national average for the first time. John Henry Newman Catholic College was the only sixth form provider within Solihull to achieve 100% pass rate at 'A Level'. All students who applied to university were offered places at a university of their choice.

A*-E	2012	2013	NA 2013	AUGUST 14
AS level	70.4%	72.6%	86.4%	92.3%
A level	88.9%	95.0%	98.4%	100.0%

The examination results at KS4 highlighted the broadest success across the College and the College once again achieved the highest 5 A*-C grades including English and Maths across North Solihull. At Key Stage 4 John Henry Newman students achieved 61% A*-C in Mathematics and 57% A*-C in English. The most notable success was within the EBac subjects across the Academy demonstrating that with exceptional teaching, students can achieve in the most demanding facilitating subjects. This opens doors of opportunity and consequently the numbers of students within our sixth form has dramatically increased.

The College's Mathematics specialism is also going from strength to strength. The Prince' Teaching Institute 2014 Mark was awarded to the Mathematics Department in recognition of best practice across the curriculum. In addition the mathematics department is delighted to work with Bishop Challoner Catholic College maths hub to look at best international practice in mathematics education across the country and globally.

Going concern

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

Governors' Report (continued)

For the year ended 31 August 2014

Financial review

Financial and risk management objectives and policies

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 to the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charity 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 2014, total expenditure amounted to £7,707,089. The excess of expenditure over income in the year was largely due to the expenditure of the carry forward from the prior year, after excluding the pension deficit.

At 31 August 2014, the net book value of the fixed assets was £19,167,994. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

The Governors have assessed the major risks to which the Academy is exposed, in particular relating to teaching, provision of facilities, health and safety, bullying, school trips and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks and introduced operational procedures and controls to minimise risks and the losses associated with those risks. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The academy has an effective system of internal financial controls as explained in the Risk Control Framework in the Governance Statement.

Reserves policy

The Governors review the reserve levels of the Academy annually. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects, subject to any constraints that the level of resources does not exceed the level permitted by the EFA.

Governors have determined that sufficient free reserves should be available at the end of the year to cover delays between spending and receipt of grants and to deal with unexpected emergencies such as urgent maintenance.

The level of unrestricted reserves at 31 August 2014 is £38,339.

Investments policy

During the year to 31 August 2014, the cash flow was managed in order that a number of short term investments were made for periods of between 3 and 6 months in High Interest Deposit Accounts.

Principal risks and uncertainties

The principal risks and uncertainties are identified in the Academy Risk Assessment as outlined above. Further detail on the mitigation and control of risk can be found in the Governance Statement.

Plans for future periods

Governors' Report (continued)

For the year ended 31 August 2014

Future developments

The college will continue to provide outstanding and beyond outstanding provision for all students and this has already attracted an increase in applications for 2014 and 2015. Student numbers are set to increase to 1196 for the academic year 2015/2016.

The college continues to review options to further develop the site and enhance the student experience.

Disclosure of information to auditors

Each of the persons who are governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

This report, incorporating the Strategic report, was approved by order of the Governing Body, as the company directors, on 3 December 2014 and signed on its behalf by:



Mr M Russell
Chair of Governors

Governance Statement

Scope of Responsibility

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

The board of Governors has delegated the day-to-day responsibility to the Principal, 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 The John Henry Newman Catholic College and the Secretary of State for Education. They are also responsible for reporting to the board of Governors 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 Governors' responsibilities statement. The board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Father C Miller	2	2
Mrs C Ward	4	4
Mrs D Fitzpatrick	1	4
Mrs A Gilbride	2	4
Mr G Keegan*	4	4
Mr M Russell*, Chair	4	4
Dr R Wilcher	4	4
Mr J Hawley	1	4
Mrs J Richens	3	4
Mr A Johnson*	4	4
Mrs V McMenamin	2	4
Mrs M Symons*	4	4
Mrs J McGuirk*, Principal	4	4

Governance reviews:

The Governors intend to carry out a self evaluation of their effectiveness in the coming year.

The Finance and General Purpose Committee is a sub-committee of the main board of Governors. Its purpose is to review and control the financial performance of the College. Particular issues dealt with in the year include the monitoring of income and expenditure and carrying out the function of the Audit.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A Johnson	4	4
Mr M Russell	4	4
Mr G Keegan	4	4
Mrs J McGuirk	4	4
Mrs M Symons	4	4

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The John Henry Newman Catholic College for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an external consultant as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the RO reports to the board of Governors on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

A review has been undertaken and a report has been reviewed by the Governors and action has been taken where appropriate.

Governance Statement (continued)

Review of Effectiveness

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

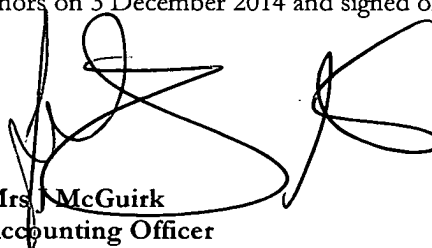
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 3 December 2014 and signed on its behalf, by:



Mr M Russell
Chair of Governors



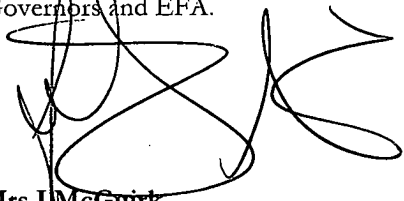
Mrs McGuirk
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy board of Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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



Mrs J McGuirk
Accounting Officer

Date: 03 December 2014

Governors' Responsibilities Statement

For the year ended 31 August 2014

The Governors (who act as governors of The John Henry Newman Catholic 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 law 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

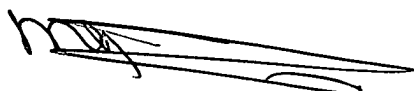
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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 EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the 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 3 December 2014 and signed on its behalf by:



Mr M Russell
Chair of Governors

Independent Auditors' Report to the Members of The John Henry Newman Catholic College

We have audited the financial statements of The John Henry Newman Catholic College for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 2013 to 2014 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' responsibilities statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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 2013 to 2014 issued by the Education Funding Agency.



Independent Auditors' Report to the Members of The John Henry Newman Catholic College

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor
Chartered Accountants
Northampton
~~5 December 2014~~

11 December 2014

Independent Reporting Accountants' Assurance Report on Regularity to The John Henry Newman Catholic College and the Education Funding Agency

In accordance with the terms of our engagement letter dated 27 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The John Henry Newman Catholic College during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The John Henry Newman Catholic College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The John Henry Newman Catholic College and the EFA those matters we are required to state to them 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 The John Henry Newman Catholic College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The John Henry Newman Catholic College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The John Henry Newman Catholic College's funding agreement with the Secretary of State for Education dated 21 February 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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.

Independent Reporting Accountants' Assurance Report on Regularity to The John Henry Newman Catholic College and the Education Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
Northampton

11 December 2014

Statement of Financial Activities

(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
For the year ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	450	-	-	450	165
Activities for generating funds	4	179,400	-	-	179,400	175,759
Investment income	5	4,911	-	-	4,911	5,848
Incoming resources from charitable activities	6	-	6,384,893	20,622	6,405,515	6,445,958
Total incoming resources		184,761	6,384,893	20,622	6,590,276	6,627,730
Resources expended						
Charitable activities		266,432	6,829,872	593,335	7,689,639	7,295,815
Governance costs	8	-	17,450	-	17,450	21,449
Total resources expended	9	266,432	6,847,322	593,335	7,707,089	7,317,264
Net resources expended before transfers		(81,671)	(462,429)	(572,713)	(1,116,813)	(689,534)
Transfers between Funds	17	86,640	(207,726)	121,086	-	-
Net expenditure for the year		4,969	(670,155)	(451,627)	(1,116,813)	(689,534)
Actuarial gains and losses on defined benefit pension schemes		-	(345,000)	-	(345,000)	52,000
Net movement in funds for the year		4,969	(1,015,155)	(451,627)	(1,461,813)	(637,534)
Total funds at 1 September 2013		33,370	(532,785)	19,619,621	19,120,206	19,757,740
Total funds at 31 August 2014		38,339	(1,547,940)	19,167,994	17,658,393	19,120,206

All activities relate to continuing operations.

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

The notes on pages 22 to 39 form part of these financial statements.

Balance Sheet

As at 31 August 2014

	Note	£	2014 £	2013 £
Fixed assets				
Tangible assets	14		19,167,994	19,619,621
Current assets				
Debtors	15	273,025	261,813	
Cash at bank and in hand		414,873	859,146	
		<u>687,898</u>	<u>1,120,959</u>	
Creditors: amounts falling due within one year	16	<u>(601,499)</u>	<u>(412,374)</u>	
Net current assets			86,399	708,585
Total assets less current liabilities			<u>19,254,393</u>	<u>20,328,206</u>
Pension scheme liability	24		<u>(1,596,000)</u>	<u>(1,208,000)</u>
Net assets including pension scheme liabilities			<u><u>17,658,393</u></u>	<u><u>19,120,206</u></u>
Funds of the academy				
Restricted funds:				
Restricted funds	17	48,060	675,215	
Restricted fixed asset funds	17	19,167,994	19,619,621	
Restricted funds excluding pension liability		<u>19,216,054</u>	<u>20,294,836</u>	
Pension reserve		<u>(1,596,000)</u>	<u>(1,208,000)</u>	
Total restricted funds			17,620,054	19,086,836
Unrestricted funds	17		<u>38,339</u>	<u>33,370</u>
Total funds			<u><u>17,658,393</u></u>	<u><u>19,120,206</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:



Mr M Russell
Chair of Governors

The notes on pages 22 to 39 form part of these financial statements.

Cash Flow Statement

For the year ended 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	(328,098)	58,774
Returns on investments and servicing of finance	20	4,911	5,848
Capital expenditure and financial investment	20	(121,086)	(60,846)
(Decrease)/Increase in cash in the year		(444,273)	3,776

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(444,273)	3,776
Movement in net funds in the year	(444,273)	3,776
Net funds at 1 September 2013	859,146	855,370
Net funds at 31 August 2014	414,873	859,146

The notes on pages 22 to 39 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Long leasehold	-	50 years
Fixtures & fittings	-	10 years
Computer equipment	-	5 years

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.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.7 Operating leases

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

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Notes to the Financial Statements

For the year ended 31 August 2014

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2014.

3. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Other donations	450	-	450	165

4. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	26,296	-	26,296	15,680
Catering income	92,063	-	92,063	86,836
Sundry income	61,041	-	61,041	73,243
	179,400	-	179,400	175,759

5. Investment income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	4,911	-	4,911	5,848

Notes to the Financial Statements

For the year ended 31 August 2014

6. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,564,691	5,564,691	5,673,649
Start up grants	-	295,898	295,898	307,263
Other DfE grants	-	524,304	524,304	425,878
Capital grants	-	20,622	20,622	39,168
	-	6,405,515	6,405,515	6,445,958

7. Expenditure by charitable activity

Summary by fund type

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Direct costs	-	5,833,062	5,833,062	5,582,579
Allocated support costs	266,432	1,590,145	1,856,577	1,713,236
	266,432	7,423,207	7,689,639	7,295,815

	Unrestricted funds £	Restricted funds £	2014 £	2013 £
Direct costs				
Teaching and educational support staff costs	-	4,451,845	4,451,845	4,162,773
Depreciation	-	593,335	593,335	634,644
Educational supplies	-	421,219	421,219	388,325
Examination fees	-	57,532	57,532	95,361
Staff development	-	140,527	140,527	105,903
Educational consultancy	-	64,918	64,918	66,606
Other direct costs	-	66,686	66,686	89,967
FRS 17 costs	-	37,000	37,000	39,000
Total	-	5,833,062	5,833,062	5,582,579

Notes to the Financial Statements

For the year ended 31 August 2014

	Unrestricted funds £	Restricted funds £	2014 £	2013 £
Allocated support costs				
Support staff costs	42,899	852,902	895,801	936,348
Maintenance of premises and equipment	-	124,723	124,723	131,690
Cleaning	-	18,689	18,689	14,197
Insurance	-	46,574	46,574	46,354
Security and transport	-	56,394	56,394	51,177
Catering	223,533	-	223,533	206,256
Other support costs	-	490,863	490,863	327,214
Total	266,432	1,590,145	1,856,577	1,713,236

8. Governance costs

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditor's remuneration	-	13,950	13,950	12,600
Responsible officer audit	-	3,500	3,500	8,849
	-	17,450	17,450	21,449

9. Resources expended

	Staff costs 2014 £	Premises 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Direct costs	4,451,845	593,335	787,882	5,833,062	5,582,579
Allocated support costs	895,801	246,380	714,396	1,856,577	1,713,236
Charitable activities	5,347,646	839,715	1,502,278	7,689,639	7,295,815
Governance	-	-	17,450	17,450	21,449
	5,347,646	839,715	1,519,728	7,707,089	7,317,264

Notes to the Financial Statements

For the year ended 31 August 2014

10. Net resources expended

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	593,335	634,643
Auditor's remuneration - audit fees	8,600	9,475
Auditor's remuneration - other services	5,350	4,580
Operating leases	26,749	22,126
	<u>634,034</u>	<u>670,824</u>

11. Staff

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,232,996	4,079,930
Social security costs	287,856	309,197
Other pension costs (Note 24)	489,924	511,852
	<u>5,010,776</u>	<u>4,900,979</u>
Supply teacher costs	277,135	198,142
Staff restructuring costs	59,735	-
	<u>5,347,646</u>	<u>5,099,121</u>

b. Staff severance payments

Included in staff restructuring costs are two non-statutory/non-contractual severance payments totalling £30,735 and one compensation payment totalling £29,000. All payments exceeded £5,000 individually and these were for £16,735, £14,000 and £29,000 respectively.

c. Staff numbers

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

	2014 No.	2013 No.
Teachers	65	73
Administration and support	47	56
	<u>112</u>	<u>129</u>

Notes to the Financial Statements

For the year ended 31 August 2014

11. Staff (continued)

d. Higher paid staff

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

	2014 No.	2013 No.
In the band £ 60,001 - £ 70,000	2	3
In the band £ 80,001 - £ 90,000	1	1
	<u>3</u>	<u>4</u>

Three of the above employees participated in the Teachers' Pension Scheme (2013: Three). During the year ended 31 August 2014, employer's pension contributions for these staff amounted to £30,560 (2013 - £28,879). None of the above employees participated in the Local Government Pension scheme (2013: One), employer's pension contributions amounted to £Nil (2013 - £7,069).

12. Governors' remuneration and expenses

During the year retirement benefits were accruing to 1 Governor (2013 - 1) in respect of defined contribution pension schemes.

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

	2014 £'000	2013 £'000
J McGuirk - principal	85-90	80-85
V McMenamin - staff Governor and trustee	45-50	45-50

During the year, 8 Governors (2013 - 8) received reimbursement of expenses amounting to £446 (2013 - £410) in respect of travelling expenses.

13. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,584. The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements

For the year ended 31 August 2014

14. Tangible fixed assets

	Long leasehold land and buildings £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	20,977,331	1,248,244	404,647	22,630,222
Additions	-	-	141,708	141,708
At 31 August 2014	20,977,331	1,248,244	546,355	22,771,930
Depreciation				
At 1 September 2013	2,092,370	592,547	325,684	3,010,601
Charge for the year	419,547	123,049	50,739	593,335
At 31 August 2014	2,511,917	715,596	376,423	3,603,936
Net book value				
At 31 August 2014	18,465,414	532,648	169,932	19,167,994
At 31 August 2013	18,884,961	655,697	78,963	19,619,621

15. Debtors

	2014 £	2013 £
Trade debtors	28,808	65,489
VAT recoverable	90,299	68,844
Other debtors	-	740
Prepayments and accrued income	153,918	126,740
	273,025	261,813

Notes to the Financial Statements

For the year ended 31 August 2014

16. Creditors:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	326,859	216,284
Other taxation and social security	89,635	147,962
Other creditors	1,334	1,772
Accruals and deferred income	183,671	46,356
	<u>601,499</u>	<u>412,374</u>

17. Funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	<u>33,370</u>	<u>184,761</u>	<u>(266,432)</u>	<u>86,640</u>	<u>-</u>	<u>38,339</u>
Restricted funds						
General Annual Grant (GAG)	-	5,564,691	(5,356,965)	(207,726)	-	-
Other government grants	675,215	820,202	(1,447,357)	-	-	48,060
Pension reserve	<u>(1,208,000)</u>	<u>-</u>	<u>(43,000)</u>	<u>-</u>	<u>(345,000)</u>	<u>(1,596,000)</u>
	<u>(532,785)</u>	<u>6,384,893</u>	<u>(6,847,322)</u>	<u>(207,726)</u>	<u>(345,000)</u>	<u>(1,547,940)</u>
Restricted fixed asset funds						
Total fixed assets	<u>19,619,621</u>	<u>20,622</u>	<u>(593,335)</u>	<u>121,086</u>	<u>-</u>	<u>19,167,994</u>
Total restricted funds	<u>19,086,836</u>	<u>6,405,515</u>	<u>(7,440,657)</u>	<u>(86,640)</u>	<u>(345,000)</u>	<u>17,620,054</u>
Total of funds	<u>19,120,206</u>	<u>6,590,276</u>	<u>(7,707,089)</u>	<u>-</u>	<u>(345,000)</u>	<u>17,658,393</u>

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

The DfE restricted fund includes grants receivable from the DfE, EFA and LEA towards the operating activities of the Academy.

The Fixed Asset fund includes amounts receivable from the DfE in respect of tangible fixed assets held for Academy use.

Notes to the Financial Statements

For the year ended 31 August 2014

17. Funds (continued)

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

18. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	19,167,994	19,167,994	19,619,621
Current assets	38,339	649,559	-	687,898	1,120,959
Current liabilities	-	(601,499)	-	(601,499)	(412,374)
Pension scheme liability	-	(1,596,000)	-	(1,596,000)	(1,208,000)
	<u>38,339</u>	<u>(1,547,940)</u>	<u>19,167,994</u>	<u>17,658,393</u>	<u>19,120,206</u>

19. Net cash flow from operations

	2014 £	2013 £
Net incoming resources before revaluations	(1,116,813)	(689,534)
Returns on investments and servicing of finance	(4,911)	(5,848)
Depreciation of tangible fixed assets	593,335	634,643
Capital grants from DfE	(20,622)	(39,168)
Increase in debtors	(11,212)	(121,326)
Increase in creditors	189,125	210,007
FRS 17 adjustments	43,000	70,000
Net cash (outflow)/inflow from operations	<u>(328,098)</u>	<u>58,774</u>

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>4,911</u>	<u>5,848</u>

Notes to the Financial Statements

For the year ended 31 August 2014

20. Analysis of cash flows for headings netted in cash flow statement (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(141,708)	(100,014)
Capital grants from DfE	20,622	39,168
Net cash outflow capital expenditure	(121,086)	(60,846)

21. Analysis of changes in net funds

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	859,146	(444,273)	-	414,873
Net funds	859,146	(444,273)	-	414,873

22. Contingent liabilities

There were no contingent liabilities as at 31 August 2014 or 31 August 2013.

23. Capital commitments

The charitable company had no capital commitments as at 31 August 2014 or 31 August 2013.

24. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme

Notes to the Financial Statements

For the year ended 31 August 2014

24. Pension commitments (continued)

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the

Notes to the Financial Statements

For the year ended 31 August 2014

24. Pension commitments (continued)

Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £226,000, of which employer's contributions totalled £169,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 12.7% for employers and 5.5 - 8.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(3,077,000)	(2,572,000)
Fair value of scheme assets	1,481,000	1,364,000
Net liability	<u>(1,596,000)</u>	<u>(1,208,000)</u>

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

	2014 £	2013 £
Current service cost	(175,000)	(165,000)
Interest on obligation	(120,000)	(107,000)
Expected return on scheme assets	83,000	68,000
Total	<u>(212,000)</u>	<u>(204,000)</u>

Notes to the Financial Statements

For the year ended 31 August 2014

24. Pension commitments (continued)

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

	2014	2013
	£	£
Opening defined benefit obligation	2,572,000	2,249,000
Current service cost	175,000	165,000
Interest cost	120,000	107,000
Contributions by employees	57,000	53,000
Actuarial Losses	289,000	-
Benefits paid	(136,000)	(2,000)
	<u>3,077,000</u>	<u>2,572,000</u>
Closing defined benefit obligation		

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

	2014	2013
	£	£
Opening fair value of scheme assets	1,364,000	1,059,000
Expected return on assets	83,000	68,000
Actuarial gains and (losses)	(56,000)	52,000
Contributions by employer	169,000	134,000
Contributions by employees	57,000	53,000
Benefits paid	(136,000)	(2,000)
	<u>1,481,000</u>	<u>1,364,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £1,474,000 (2013 - £1,129,000).

The Academy expects to contribute £120,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	57.10 %	54.40 %
Government bonds	7.90 %	9.20 %
Other bonds	10.30 %	9.90 %
Property	8.70 %	10.10 %
Cash/liquidity	4.40 %	1.60 %
Other	11.60 %	14.80 %

Notes to the Financial Statements

For the year ended 31 August 2014

24. Pension commitments (continued)

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Expected return on scheme assets at 31 August	5.88 %	5.89 %
Rate of increase in salaries	3.95 %	4.15 %
Rate of increase in pensions	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %

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

	2014	2013
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(3,077,000)	(2,572,000)	(2,249,000)	(1,876,000)
Scheme assets	1,481,000	1,364,000	1,059,000	776,000
Deficit	(1,596,000)	(1,208,000)	(1,190,000)	(1,100,000)
Experience adjustments on scheme assets	(56,000)	52,000	6,000	-

Notes to the Financial Statements

For the year ended 31 August 2014

25. Operating lease commitments

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

	2014 £	2013 £
Expiry date:		
Within 1 year	8,293	5,897
Between 2 and 5 years	18,489	14,643
Total	<u>26,782</u>	<u>20,540</u>

26. 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, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Bishop Challoner Catholic College is a member of the charitable company. Transactions with Bishop Challoner Catholic College (BCCC) were as follows:

	2014 £	2013 £
Recharges from BCCC of operating expenses, including staff costs	217,044	349,264
Recharges to BCCC of costs	<u>(29,000)</u>	<u>(2,863)</u>

27. Members liability

Each member of the Academy undertakes to contribute to the assets of the Academy in the event of it being wound up while they are a member, such amount as may be required, not exceeding £10.