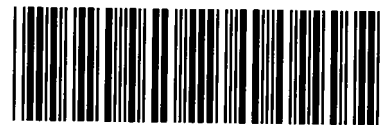


**COMPANY REGISTRATION NUMBER 08026134**

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2016**

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**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

**YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	Bishop of Durham: JS Bain Incumbent Rev: S Williamson Durham Diocesan Board of Finance: R Thorndyke Chair of Governors: V Cadd
<b>Trustees</b>	V Cadd (Chair) C A Large (Head Teacher) M Brown (Deputy Head) E G Robinson S Plummer S Railton (Staff Trustee) J M Hazelwood C Marsh S Williamson J Pattinson H Bethell (appointed 28 November 2015) M Doswell W J Harrison A Hannant (resigned 22 November 2015)
<b>Company Secretary</b>	S Davison (resigned 27 December 2015) P Cooke (appointed 18 January 2016)
<b>Senior Management Team</b>	
Head Teacher	C Large
Deputy Head Teacher	M Brown
Assistant Head Teacher	M Ramsay
SENCO	M Darling (resigned 31 August 2016)
<b>Company Name</b>	St John's Church of England Academy
<b>Principal and Registered Office</b>	St John's Church of England Academy Fenby Avenue Darlington County Durham DL1 4UB
<b>Company Registration Number</b>	08026134 (England and Wales)
<b>Independent Auditor</b>	Tait Walker LLP Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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**Bankers**

Lloyds Bank plc  
21-23 Northgate  
Darlington  
County Durham  
DL1 1TL

**Solicitors**

Bond Dickinson LLP  
One Trinity  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 2 to 11 serving a catchment area in east Darlington. It has a pupil capacity of 210 for Reception to Year 6, 26 place Nursery for 3 and 4 year olds and a 20 place full-time equivalent provision for 2 year olds. The total number of pupils was 273 in the school census on 16<sup>th</sup> May 2016.

### **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 trustees of St John's Church of England Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as St John's Church of England Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the 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.

#### **Trustees' Indemnities**

A trustee may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of the trustees, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust, or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the academy trust.

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 academy joined the EFA's RPA scheme on 1<sup>st</sup> September 2015 and this provides cover up to £10,000,000.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### **Method of Recruitment and Appointment or Election of Trustees**

Trustees are appointed under the rules contained within the academy's memorandum and articles of association and membership of the governing body is in accordance with the structure contained within it. The number of trustees shall be not less than three and is not subject to any maximum and the appointments made are in line with the guidance in the articles of association. The term of office for each trustee is four years with the exception of a co-opted trustee. The period of office for a co-opted trustee is determined by the governing body but will not be more than four years.

The members may appoint a minimum of seven trustees and up to two staff trustees through any process as they may determine, provided that the total number of trustees (including the head teacher) who are employees of the academy trust, does not exceed one third of the total number of trustees.

Of the seven trustees, three persons are nominated by the Durham Diocesan Board of Education after consultation with the Parochial Church Council of St John's, Darlington and three persons are nominated by the Parochial Church Council of St John's, Darlington. The remaining trustee is the Incumbent.

The head teacher shall be treated for all purposes as being an ex officio trustee and the Local Authority may appoint the Local Authority Trustee.

The parent trustees shall be elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when they are elected. If the number of parents standing for election is less than the number of vacancies, then the Governing Body can appoint them.

The trustees may appoint up to 2 co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted Trustee if thereby the number of trustees who are employees of the Trust would exceed one third of the total number of trustees.

The Secretary of State may appoint additional trustees as s/he sees fit, after consultation with the Diocesan Board of Education, if s/he has given the trustees a warning notice, and the trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period. The Secretary of State may also appoint additional trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the academy trust receives a grading which amounts to a drop of two Ofsted grades.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The academy trust purchases external support that provides for individual and full Governing Body training that is linked to the academy's self-review of performance and the findings of the annual skills' audit. All new trustees are given induction training by the academy's governance partner that reflects his/her previous experience and expertise. All new trustees are given a tour of the academy (by the Headteacher and Chair) and the chance to meet with staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors. The induction and training of trustees benefits from the experience of the chair of governors who is a National Leader of Governance.

### **Organisational Structure**

The management structure consists of the Members, the Trustees, and the senior leadership team.

The academy trust's scheme of delegation makes clear the delegated responsibility for decision making within the academy. The trustees are responsible for setting policy, approving the annual budget and the associated school improvement plan. The school improvement plan makes clear the trustees' key priorities for each academic year in relation to improving outcomes for the pupils in the academy. Trustees have a range of strategies in place by which they monitor progress towards these key priorities, including regular visits to the school to see pupils at work.

The head teacher is the designated accounting officer for the academy.

The governing body moved successfully in 2014/15 to themed meetings of the full governing body rather than governing body meetings supported by a number of dedicated committees. Additional meetings of the trustees take place as and when required to review admissions, review pay and hear appeals. The School Business Manager (SBM) attends all relevant meetings. The SBM is also the designated Principal Finance Officer as required by the Education Funding Agency (EFA).

The work of the governing body is carefully planned by the chair and the head teacher, working closely with the academy's clerk to trustees. The governing body undertakes an annual review of its effectiveness and outcomes from this support the academy's wider self-evaluation processes. Regular training is undertaken by the governing body to reflect its own evaluation of need.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

### YEAR ENDED 31 AUGUST 2016

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Training undertaken in 2015/16 related to:

- Induction for newly appointed trustees
- Safeguarding and PREVENT training
- Strategy day – included review of aims and mission and strategic vision
- Ofsted Framework – update on changes to framework
- Understanding data – RAISEonline
- British Values linked to our Christian values

The board of trustees believes that our processes make us an effective group and we are able to identify the impact of our work across all the areas expected by Ofsted. The most recent review of our academy was undertaken as part of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) process in July 2013. The report concluded that, in relation to governance:

*Governors support and encourage the leadership team. They are effective in their role because they monitor the impact of their policies in a variety of ways, for example visits, work scrutiny, talking to pupils, parents and staff, sending out questionnaires, and receiving presentations and reports from teaching colleagues. This means they are well-informed and have a clear view of the strengths of the school and the issues that need to be addressed.*

*SIAMs Inspection: School Report – July 2013*

The leadership team consists of the head teacher, deputy head teacher, assistant head teacher and special educational needs and disabilities co-ordinator. The scheme of delegation makes clear what decisions have been delegated to the head teacher by the board of trustees. The senior leadership team oversees the academy at an executive level, implementing the policies laid down by the trustees and reporting back to them. The senior leadership team is responsible for the day-to-day operation of the academy, particularly in relation to the organisation of teaching and learning and the wellbeing of pupils.

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The academy has robust performance management (PM) arrangements in place for all staff, including the academy's key management personnel. The PM of the head teacher is undertaken by a group of designated PM governors with external specialist advice and support. The ISR range for the Head Teacher was increased from L24 to L30 from September 2014 in accordance with the flexibilities within the School Teachers pay and conditions document (2014) to allow Governing bodies to increase the ISR range up to a maximum of 25% of the school group size, which in the case of St John's Church of England Academy is the equivalent of L30. This increase was due to the sustained high performance of the Head Teacher (Academy outstanding since 2008), the high levels of deprivation and development of Nursery provision for 2 year olds along with the need to retain high calibre staff. The Deputy Head's range was increased from L15 to L19 as a result of sustained high performance and retention purposes.



# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

### **YEAR ENDED 31 AUGUST 2016**

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The head teacher organises the PM arrangements for all staff within the school and reports to the governing body annually on the performance of all staff against their agreed objectives. The objectives of staff are layered to reflect the academy's key priorities for the year. This ensures that the performance of staff is linked to improvements identified by the governing body and head teacher in the school's improvement plan.

#### **Related Parties and Other Connected Charities and Organisations**

St John's Church of England Academy is a stand-alone academy and not part of a multi-academy trust. The academy trust is not connected to another charity as defined under paragraph 28 (1) of schedule 3 of the Charities Act.

The academy is part of a group of local schools and this group meets regularly to discuss common areas for development and plan shared areas for working between staff such as moderation of assessments. The impact of this close working is that the academy can share best practice, maximise resources and improve efficiencies.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The principal objective and activity of the Charitable Company is the operation of the St John's Church of England Academy to advance for the public benefit, 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 with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

The Trust also promotes for the benefit of the inhabitants of the area surrounding the academy the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or the public at large in the interests of social welfare with the object of improving the condition of life of the said inhabitants provided that this shall be merely incidental to its main use.

The characteristics of the academy identified in the Funding Agreement with the Secretary of State are that:

- The academy has a balanced and broadly based curriculum;
- The academy provides education for pupils of different abilities;
- The academy provides education for pupils who are wholly or mainly drawn from the area in which the academy is situated.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

### **YEAR ENDED 31 AUGUST 2016**

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Funding is provided on condition that:

- The academy will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There will be assessments of pupils' performance as they apply to maintained schools;
- The admissions policy and arrangements for the academy will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools;
- Teachers' levels of pay and conditions of service for all employees will be the responsibility of the academy trust;
- There will be an emphasis on the needs of the individual pupils including pupils with special educational needs (SEN), both those with and without statements of SEN;
- There will be no charge in relation to admission to the academy and the academy will only charge pupils where the law allows maintained schools to charge; and
- The academy trust shall as soon as reasonably practical establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles.

***"Guided by God to be the best that you can be"***

We aim to:

- Create a safe, happy and caring learning environment, where everyone is welcomed and valued as a unique individual within the eyes of God and each other;
- Provide a broad, balanced and meaningful curriculum, which offers all pupils, the widest range of educational opportunities in order to inspire a love of learning, prepare them for the next phase of their education and life in the 21<sup>st</sup> century;
- Create an "I can do" culture (school motto) and raise individual self-esteem through praise and independence so children are not afraid to make mistakes and know what they need to do to improve their learning;
- Encourage pupils to develop spiritually, mentally, physically, culturally and morally into well balanced, reliable citizens who take responsibility for themselves and others, their school environment and the wider world;
- Ensure that equal opportunities are provided for all;
- Work in partnership with trustees, families, feeder schools and other agencies and work together to ensure that every child matters and achieves their true potential; and
- Commit to excellence for all and through the process of continual reflection and evaluation, constantly strive to improve.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT *(continued)***

### **YEAR ENDED 31 AUGUST 2016**

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Christian values are at the heart of our academy. Staff, trustees, parent representatives and children worked together to discuss which values are important for our community and how we could embed them in our daily living and learning together. The six key values chosen to focus on were:

LOVE, FORGIVENESS, PEACE, TRUTHFULNESS, RESPECT, COURAGE

Other values that support our ethos include: hope, compassion, patience, tolerance, gratefulness and justice. These core values underpin our daily life and are implicit in our mission statement.

#### **Objectives, Strategies and Activities**

Trustees undertake a planned programme of monitoring and evaluation activities in order to inform their view of areas for improvement. Trustees identified the following 4 key priorities for improvement in 2015/16:

- Improve the standard of achievement in writing so that progress is consistently good or better for all groups;
- Implement assessment in line with new curriculum including end of year summative assessments;
- Ensure effective implementation of SMSC with links to British values; and
- Implementation of 2-year old provision.

#### **Public Benefit**

The trustees have complied with the duty in Section 4 of the Charities Act 2011, to have due regard to public benefit published by the Charity Commission in exercising their powers or duties. In particular, the trustees have considered how planned activities will contribute to the aims and objectives they have set. The academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

The academy trust has undertaken a range of significant activities during this reporting period to further its charitable purposes for the public benefit. The benefit provided by the academy trust is equated to our achievements in this particular period, which include:

- academy is well above national floor standards in all areas in 2016 (provisional);
- academy compared extremely well with national expected outcomes in the 2016 revised national assessment; (RAISEonline for 2016 not yet available at Key Stage 2);
- KS 1 to 2 Progress for 2016 is strong;
- in the 2015 national tests, the academy was significantly above the national average in maths, reading and writing at KS2; and
- academy trend over time 2013 – 2015 in progress is significantly above national average.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### **STRATEGIC REPORT**

#### **Achievements and Performance**

The school converted to academy status on 1 May 2012. Our results have continued to be excellent and this demonstrates that we are meeting the needs of all of our pupils be they gifted and talented or SEND. We are continually working to improve the outcomes for all pupils at our academy. To achieve this we undertake a range of activities including:

- detailed tracking of individual progress and attainment;
- provision of timely support and intervention as required;
- a rigorous programme of classroom observations linked to our performance management policy;
- a planned programme of monitoring and evaluation activity; and
- a creative curriculum that supports personalised learning and success for all.

Our effective use of PE and Sports additional government funding has enabled us to achieve a Sports Mark Gold accreditation in 2014, 2015 and again in 2016 in recognition of the high quality curriculum we provide for pupils.

The academy was awarded a Gold Mark for sustainable travel in July 2016 to reflect its work in promoting children walking, cycling and scooting to school. As part of this, a group of pupils were designated Travel Ambassadors and they were active in supporting this initiative by monitoring traffic flow outside the school and preparing a video for parents on promoting parking away from the school rather than putting learners at risk. The quality of this work is such that the academy has been put forward for a national award.

The academy was awarded the Young Carers Charter in June 2016 for supporting children who are carers. This has involved awareness raising with pupils and working with young carers to give them access to extended opportunities.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### School Performance Summary 2015/16

#### KS2 performance in national assessments in 2016

	% Expected + (School)	% Expected + (National)	Scaled Score (School)	Scaled Score (National)	% Higher Standard (School)	% Higher Standard (National)
Reading	88	66	106	103	25	19
Writing	88	74			25	15
Maths	83	70	105	103	8	17
GPS	75	72	103	104	17	23
RWM	83	53			8	5

#### Results over time at KS2

The assessment arrangements were changed in 2016 and the outcomes achieved by pupils in 2016 cannot be compared with those of previous years. The KS2 table identifies achievement this year and the table below showing results over time at KS2 is for reference in relation to the progress made since the academy was established.

Subject % @L4+	2011	2012	2013	2014	2015
Reading	92.3	100	100	100	100
Writing	92.3	95.5	88	90	100
Maths	96.2	100	100	97	100
RWM		95	88	90	100
Subject %@L5+	2011	2012	2013	2014	2015
Reading	58.1	95.5	52.5	62	63
Writing	19.4	40.9	36.0	42	47
Maths	54.8	50.0	40.0	66	50
RWM		32	28	34	30
APS		30.3	29.5	30.4	30.5

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

**YEAR ENDED 31 AUGUST 2016**

### KS 1 performance in national assessments in 2016

	% Expected + (School)	% Expected + (National)	% GD (School)	% GD (National)
<b>Reading</b>	<b>81</b>	<b>75</b>	<b>23</b>	<b>24</b>
<b>Writing</b>	<b>81</b>	<b>66</b>	<b>13</b>	<b>13</b>
<b>Maths</b>	<b>84</b>	<b>73</b>	<b>19</b>	<b>18</b>
<b>RWM</b>	<b>84</b>	<b>60</b>	<b>8</b>	<b>9</b>

### Phonic screening at Year 1 in 2016

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>St John's</b>	<b>79%</b>	<b>69%</b>	<b>84%</b>	<b>85%</b>
<b>National</b>	<b>69%</b>	<b>74%</b>	<b>77%</b>	

### Results over time at KS1

As at KS2, the assessment arrangements were changed in 2016 and the outcomes achieved by pupils in 2016 cannot be compared with those of previous years. The KS1 table identifies achievement this year and the table below showing results over time at KS1 is for reference in relation to the progress made since the academy was established.

<b>Subject % L2B+</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Reading</b>	<b>70.0</b>	<b>73.3</b>	<b>75.9</b>	<b>80</b>	<b>80</b>
<b>Writing</b>	<b>53.3</b>	<b>63.3</b>	<b>62.1</b>	<b>63</b>	<b>73</b>
<b>Maths</b>	<b>73.3</b>	<b>76.7</b>	<b>72.4</b>	<b>77</b>	<b>80</b>
<b>Subject % L3</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Reading</b>	<b>0.0</b>	<b>13.3</b>	<b>13.8</b>	<b>13</b>	<b>20</b>
<b>Writing</b>	<b>3.3</b>	<b>6.7</b>	<b>3.4</b>	<b>3</b>	<b>13</b>
<b>Maths</b>	<b>0.0</b>	<b>6.7</b>	<b>6.9</b>	<b>13</b>	<b>20</b>
<b>Overall APS</b>		<b>14.9</b>	<b>15.2</b>	<b>15.3</b>	<b>15.7</b>

### Early Years Foundation Stage Outcomes in 2016

<b>Good Level of Development</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>St Johns</b>	<b>50%</b>	<b>54.8%</b>	<b>63%</b>	<b>67%</b>
<b>National</b>	<b>52%</b>	<b>60%</b>	<b>67%</b>	<b>Not yet available</b>

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

### **YEAR ENDED 31 AUGUST 2016**

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#### **Key Performance Indicators**

The key financial performance indicators of the academy relate to the effectiveness of the use of funds for the benefit of the education of children. The key non-financial performance indicators of the academy relate to the achievements and performance of its pupils.

We have a range of key performance indicators that enable trustees to monitor progress and effectiveness of the academy and this forms part of our School Improvement Plan.

Key indicators include:

- Ofsted Report (Feb. 2008) Judgement outstanding in all categories;
- SIAMs (July 2013) Judgement outstanding in all categories;
- Governor Mark – achieved in December 2015 for quality of governance;
- Above national 2016 Floor Standards (provisional);
- Improved attendance trend with provisional 2016 data indicating best attendance ever;
- Pupils on roll & forecasts – 2015/16 school was oversubscribed;
- Performance data as tabled above;
- Financial data confirms a positive balance 2015/16; and
- Parental satisfaction – 2016 survey confirms strong parental support – 100% of parents would recommend this school to another parent.

#### **Going Concern**

After making appropriate enquiries, the governing body 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 can be found in the Statement of Accounting Policies.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### **FINANCIAL REVIEW**

The majority of the Trusts' income for the year of account is obtained from either the EFA (Education Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ending 31 August 2016 total expenditure of £1,248k was exceeded by grant funding from the EFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £104k.

At 31 August 2016 the net book value of fixed assets was £2,250k. The assets were used exclusively for providing education and associated support to the pupils in the academies within the Trust.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £410k which has been carried forward to 2016/17. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

A risk register is maintained and this is reviewed termly by the trustees. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Risks are escalated to the board of trustees as necessary. This is supported by a risk management policy.

### **Reserves Policy**

The trustees review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that there should be sufficient working capital and free reserves to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

The academy's level of free reserves (total funds less the amount held in fixed assets and restricted funds) at 31 August 2016 was £221k which is considered by the trustees to be adequate given that the free reserves policy of the academy is to cover 4 weeks' worth of expenses (approx. £90k).



# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

### **YEAR ENDED 31 AUGUST 2016**

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The trustees continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied including:

- Purchasing a minibus to facilitate enrichment of learning;
- Explore extension to Car park;
- Explore addition to Nursery provision (3 to 4 year olds) to ensure entitlement for working parents; and
- Enhance the outdoor learning environment.

The amount held in restricted funds (excluding pension reserve) plus unrestricted funds resulted in a net surplus of £104k.

#### **Investment Policy**

The academy's current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest on a quarterly basis. All funds can be immediately accessed so that they can be appropriately utilised as and when needed.

#### **Principal Risks and Uncertainties**

The academy's risk register is updated termly. The key risks for the academy are:

- Loss of key staff resulting in instability and reduced performance of the academy.

Current measures to mitigate this risk are:

- New staffing structure in place.
- Increased ISR range for Head and Deputy Head Teacher.
- Increased grading for Academy Business Manager.
- High quality training and development for succession planning.
- Mentor in place for new staff.
- Governing Body structure reviewed annually.
- Annual skills analysis-gaps identified.
- High quality training and development.
- Chair of Governors is a National Leader of Governance.

Following a comprehensive review of risk in June 2016 alongside the likelihood, impact and the existing controls put in place, there were no risks identified with a high probability of occurrence.

One area under Pupil Support was identified as needing treatment following the loss of the Behaviour Support Service, which may have an adverse effect on teaching and performance. Governors have considered a number of measures whilst agreeing to monitor/tolerate the situation. These include:

- Employing the services of a Behaviour Support Specialist when required.
- Agreeing to use the services of St Aidan's Academy.
- Building internal capacity through the Peer support mentoring programme

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2016**

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### **Plans for Future Periods**

The academy plans to maintain the high standards of the property from which it operates and is planning to submit a capital bid to EFA for updating the academy's heating system. In 2017 working parents will be entitled to an additional 15 hours of childcare for 3 and 4 year olds. The academy is currently exploring ways this can be accommodated within the academy. Parents have identified the need for after-school childcare and this will be considered by the governing body in the autumn term 2016/17. Trustees are aware of the national imperative regarding multi-academy trust status and will keep this under review during the year.

### **FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS**

There are no funds held as Custodian Trustee on behalf of others.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as the trustees are aware:

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

### **AUDITOR**

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 25.11.16 and signed on the board's behalf by:



V Cadd  
Chair

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2016

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### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St John's Church of England Academy 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 trustees 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 St John's Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Large (Head Teacher and Accounting Officer)	6	6
V Cadd (Chair)	6	6
M Brown (Staff Governor)	4	6
S Railton (Staff Governor)	6	6
M Doswell (Foundation Governor)	3	6
W J Harrison (Foundation Governor)	5	6
C Marsh (Foundation Governor)	5	6
J Pattinson (Foundation Governor)	6	6
S Plummer (Foundation Governor)	4	6
S Williamson (Foundation Governor)	4	6
J Hazelwood (Parent Governor)	4	6
H Bethell (Parent Governor)	3	4
(appointed 27 November 2015)		
A Hannant (Parent Governor)	1	1
(appointed 4 Nov 2015 & resigned 22 Nov 2015)		
E G Robinson (LA Governor)	5	5
(reappointed 6 November 2015)		

There have been no changes to the governing body since the end of the reporting period.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2016

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### Governance Review

The academy has a strong track record of effective governance. In the academy's most recent Ofsted inspection, governance was judged to be *Outstanding*. The academy was successful in gaining Governor Mark accreditation in December 2014. Governor Mark is an external accreditation process that takes into account all aspects of a school's governance arrangements. In September 2015 the Chair of the Governing Body was successful in gaining accreditation as a National Leader of Governance.

Trustees review annually the effectiveness of their governance arrangements as part of a trustees' strategic planning day. This took place on 22nd October 2015. Governors undertook a review of the effectiveness and impact of their work. The review was linked to Ofsted criteria for effective governance within the *Effectiveness of Leadership and Management* section of the Ofsted Inspection Handbook. As a result of the review, governors took the following actions to improve their efficiency and effectiveness:

1. Governors reviewed the academy's aims and mission statement and revised;
2. Governors were actively engaged in determining the academy's priorities for improvement through the development of the improvement plan, including the identification of governor monitoring activity to enable governors to evaluate progress against the key priorities;
3. Identification of link governors for curriculum subjects and a group of governors who monitor the improvement areas within the academy's Improvement Plan;
4. Identification of Lead Governors – e.g. EYFS, Finance, Audit, Curriculum, Safeguarding – to monitor activity within statutory areas of responsibility;
5. Reviewed governance action plan 2014/15 and developed 2015/16 plan based on outcomes from review of effectiveness and findings from skills' audit; and
6. Added governor link to academy website to improve communications.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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### **Review of Value for Money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring that the resources available enable children to achieve nationally expected progress, or exceed it, through the setting of annual pupil achievement targets, based on revised curriculum expectations;
- Developing robust tracking systems to monitor the progress of individual pupils that ensures that all pupils make at least progress in line with national end of year expectations;
- Trustees and school leaders deploy staff to provide best value in terms of quality of teaching and learning, adult-pupil ratios and curriculum management. The academy staffing structure is reviewed annually to ensure the most appropriate provisions for our pupils; and
- Maximising the opportunities for the generation of additional revenue income through, for example, application for grant funding to purchase 30 new cycles for pupils and the wider community and application to local authority for funding to support peer mentoring to improve pupil wellbeing. The academy also submitted a successful bid to EFA for £300k to cover cost of roof repairs and successful bid to the local authority for £174k to support the development of provision for 2-year olds.

### **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 in place in St John's Church of England Academy for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees 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 board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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### **The Risk and Control Framework**

The 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 board of trustees;
- 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; and
- identification and management of risks.

The board of trustees have considered the need for a specific internal audit function and have appointed Tait Walker to provide a programme of internal assurance.

The internal assurance role includes giving advice on financial matters and performing a range of checks on the Academy trust's financial systems. Internal assurance activity is based on 3 days per annum site visits. In particular the checks carried out in the current period included:

- testing of EFA, DfE and Local Authority income
- testing of purchasing and payments systems
- testing of bank, petty cash, debit and credit card use

On a termly basis the assurance provider reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The schedule of work was delivered by Tait Walker LLP as planned and identified a small number of minor issues that have been added to the academy's Finance Improvement Plan.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2016

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### Review of Effectiveness

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

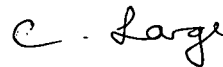
- the work of the assurance provider;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the governing body 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 trustees on 25.11.16 and signed on its behalf by:



V Cadd  
Chair



C Large  
Accounting Officer

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

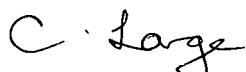
**YEAR ENDED 31 AUGUST 2016**

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As accounting officer of St John's Church of England Academy I have considered my responsibility to notify the academy trust board of trustees 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 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 2015.

I confirm that I and the academy trust board of trustees 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 2015.

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 trustees and EFA.



C Large  
Accounting Officer



# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**YEAR ENDED 31 AUGUST 2016**

---

The trustees (who act as governors of St John's Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Account Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 group and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 and group will continue in operation.

The trustees 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company and group 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 EFA/DfE have been applied for the purposes intended.

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's and group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Approved by order of the members of the board of trustees on 25.11.16 and signed on its behalf by:



V Cadd  
Chair

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S CHURCH OF ENGLAND ACADEMY**

**YEAR ENDED 31 AUGUST 2016**

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We have audited the financial statements of St John's Church of England Academy for the year ended 31 August 2016 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 23 to 24, the trustees (who are also the directors of the academy trust 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report 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.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST JOHN'S CHURCH OF ENGLAND ACADEMY *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs at 31 August 2016 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 Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the trustees annual 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 by the academy trust; or
- the academy trust's financial statements are not in agreement with the accounting records or returns;
- 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.



Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants & Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS



# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST JOHN'S CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

**YEAR ENDED 31 AUGUST 2016**

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In accordance with the terms of our engagement letter dated 12 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies' Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St John's Church of England Academy during the period 1 September 2015 to 31 August 2016 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 St John's Church of England Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St John's Church of England Academy and 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 St John's Church of England Academy and EFA, for our work, for this report, or for the conclusion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF ST JOHN'S CHURCH OF ENGLAND ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of St John's Church of England Academy's funding agreement with the Secretary of State dated 1 May 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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.

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**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO ST JOHN'S CHURCH OF ENGLAND ACADEMY AND THE  
EDUCATION FUNDING AGENCY *(continued)***

**YEAR ENDED 31 AUGUST 2016**

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The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and directors of the academy trust;
- Inspection and review of the accounting records, meeting minutes, internal control procedures;
- Obtaining and reviewing management representations and declarations of interest; and
- Observation and re-performance of financial controls.

**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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Tait Walker LLP*

Tait Walker LLP  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

*8th December 2016*

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND  
EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 AUGUST 2016**

		<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>INCOMING RESOURCES</b>						
Donations & capital grants	2	11	10	93	114	465
Charitable activities:						
Funding for the academy trust's educational operations	3	13	1,239	—	1,252	1,191
Other trading activities	4	12	—	—	12	14
<b>TOTAL INCOMING RESOURCES</b>		<b>36</b>	<b>1,249</b>	<b>93</b>	<b>1,378</b>	<b>1,670</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Academy trust educational operations	5/6	(38)	(1,143)	(67)	(1,248)	(1,157)
<b>TOTAL EXPENDITURE</b>		<b>(38)</b>	<b>(1,143)</b>	<b>(67)</b>	<b>(1,248)</b>	<b>(1,157)</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>(2)</b>	<b>106</b>	<b>26</b>	<b>130</b>	<b>513</b>
Carried Forward		(2)	106	26	130	513

The notes on pages 34 to 62 form part of the financial statements

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND  
EXPENDITURE ACCOUNT) *(continued)***

**YEAR ENDED 31 AUGUST 2016**

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	Total Funds 2016	Total Funds 2015
	Note	£000	£000	£000	£000	£000
Brought forward		(2)	106	26	130	513
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	21	—	(237)	—	(237)	2
<b>NET MOVEMENT IN FUNDS</b>		<u>(2)</u>	<u>(131)</u>	<u>26</u>	<u>(107)</u>	<u>515</u>
<b>RECONCILIATION OF FUNDS</b>	13					
Total funds brought forward		<u>223</u>	<u>(123)</u>	<u>2,224</u>	<u>2,324</u>	<u>1,809</u>
<b>Total funds carried forward</b>		<u>221</u>	<u>(254)</u>	<u>2,250</u>	<u>2,217</u>	<u>2,324</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.  
All of the above amounts relate to continuing group activities.

The notes on pages 34 to 62 form part of the financial statements



**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE  
COMPANY REGISTRATION NUMBER: 08026134**

**BALANCE SHEET  
as at 31 AUGUST 2016**

		2016		2015	
	Note	£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		2,250		2,143
<b>CURRENT ASSETS</b>					
Debtors	11	35		83	
Cash at bank and in hand		451		429	
		<u>486</u>		<u>512</u>	
<b>CREDITORS: amounts falling due within one year</b>	12				
		<u>(109)</u>		<u>(175)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>377</u>		<u>337</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>2,627</b>		<b>2,480</b>
Defined benefit pension scheme liability	21		<u>(410)</u>		<u>(156)</u>
<b>TOTAL NET ASSETS</b>			<u><b>2,217</b></u>		<u><b>2,324</b></u>

The notes on pages 34 to 62 form part of the financial statements

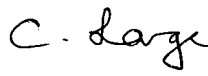
**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE  
COMPANY REGISTRATION NUMBER: 08026134**

**BALANCE SHEET***(continued)*  
**as at 31 AUGUST 2016**

		2016		2015	
	Note	£000	£000	£000	£000
<b>FUNDS OF THE ACADEMY TRUST</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	13	2,250		2,224	
Restricted Income fund	13	156		33	
Pension reserve	13	<u>(410)</u>		<u>(156)</u>	
<b>TOTAL RESTRICTED FUNDS</b>			1,996		2,101
Unrestricted income funds	13		<u>221</u>		<u>223</u>
<b>TOTAL FUNDS</b>			<b>2,217</b>		<b>2,324</b>

These financial statements were approved by the trustees and authorised for issue on the 25.11.16 and are signed on their behalf by:

  
V Cadd  
Chair

  
C A Large  
Accounting Officer

The notes on pages 34 to 62 form part of the financial statements

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 AUGUST 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by (used in) operating activities	<b>17</b>	<b>103</b>	<b>164</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>	<b>18</b>	<b>(81)</b>	<b>(172)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>22</b>	<b>(8)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER 2015</b>	<b>19</b>	<b>429</b>	<b>437</b>
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST 2016</b>	<b>19</b>	<b>451</b>	<b>429</b>

The notes on pages 34 to 62 form part of the financial statements

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES**

#### **Statement of accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### **Basis of preparation**

These financial statements are the first financial statements of St John's Church of England Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St John's Church of England Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

#### **Explanation of transition to FRS102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

#### **A – Change in recognition of LGPS interest cost**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £4,000 and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.

#### **B – Income Recognition**

Under the previous UK GAAP, income was recognised when the academy was entitled to the income, a reasonable estimate of the amount could be made, and the academy was virtually certain of receipt. Under FRS102 SORP 2015, income is recognised when receipt of income is probable, rather than virtually certain.

There have been no changes to the amounts recognised in the 2015 financial statements as a result of the implementation of FRS102.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **Basis of accounting**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St John's Church of England Academy meets the definition of a public benefit entity under FRS102.

#### **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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

#### **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES *(continued)***

General Annual Grant ('GAG') is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### **Investment income**

Interest receivable is included in the statement of financial activities on an accruals basis.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### **Tangible Fixed Assets**

Assets costing £1,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

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

Computer Equipment	- 3 years straight line
Fixtures & Equipment	- 7 years straight line
Freehold Property	- 50 years straight line

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

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

#### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased Assets**

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



# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **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 potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

#### **Pension 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.

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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS 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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

# ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

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### 1. ACCOUNTING POLICIES *(continued)*

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### **Fund Accounting**

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

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 with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

#### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Depreciation**

The company has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £67,000 (2015 - £58,000).

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES** *(continued)*

*Critical areas of judgement*

Assessing indicator of impairment. In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000	£000
Capital grants	—	—	93	93	447
Other donations	11	10	—	21	18
	<u>11</u>	<u>10</u>	<u>93</u>	<u>114</u>	<u>465</u>
 Total 2015	 <u>8</u>	 <u>2</u>	 <u>455</u>	 <u>465</u>	

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds	Restricted General Funds	Total Funds 2016	Total Funds 2015
	£000	£000	£000	£000
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	—	923	923	924
Other DfE/EFA grants	—	212	212	164
	<u>—</u>	<u>1,135</u>	<u>1,135</u>	<u>1,088</u>
<b>Other Government grants</b>				
Local authority grants	—	104	104	90
	<u>—</u>	<u>104</u>	<u>104</u>	<u>90</u>
Other income from the academy trust's educational operations	13	—	13	13
	<u>13</u>	<u>1,239</u>	<u>1,252</u>	<u>1,191</u>
<b>Total 2015</b>	<u>13</u>	<u>1,178</u>	<u>1,191</u>	

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Hire of facilities	1	–	1	1
Training	3	–	3	3
School Uniform	2	–	2	2
Other Income	6	–	6	8
	<u>12</u>	<u>–</u>	<u>12</u>	<u>14</u>
<b>Total 2015</b>	<u>9</u>	<u>5</u>	<u>14</u>	

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**5. EXPENDITURE**

	Non Pay Expenditure			Total 2016	Total 2015
	Staff Costs	Premises	Other		
	£000	£000	£000	£000	£000
Academy's educational operations:					
Direct costs	822	67	67	956	865
Allocated support costs	103	56	133	292	292
	<u>925</u>	<u>123</u>	<u>200</u>	<u>1,248</u>	<u>1,157</u>
 <b>Total 2015</b>	 <u>846</u>	 <u>111</u>	 <u>200</u>	 <u>1,157</u>	

Net income/(expenditure) for the period includes:

	2016	2015
	£000	£000
Operating lease rentals	2	1
Depreciation	67	58
Fees payable to auditor for: audit	4	4
other services	1	3
	<u>74</u>	<u>66</u>

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**6. CHARITABLE ACTIVITIES**

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Direct costs	<b>956</b>	865
Support costs	<b>292</b>	292
	<b><u>1,248</u></b>	<b><u>1,157</u></b>

**Analysis of support costs**

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Support staff costs	<b>103</b>	103
Technology costs	<b>5</b>	6
Premises costs	<b>56</b>	54
Other support costs	<b>120</b>	116
Governance costs	<b>8</b>	13
	<b><u>292</u></b>	<b><u>292</u></b>



**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**7. STAFF COSTS**

**a. Staff costs**

Staff costs during the period were:

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>747</b>	685
Social security costs	<b>56</b>	47
Operating costs of defined benefit pension schemes	<b>110</b>	105
	<b><u>913</u></b>	<b><u>837</u></b>
Supply staff costs	<b>12</b>	9
	<b><u>925</u></b>	<b><u>846</u></b>

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**7. STAFF COSTS *(continued)***

**b. Staff numbers**

The average number of persons employed by the academy during the period was as follows:

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>7</b>	<b>7</b>
Administration and support	<b>21</b>	<b>19</b>
Management	<b>3</b>	<b>3</b>
	<b><u>31</u></b>	<b><u>29</u></b>

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was: -

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	<b><u>1</u></b>	<b><u>1</u></b>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £232,033 (2015 - £216,883).

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **8. RELATED PARTY TRANSACTIONS – TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

**C A Large (Principal & Trustee)**

Remuneration band £75,000 - £80,000 (2015 - £75,000 - £80,000)

Employers pension contributions paid £10,000 - £15,000 (2015 - £10,000 - £15,000)

**M Brown (Staff Trustee)**

Remuneration band £55,000 - £60,000 (2015 - £55,000 - £60,000)

Employers pension contributions paid £5,000 - £10,000 (2015 - £5,000 - £10,000)

**S Railton (Staff Trustee)**

Remuneration band £10,000 - £15,000 (2015 - £10,000 - £15,000)

Employers pension contributions paid £nil (2015 - £nil)

During the period ended 31 August 2016, travel and subsistence expenses totalling £340 were reimbursed or paid directly to trustees (2015 - £nil to trustees).

Other related party transactions involving the trustees are set out in note 22.

### **9. TRUSTEES' AND OFFICERS' INSURANCE**

2016 was the first year the academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover the losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

In 2015 the academy trust purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provided cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,909. The cost of this insurance is included within the total insurance cost.

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**10. TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings</b>	<b>Furniture and Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 Sep 2015	2,157	85	83	2,325
Additions	170	4	—	174
Disposals	—	—	(1)	(1)
<b>At 31 Aug 2016</b>	<b><u>2,327</u></b>	<b><u>89</u></b>	<b><u>82</u></b>	<b><u>2,498</u></b>
At 1 Sep 2015	(104)	(18)	(60)	(182)
Charged in the year	(43)	(13)	(11)	(67)
Disposals	—	—	1	1
<b>At 31 Aug 2016</b>	<b><u>(147)</u></b>	<b><u>(31)</u></b>	<b><u>(70)</u></b>	<b><u>(248)</u></b>
<b>At 31 Aug 2016</b>	<b><u>2,180</u></b>	<b><u>58</u></b>	<b><u>12</u></b>	<b><u>2,250</u></b>
At 31 Aug 2015	<u>2,053</u>	<u>67</u>	<u>23</u>	<u>2,143</u>

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**11. DEBTORS**

	2016	2015
	£000	£000
VAT recoverable	3	39
Prepayments and accrued income	32	44
	<u>35</u>	<u>83</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£000	£000
Trade creditors	10	84
Other taxation and social security	17	14
Other creditors	—	6
Accruals and deferred income	82	71
	<u>109</u>	<u>175</u>

**Deferred Income**

	2016	2015
	£000	£000
At 1 Sep 2015	51	70
Released from previous years	(51)	(70)
Resources deferred in the year	49	51
At 31 Aug 2016	<u>49</u>	<u>51</u>

At the balance sheet date the Trust was holding funds received in advance in respect of nursery funding £26k (2015 - £35k), rates relief £2k (2015 - £1k), school meals £15k (2015 - £15k) and ILS £6k (2015 - £nil).

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

**13. FUNDS**

	At 1 Sep 2015	Income	Expenses	Gains, losses and transfers	At 31 Aug 2016
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	33	923	(810)	—	146
Pupil Premium	—	117	(117)	—	—
Pension reserve	(156)	—	(17)	(237)	(410)
Other grants	—	209	(199)	—	10
	<u>(123)</u>	<u>1,249</u>	<u>(1,143)</u>	<u>(237)</u>	<u>(254)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,508	—	—	—	1,508
DfE/EFA capital grants	668	93	(67)	—	694
Diocese on conversion	48	—	—	—	48
	<u>2,224</u>	<u>93</u>	<u>(67)</u>	<u>—</u>	<u>2,250</u>
<b>Total restricted funds</b>	<u>2,101</u>	<u>1,342</u>	<u>(1,210)</u>	<u>(237)</u>	<u>1,996</u>
<b>Total unrestricted funds</b>	<u>223</u>	<u>36</u>	<u>(38)</u>	<u>—</u>	<u>221</u>
<b>Total funds</b>	<u>2,324</u>	<u>1,378</u>	<u>(1,248)</u>	<u>(237)</u>	<u>2,217</u>

**ST JOHN'S CHURCH OF ENGLAND ACADEMY  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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**13. FUNDS (*continued*)**

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy.

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**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	–	–	2,250	2,250
Current assets	221	265	–	486
Current liabilities	–	(109)	–	(109)
Pension scheme liability	–	(410)	–	(410)
Total net assets	<u>221</u>	<u>(254)</u>	<u>2,250</u>	<u>2,217</u>

**15. CAPITAL COMMITMENTS**

	2016	2015
	£000	£000
Contracted for, but not provided in the financial statements	<u>4</u>	<u>–</u>

**16. OPERATING LEASE COMMITMENTS**

As at 31 August 2016, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts due within one year	1	1
Amounts due between one and five years	3	4
	<u>4</u>	<u>5</u>



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**17. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM  
OPERATING ACTIVITIES**

	2016	2015
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	130	513
Adjusted for:		
Depreciation (note 10)	67	58
Capital grants from DfE and other capital income	(93)	(455)
Defined benefit pension scheme cost less contributions payable (note 21)	12	18
Defined benefit pension scheme finance cost (note 21)	5	4
(Increase)/decrease in debtors	48	(25)
Increase/(decrease) in creditors	(66)	51
<b>Net cash provided by Operating Activities</b>	<b>103</b>	<b>164</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**18. CASHFLOWS FROM INVESTING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Purchase of tangible fixed assets	<b>(174)</b>	<b>(627)</b>
Capital grants from DfE/EFA	<b>93</b>	<b>447</b>
Capital funding received from sponsors and others	<b>–</b>	<b>8</b>
<b>Net cash provided by/(used in) investing activities</b>	<b><u>(81)</u></b>	<b><u>(172)</u></b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	<b>451</b>	<b>429</b>
<b>Total cash and cash equivalents</b>	<b><u>451</u></b>	<b><u>429</u></b>

**20. MEMBERS' LIABILITIES**

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

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **21. PENSION AND SIMILAR OBLIGATIONS**

The academy trust'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 Durham County Council. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £22,872 (2015 - £11,653) were payable to the schemes at 31 August 2016 and are included within creditors.

#### **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 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.

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **21. PENSION AND SIMILAR OBLIGATIONS (*continued*)**

#### **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 (including a 0.08% employer administration charge (currently 14.1%);
- 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; and
- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £66,550.

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

Under the definitions set out in FRS 102, 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 academy has set out above the information available on the scheme.

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## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

### 21. PENSION AND SIMILAR OBLIGATIONS (*continued*)

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £52,356 (2015 - £43,594), of which employer's contributions totalled £37,429 (2015 - £29,486) and employees' contributions totalled £14,927 (2015 - £14,108). The agreed contribution rates for future years are 12.6 per cent for employers and 6.5 – 12.5 per cent 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.

#### Principal actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.60%
Rate of increase for pensions in payment/inflation	1.90%	2.10%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	1.90%	2.10%

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.70	22.60
Females	25.20	25.10
<i>Retiring in 20 years</i>		
Males	24.90	24.80
Females	27.50	27.40

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**21. PENSION AND SIMILAR OBLIGATIONS *(continued)***

The academy's share of the assets in the scheme were:

	<b>Fair value at 31 August 2016 £000</b>	<b>Fair value at 31 August 2015 £000</b>
Equity instruments	<b>187</b>	<b>144</b>
Debt instruments	<b>175</b>	<b>109</b>
Property	<b>34</b>	<b>18</b>
Other	<b>32</b>	<b>22</b>
Total market value of assets	<b><u>428</u></b>	<b><u>293</u></b>

**Amounts recognised in the statement of financial activities**

	<b>2016 £000</b>	<b>2015 £000</b>
Current service cost (net of employee contributions)	<b>47</b>	<b>55</b>
Net interest cost	<b>5</b>	<b>4</b>
Total operating charge	<b><u>52</u></b>	<b><u>59</u></b>

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**21. PENSION AND SIMILAR OBLIGATIONS (*continued*)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 September	<b>473</b>	<b>404</b>
Current service cost	<b>47</b>	<b>55</b>
Interest cost	<b>18</b>	<b>15</b>
Employee contributions	<b>18</b>	<b>15</b>
Actuarial (gain)/loss	<b>283</b>	<b>(13)</b>
Benefits paid	<b>(1)</b>	<b>(3)</b>
<b>At 31 August</b>	<b><u>838</u></b>	<b><u>473</u></b>

**Changes in the fair value of the academy's share of scheme assets:**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 September	<b>317</b>	<b>268</b>
Interest income	<b>13</b>	<b>11</b>
Actuarial gain/(loss)	<b>46</b>	<b>(11)</b>
Employer contributions	<b>35</b>	<b>37</b>
Employee contributions	<b>18</b>	<b>15</b>
Benefits paid	<b>(1)</b>	<b>(3)</b>
<b>At 31 August</b>	<b><u>428</u></b>	<b><u>317</u></b>

# **ST JOHN'S CHURCH OF ENGLAND ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**

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### **22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The buildings in which the Academy operates from are owned by Durham Diocese Board.

During the year, the academy received invoices totalling £25,920 (2015 - £43,925) from IT Systems & Support Limited, a connected company by virtue of a director of IT Systems & Support Limited being a son-in-law of one of the academy's governors. At the year end £18 (2015 - £20,593) was owed to IT Systems & Support and was included within trade creditors.

During the year the academy received invoices totalling £415 (2015 - £515) from PER Productions, a connected party by virtue of the proprietor of the business being the son of a governor. At the year end £nil (2015 - £nil) was owed to PER Productions.

During the year, the academy received support under a Service Level Agreement from St. Aidan's Church of England Academy, an entity with whom Rev. S Williamson is a common trustee, at a cost of £2,228 (2015 - £2,062). At the year end, the balance owing was £nil (2015 - £nil).

During the year, the academy purchased plants costing £50 from G Railton (2015 - £nil), the spouse of a governor, for inclusion within the Spiritual Garden. G Railton, is a wholesale plant supplier and supplied the plants to the academy at cost. At the year end, the balance owing was £nil (2015 - £nil).

### **23. ULTIMATE CONTROLLING PARTY**

The members of the board consider that there is no ultimate controlling party of the group of the academy trust other than the academy trust's members themselves.