

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Financial Statements

31 August 2017



ST JOHN'S CHURCH OF ENGLAND ACADEMY
Company Limited by Guarantee

Financial Statements

Year Ended 31st August 2017

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ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Reference and Administrative Details

Year Ended 31st August 2017

Members

Bishop of Durham: Venerable S Bain
Incumbent: Revd. S. Williamson
Durham Diocesan Board of Finance: R. Thorndyke
Chair of St John's CE Academy Trust: Mrs V. Cadd

Trustees

V Cadd
C A Large
M Brown
E G Robinson
Revd. S Plummer
S Railton
J M Hazelwood
C Marsh
Revd. S Williamson
J Pattinson
H Bethell (resigned 4th May 2017)
M Doswell
W J Harrison
A Linsley (appointed 5 October 2017)

Company Secretary

P Cooke

Senior Management Team

C Large	Head Teacher
M Brown	Deputy Head Teacher
M Ramsay	Assistant Head Teacher
D Goldsbrough	SENCO

ST JOHN'S CHURCH OF ENGLAND ACADEMY

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Reference and Administrative Details *(continued)*

Year Ended 31st August 2017

Company Name	St John's Church of England Academy
Principal and Registered Office	St John's Church of England Academy Fenby Avenue Darlington County Durham DL1 4UB
Company Registration Number	08026134 (England and Wales)
Independent Auditor	Tait Walker LLP Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds TSB 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

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Trustees' Report

Year Ended 31st August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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, a 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 in the school at the last school census in May 2017 was 277.

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 1st September 2015 and this provides cover up to £10,000,000. This arrangement remained in place for this reporting period.

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 board of trustees but will not be more than four years.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

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 board of trustees 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.

Policies and Procedures Adopted for the Induction and Training of Trustees

The academy trust purchases external support that provides for individual and board of trustee 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 head teacher 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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

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Trustees' Report *(continued)*

Year Ended 31st August 2017

The board of trustees continues to have themed meetings of the board rather than board 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 & Skills Funding Agency (ESFA).

The work of the board is carefully planned by the chair and the head teacher, working closely with the academy's clerk to trustees. The board 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 board to reflect its own evaluation of need. This includes an annual strategic planning day at which the focus is on evaluating the governance action plan and developing the next plan. This took place on 20th October 2016. Next year's planning day will take place on 9th November 2017.

Trustees also undertake a skills audit each year and this is used to highlight areas for development and training. It is also used to support the recruitment of new trustees by enabling the board of trustees to pinpoint the skills and experience it needs to attract through the appointment of new trustees.

Training undertaken in 2016/17 related to:

- Induction for newly appointed trustees
- Church school distinctiveness – roles and responsibilities of trustees
- SIAMS framework update
- Strategy day – included review of aims and mission and strategic vision
- Understanding data – RAISEonline
- Overview of funding sources

The board of trustees believes that its processes make it an effective group and the board is able to identify the impact of its work across all the areas expected by Ofsted. The most recent review of the 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 next SIAMS inspection will take place during 2017/18.

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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

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Trustees' Report *(continued)*

Year Ended 31st August 2017

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 trustees 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. This remained the situation during this reporting period. The Deputy Head's range was increased at the same time from L15 to L19 as a result of sustained high performance and retention purposes.

The head teacher organises the PM arrangements for all staff within the school and reports to the board of trustees 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 board of trustees and head teacher in the school's improvement plan. The Assistant Head Teacher's salary will be reviewed by the board of trustees in 2017/18.

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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

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; and
- The academy provides education for pupils who are wholly or mainly drawn from the area in which the academy is situated.

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"

ST JOHN'S CHURCH OF ENGLAND ACADEMY

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Trustees' Report *(continued)*

Year Ended 31st August 2017

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 21st 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.

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 3 key priorities for improvement in 2016/17:

- Continue to ensure outstanding progress for all children, including vulnerable groups;
- Raise the attainment in spelling across the school
- Further develop pupil wellbeing and safety

In order to achieve these improvements, the following strategies were put in place to build on the previous year's activities:

- Introduction of new pupil performance tracking system;
- All staff had a focus on vulnerable groups as part of the academy's performance management process;
- Introduced new spelling programme across the school with associated staff training;
- Increased curriculum time given to spelling;
- Regular monitoring of teaching of spelling;
- Introduced mindfulness as a tool to support personal development, with associated staff training;
- Introduced peer mentoring with support of external funding from Darlington local authority; and
- Reviewed e-safety policy with further staff training.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

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 above national floor standards in all areas in 2017;
- Academy compared extremely well with national expected outcomes in the 2017 national assessments at Key Stage 2;
- KS 1 to 2 Progress for 2017 is strong (top 25% of schools for writing, top 40% of schools for maths and reading); and
- In the 2017 national tests, the academy was significantly above the national average in maths and writing at KS2, and significantly above the national average for greater depth in reading and writing.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

STRATEGIC REPORT

Achievements and Performance

The school converted to academy status on 1 May 2012. Results have continued to be excellent and this demonstrates that the academy is meeting the needs of all of its pupils be they gifted and talented or SEND. Staff and trustees are continually working to improve the outcomes for all pupils at the academy. To achieve this the academy undertakes 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 evaluating activity; and
- a creative curriculum that supports personalised learning and success for all.

The academy attained Gold Mark accreditation in PE and Sport for the fourth year in succession in 2016/17.

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. The quality of the work was such that the academy was put forward for a national award and was placed second. The academy also had the most children cycling to school within the local authority as part of the Big Peddle initiative.

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.

School Performance Summary 2016/17

Performance at Key Stage 2 in national assessments: 2017 (Table 1)

	% Expected + (School)	% Expected + (National)	Scaled Score (School)	Scaled Score (National)	% Higher Standard (School)	% Higher Standard (National)
Reading	69	71	105	104	31	25
Writing	86	76			21	18
Maths	86	75	104	104	10	23
GPS	79	77	105	106	14	31
RWM	66	61			10	9

Results over time at KS2

The assessment arrangements were changed in 2016 and the outcomes achieved by pupils in 2016 and 2017 cannot be compared with those of previous years. Table 1 identifies achievement this year and Table 2 below shows the results over time at KS2 prior to the change in assessment arrangements. Table 2 is for reference in relation to the progress made since the academy was established.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

Table 2

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

KS 1 performance in national assessments in 2017: Table 3

	% Expected + (School)	% Expected + (National)	% GD (School)	% GD (National)
Reading	77	76	15	25
Writing	62	68	12	16
Maths	65	75	12	19
RWM	54	-	12	-

Phonic screening at Year 1 in 2017: Table 4

	2013	2014	2015	2016	2017
St John's	79%	69%	84%	85%	89%
National	69%	74%	77%	81%	81%

Results over time at KS1

As at KS2, the assessment arrangements were changed in 2016 and the outcomes achieved by pupils after 2016 cannot be compared with those of previous years. Table 3 identifies achievement this year and Table 5 below shows results over time at KS1. This is for reference in relation to the progress made since the academy was established.

Table 5

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

Early Years Foundation Stage Outcomes in 2017: Table 6

Good Level of Development	2013	2014	2015	2016	2017
St John's	50%	54.8%	63%	67%	67%
National	52%	60%	67%	69%	69%

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.

The academy has a range of key performance indicators that enables trustees to monitor progress and effectiveness of the academy and this forms part of the 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 2017 Floor Standards;
- Improved attendance trend – above national;
- Pupils on roll & forecasts – 2016/17 school was over-subscribed;
- Performance data as tabled above;
- Financial data confirms a positive balance 2016/17; and
- Parental satisfaction – 2017 survey confirms strong parental support – 100 out of 101 parents who responded would recommend this school to another parent.

Going Concern

After making appropriate enquiries, the Board of Trustees have 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 Accounting Policies in note 1 to the financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

Financial Review

The majority of the Academy Trusts' income for the year of account is obtained from either the ESFA (Education and Skills 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 ended 31 August 2017 total expenditure of £1,296,000 (excluding net inherited liabilities) was more than covered by grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources and brought forward reserves. The excess of surplus for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £30,000. The actual outturn position reported in the management accounts for the year, excluding transfers between funds and depreciation, was surplus of £4,000

At 31 August 2017 the net book value of fixed assets was £874,000. 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 £432,000 which has been carried forward to 2017/18. 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 pension funds) at 31 August 2017 was £418k 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. £99k).

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

- Refreshing IT hardware;
- Refurbishing KS2 learning environment;
- Exploring addition to Nursery provision (3 to 4 year olds) to ensure entitlement for working parents; and
- Further enhancing the outdoor learning environment.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

Investment Policy

The academy's current investment policy is to maximise income but from a low risk strategy.

The objectives of the policy are:

- To maintain sufficient cash balances in its current account to meet its day to day commitments;
- To invest surplus cash to earn an acceptable rate of return without undue risk;
- To consider spreading risk between different types of investment and institutions to reduce credit risk.

All monies are currently held on bank deposits for differing periods of time. Deposits are for fixed periods ranging from 3 months to 12 months and are attracting interest on maturity. All these funds have limited access. These deposits do not compromise the academy's cash flow as the policy sets this at 4 weeks of expenditure (approximately £99k)

These arrangements are in line with the objectives of our policy.

Principal Risks and Uncertainties

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

- Loss of key staff (including trustees) resulting in instability and reduced performance of the academy;
- Lack of arrangements within local authority to support vulnerable pupils; and
- Information technology as part of business continuity planning

Current measures to mitigate these risks are:

- New staffing structure remains 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 for trustees
- Chair of Governors is a National Leader of Governance.
- Reduced staff workload through procurement of external data support
- Remote data backup in place using cloud based system
- Employing the services of a Behaviour Support Specialist when required.
- Building internal capacity through the Peer support mentoring programme.
- Supporting establishment of vulnerable pupils' unit at Red Hall Primary School.
- Staff trained in Team Teach techniques.

Following a comprehensive review of risk in June 2017 alongside the likelihood, impact and the existing controls put in place, there were no risks identified with a high probability of occurrence.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Trustees' Report *(continued)*

Year Ended 31st August 2017

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 ESFA for updating the academy's heating system, following last year's unsuccessful bid. In 2017 working parents will be entitled to an additional 15 hours of childcare for 3 and 4 year olds. The academy is currently monitoring the potential impact of this on the academy. Parents identified the need for after-school childcare and this was considered by the governing body and remains a priority for parents. The governing body will be considering this again during 2017/18. Trustees are aware of the national imperative regarding multi-academy trust status and will keep this under review during 2017/18.

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

Tait Walker LLP were appointed as auditors on a three-year contract which ends on 31st August 2018. A tendering exercise will be undertaken to appoint auditors as from 1st September 2018.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on15.11.17..... 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 31st August 2017

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 7 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 A Large (Head Teacher and Accounting Officer)	7	7
V Cadd (Chair)	7	7
M Brown (Staff Governor)	4	7
S Railton (Staff Governor)	6	7
M Doswell (Foundation Governor)	3	7
W J Harrison (Foundation Governor)	5	7
C Marsh (Foundation Governor)	5	7
J Pattinson (Foundation Governor)	6	7
Revd. S Plummer (Foundation Governor)	4	7
Revd. S. Williamson (Foundation Governor)	4	7
J M Hazelwood (Parent Governor)	4	7
H Bethell (Parent Governor: resigned 4 th May 2017)	3	5
E G Robinson (LA Governor)	5	7

Post year end, one new trustee, A Linsley, has been appointed to the board.

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 2015. 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 and is currently providing leadership support to a primary school in challenging circumstances.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

Trustees review annually the effectiveness of their governance arrangements as part of a trustees' strategic planning day. This took place on 20th October 2016. 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. Trustees reviewed the academy's aims and mission statement and revised;
2. Performance of Chair reviewed by external governance provider and summary provided to trustees;
3. Trustees were actively engaged in determining the academy's priorities for improvement through the development of the improvement plan, including the identification and implementation of trustee monitoring activity to enable trustees to evaluate progress against the key priorities;
4. Identification of link trustees for curriculum subjects and a group of trustees who monitor the improvement areas within the academy's Improvement Plan;
5. Identification of Lead Trustees – e.g. EYFS, Finance, Audit, Curriculum, Safeguarding – to monitor activity within statutory areas of responsibility;
6. Reviewed trustee action plan 2015/16 and developed 2016/17 plan based on outcomes from review of effectiveness and findings from skills' audit;
7. Added trustee link to academy website to improve communications; and
8. Procured access to The Key to support ongoing work and development of trustees.

The board has made good use of a range of national data products to support their work in monitoring the activity of the trust. This has related to both pupil performance and financial performance. Products used have included RAISEonline Inspection Dashboard, DfE Performance Tables, FFT Governor Dashboard and DfE Financial Benchmarking data. The board moved to the provision of performance data by an outside provider to ensure external quality assurance that supports the scrutiny by the board. In summer term 2017 the board procured external financial benchmarking support that compared the academy to a range of other academies across the north east of England. Allied to this, the board expects the head teacher to provide regular updates to their meetings of pupil progress data based on the academy's internal tracking system. This enables the board to compare its internal data with benchmarked external data that supports rigorous accountability.

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;
- Procuring external data support which has provided greater external accountability as well as reducing the assessment workload of the Assessment Leader and other members of the senior management team. This has saved approximately 10 days of senior leadership time which can now be devoted to teaching and learning;

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

- 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, a successful application for funding to the local authority to support peer mentoring, careful investment of reserves to generate additional income and use of the NLG's additional funding to support school governance initiatives.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 supplementary procedures carried out include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the period included:

- Testing of EFA, DfE & Local Authority income;
- Testing of purchasing & payments systems;
- Testing of bank, petty cash and debit card use;
- Testing of payroll systems and procedures; and

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Governance Statement *(continued)*

Year Ended 31st August 2017

- Testing of policies which are in place at the Academy.

On a termly basis, the auditor 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.

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 external auditor; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 15.11.17 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 of Regularity, Propriety and Compliance

Year Ended 31st August 2017

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2016.

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 ESFA.



C. Large
Accounting Officer

15.11.17

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Statement of Trustees' Responsibilities

Year Ended 31st August 2017

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' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting 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 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 2016 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 15/11/17 and signed on its behalf by:



V. Cadd
Chair

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of St John's Church of England Academy

Year Ended 31st August 2017

Opinion

We have audited the financial statements of St John's Church of England Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activity, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academy Accounts Direction 2016/17.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and the Academy Trust's surplus 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.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of St John's Church of England Academy *(continued)*

Year Ended 31st August 2017

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 returns adequate for our audit have not been received from branches not visited by us; or
- the Academy Trust's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of St John's Church of England Academy *(continued)*

Year Ended 31st August 2017

Responsibility of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, which due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
Company Limited by Guarantee

Independent Auditor's Report on the Financial Statements to the Members of St John's Church of England Academy *(continued)*

Year Ended 31st August 2017

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tait Walker LLP

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

11th December 2017

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 and Skills Funding Agency

Year Ended 31st August 2017

In accordance with the terms of our engagement letter dated 11 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA 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 ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of the 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 funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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.

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 and Skills Funding Agency (*continued*)

Year Ended 31st August 2017

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

The work undertaken to draw to our conclusion includes:

- 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 2016 to 31 August 2017 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

11th December 2017

ST JOHN'S CHURCH OF ENGLAND ACADEMY
Company Limited By Guarantee

Statement of Financial Activities (Incorporating The Income And Expenditure Account)

Year Ended 31st August 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016 (Restated)
	Note	£000	£000	£000	£000	£000
Incoming resources						
Donations & capital grants	2	7	4	7	18	114
Charitable activities: Funding for the Academy Trust's educational operations	3	15	1,242	—	1,257	1,252
Other trading activities	4	14	—	—	14	12
Investments	5	2	—	—	2	—
Total incoming resources		<u>38</u>	<u>1,246</u>	<u>7</u>	<u>1,291</u>	<u>1,378</u>
Expenditure on:						
Charitable activities: Academy Trust educational operations	6	(43)	(1,211)	(42)	(1,296)	(1,217)
Total expenditure		<u>(43)</u>	<u>(1,211)</u>	<u>(42)</u>	<u>(1,296)</u>	<u>(1,217)</u>
Net income/ (expenditure)		(5)	35	(35)	(5)	161

Carried Forward (5) 35 (35) (5) 161

The notes on pages 33 to 56 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 31st August 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	Total Funds 2017	Total Funds 2016 (Restated)
	Note	£000	£000	£000	£000	£000
Brought forward		(5)	35	(35)	(5)	161
Transfers between funds		—	(56)	56	—	—
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	—	45	—	45	(237)
Net movement in funds		(5)	24	21	40	(76)
Reconciliation of funds						
Total funds brought forward		221	(254)	853	820	896
Total funds carried forward	15	216	(230)	874	860	820

The notes on pages 33 to 56 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 31st August 2017

		2017		2016 (Restated)	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	12		874		853
Current assets					
Debtors	13	66		35	
Cash at bank		<u>431</u>		<u>451</u>	
		497		486	
Creditors: amounts falling due within one year	14	<u>(79)</u>		<u>(109)</u>	
Net current assets/(liabilities)			418		377
Total assets less current liabilities			1,292		1,230
Defined benefit pension scheme liability	23		<u>(432)</u>		<u>(410)</u>
Total net assets			<u>860</u>		<u>820</u>

The notes on pages 33 to 56 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 31st August 2017

		2017		2016 (Restated)	
	Note	£000	£000	£000	£000
Funds of the academy trust					
Restricted funds					
Fixed asset fund	15	874		853	
Restricted Income fund	15	202		156	
Pension reserve	15	<u>(432)</u>		<u>(410)</u>	
Total restricted funds			644		599
Unrestricted income funds	15		<u>216</u>		<u>221</u>
Total funds			<u>860</u>		<u>820</u>

These financial statements on pages 28 to 32 were approved by the Trustees and authorised for issue on the 15th July 2017 and are signed on their behalf by:



V. Cadd
Chair

The notes on pages 33 to 56 form part of the financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
Company Limited By Guarantee

Cash Flow Statement

Year Ended 31st August 2017

		2017	2016
	Note	£000	(Restated) £000
Cash Flows From Operating Activities			
Net cash provided by (used in) operating activities	18	34	103
Cash Flows From Investing Activities	20	(56)	(81)
Cash Flows From Financing Activities	19	2	—
		<u>(20)</u>	<u>22</u>
Change In Cash And Cash Equivalents In The Reporting Period			
		<u>(20)</u>	<u>22</u>
Cash And Cash Equivalents At 1 September 2016	21	<u>451</u>	<u>429</u>
Cash And Cash Equivalents At 31 August 2017	21	<u>431</u>	<u>451</u>

The notes on pages 33 to 56 form part of the financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements

Year Ended 31st August 2017

1. 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

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 (FRS 102), 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 (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, 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 FRS 102.

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.

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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.

Investment income

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

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.

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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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.

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
Motor Vehicles	- 4 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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

Leased Assets

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

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

1. Accounting Policies (*continued*)

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 23, 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.

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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

1. Accounting Policies *(continued)*

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 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 £42,000 (2016 - £36,000).

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 *(continued)*

Year Ended 31st August 2017

2. Donations and Capital Grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016 (Restated)
	£000	£000	£000	£000	£000
Capital grants	-	-	7	7	93
Other donations:	7	4	-	11	21
	<u>7</u>	<u>4</u>	<u>7</u>	<u>18</u>	<u>114</u>
Total 2016	<u>11</u>	<u>10</u>	<u>93</u>	<u>114</u>	

3. Funding for The Academy Trust's Educational Operations

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2017	Total Funds 2016 (Restated)
	£000	£000	£000	£000	£000
DfE/EFA grants					
General Annual Grant (GAG)	-	896	-	896	923
Other DfE/EFA grants:	-	220	-	220	212
	<u>-</u>	<u>1,116</u>	<u>-</u>	<u>1,116</u>	<u>1,135</u>
Other Government grants					
Local authority grants	-	126	-	126	104
	<u>-</u>	<u>126</u>	<u>-</u>	<u>126</u>	<u>104</u>
Other income from the Academy Trust's educational operations	15	-	-	15	13
	<u>15</u>	<u>1,242</u>	<u>-</u>	<u>1,257</u>	<u>1,252</u>
Total 2016	<u>13</u>	<u>1,239</u>	<u>-</u>	<u>1,252</u>	

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

4. Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016 <i>(Restated)</i>
	£000	£000	£000	£000
Lettings & hire	1	—	1	1
Training	6	—	6	3
School uniform	2	—	2	2
Other income	5	—	5	6
	<u>14</u>	<u>—</u>	<u>14</u>	<u>12</u>
Total 2016	<u>12</u>	<u>—</u>	<u>12</u>	

5. Investment Income

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016 <i>(Restated)</i>
	£000	£000	£000	£000
Bank interest	2	—	2	—
	<u>2</u>	<u>—</u>	<u>2</u>	<u>—</u>
Total 2016	<u>—</u>	<u>—</u>	<u>—</u>	

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

6. Expenditure

	Non Pay Expenditure			Total 2017 £000	Total 2016 (Restated) £000
	Staff Costs £000	Premises £000	Other £000		
Academy's educational operations:					
- Direct costs	835	42	52	929	925
- Allocated support costs	163	65	139	367	292
	<u>998</u>	<u>107</u>	<u>191</u>	<u>1,296</u>	<u>1,217</u>
Total 2016	<u>925</u>	<u>92</u>	<u>200</u>	<u>1,217</u>	

Net income/(expenditure) for the period includes:

	2017 £000	2016 (Restated) £000
Operating lease rentals	3	2
Depreciation	42	36
Fees payable to auditor for:		
- audit	4	4
- other services	<u>3</u>	<u>1</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

7. Charitable Activities

	Total 2017 £000	Total 2016 (Restated) £000
Direct costs	929	925
Support costs	367	292
	<u>1,296</u>	<u>1,217</u>

Analysis of support costs

	Total 2017 £000	Total 2016 (Restated) £000
Support staff costs	163	103
Technology costs	5	5
Premises costs	65	56
Other support costs	125	120
Governance costs	9	8
	<u>367</u>	<u>292</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

8. Staff Costs

a. Staff costs

Staff costs during the period were:

	Total 2017 £000	Total 2016 (Restated) £000
Wages and salaries	766	747
Social security costs	66	56
Operating costs of defined benefit pension schemes	166	110
	<u>998</u>	<u>913</u>
Supply staff costs	–	12
	<u>998</u>	<u>925</u>

b. Staff numbers

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

	Total 2017 No.	Total 2016 (Restated) No.
Teachers	6	7
Administration and support	23	21
Management	3	3
	<u>32</u>	<u>31</u>

c. Higher paid staff

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

	Total 2017 No.	Total 2016 (Restated) No.
£60,001 - £70,000	1	–
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

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 £294,153 (2016: £232,033).

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

9. Related Party Transactions – Trustees' Remuneration and Expenses

One or more Trustees have been paid remuneration or have 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 (2016 - £75,000 - £80,000)

Employers pension contributions paid £10,000 - £15,000 (2016 - £10,000 - £15,000)

M Brown (Staff Trustee)

Remuneration band £60,000 - £65,000 (2016 - £55,000 - £60,000)

Employers pension contributions paid £10,000 - £15,000 (2016 - £5,000 - £10,000)

S Railton (Staff Trustee)

Remuneration band £10,000 - £15,000 (2016 - £10,000 - £15,000)

Employers pension contributions paid £nil (2016 - £nil)

During the period ended 31 August 2017, travel and subsistence expenses totalling £452 were reimbursed or paid directly to 1 Trustee (2016: £340 to 1 Trustee).

Other related party transactions involving the Trustees are set out in note 23.

10. Trustees' and Officers' Insurance

The Academy Trust has 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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

11. Prior Year Adjustment

The accumulated impact of the prior year adjustment as at 31 August 2016 is:

	£000
Incorrect inclusion of Diocese owned land and buildings	(1,530)
Depreciation charged on Diocese owned land and buildings	133
	<u>1,397</u>

The impact on reported results for the 31 August 2016 is as follows

	£000
Deficit per original 2016 financial statements	(107)
Removal of depreciation charge on Diocese owned land and buildings	31
Restated deficit at 31 August 2016	<u>(76)</u>

	£000
Decrease in fixed assets land and buildings	1,397
Decrease in restricted fixed asset fund	<u>(1,397)</u>
	<u>—</u>

The accounts have been restated to reflect the updated guidance provided by the ESFA in relation to Diocese owned land and buildings occupied by the trust on a rolling two year licence.

The decrease in the fixed asset fund of £1,397k relates to the carrying value of Diocese owned land and buildings.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

12. Tangible Fixed Assets

	Freehold Land and Buildings	Motor Vehicles	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 Sep 2016	797	—	89	82	968
Additions	8	27	17	11	63
Disposals	—	—	—	—	—
At 31 Aug 2017	<u>805</u>	<u>27</u>	<u>106</u>	<u>93</u>	<u>1,031</u>
Depreciation					
At 1 Sep 2016	14	—	31	70	115
Charged in the year	15	4	14	9	42
Disposals	—	—	—	—	—
At 31 Aug 2017	<u>29</u>	<u>4</u>	<u>45</u>	<u>79</u>	<u>157</u>
Net Book Values					
At 31 Aug 2017	<u>776</u>	<u>23</u>	<u>61</u>	<u>14</u>	<u>874</u>
At 31 Aug 2016	<u>783</u>	<u>—</u>	<u>58</u>	<u>12</u>	<u>853</u>

13. Debtors

	2017 £000	2016 (Restated) £000
VAT recoverable	6	3
Prepayments and accrued income	60	32
	<u>66</u>	<u>35</u>

14. Creditors: Amounts Falling Due Within One Year

	2017 £000	2016 (Restated) £000
Trade creditors	20	10
Other taxation and social security	17	17
Accruals and deferred income	42	82
	<u>79</u>	<u>109</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

14. Creditors: Amounts Falling Due within One Year *(continued)*

Deferred Income

	2017 £000	2016 (Restated) £000
At 1 Sep 2016	49	51
Released from previous years	(49)	(51)
Resources deferred in the year	16	49
At 31 Aug 2017	<u>16</u>	<u>49</u>

At the balance sheet date the Trust was holding funds received in advance in respect of rates relief and school meals.

15. Funds

	At 1 Sep 2016 (Restated) £000	Income £000	Expenses £000	Gains, losses and transfers £000	At 31 Aug 2017 £000
Restricted general funds					
General Annual Grant (GAG)	146	786	(675)	(56)	201
Pupil Premium	–	110	(110)	–	–
Pension reserve	(410)	–	(67)	45	(432)
Other grants	10	350	(359)	–	1
	<u>(254)</u>	<u>1,246</u>	<u>(1,211)</u>	<u>(11)</u>	<u>(230)</u>
Restricted fixed asset funds					
Transfer on conversion	111	–	(5)	–	111
DfE/ESFA capital grants	694	7	(37)	56	715
Diocese on conversion	48	–	–	–	48
	<u>853</u>	<u>7</u>	<u>(42)</u>	<u>56</u>	<u>874</u>
Total restricted funds	<u>599</u>	<u>1,253</u>	<u>(1,253)</u>	<u>45</u>	<u>644</u>
Total unrestricted funds	<u>221</u>	<u>38</u>	<u>(43)</u>	<u>–</u>	<u>216</u>
Total funds	<u>820</u>	<u>1,291</u>	<u>(1,296)</u>	<u>45</u>	<u>860</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

15. 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 2017.

Other DfE/ESFA 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.

16. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	–	–	874	874
Current assets	216	281	–	497
Current liabilities	–	(79)	–	(79)
Pension scheme liability	–	(432)	–	(432)
Total net assets	<u>216</u>	<u>(230)</u>	<u>874</u>	<u>860</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

17. Operating Lease Commitments

As at 31 August 2017, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 (Restated) £000
Amounts due within one year	1	1
Amounts due between one and five years	1	3
	<u>2</u>	<u>4</u>

18. Reconciliation of Net Income/(Expenditure) To Net Cash Flow from Operating Activities

	2017 £000	2016 (Restated) £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(5)	161
Adjusted for:		
Depreciation (note 12)	42	36
Capital grants from DfE and other capital income	(7)	(93)
Interest receivable (note 5)	(2)	–
Defined benefit pension scheme cost less contributions payable (note 23)	59	12
Defined benefit pension scheme finance cost (note 23)	8	5
(Increase)/decrease in debtors	(31)	48
Increase/(decrease) in creditors	(30)	(66)
Net cash provided by/(used in) Operating Activities	<u>34</u>	<u>103</u>

19. Cash Flows from Financing Activities

	2017 £000	2016 (Restated) £000
Investment income	2	–
Net cash provided by/(used in) financing activities	<u>2</u>	<u>–</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

20. Cash Flows from Investing Activities

	2017 £000	2016 (Restated) £000
Purchase of tangible fixed assets	(63)	(174)
Capital grants from DfE/ESFA	7	93
Net cash provided by/(used in) investing activities	<u>(56)</u>	<u>(81)</u>

21. Analysis of Cash and Cash Equivalents

	2017 £000	2016 (Restated) £000
Cash in hand and at bank	431	451
Total cash and cash equivalents	<u>431</u>	<u>451</u>

22. 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 *(continued)*

Year Ended 31st August 2017

23. 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 2016.

Contributions amounting to £14,499 (2016: £22,872) were payable to the schemes at 31 August 2017 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. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers in Academies and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The teachers' pension budgeting and valuation account

Although Members may be employed by various bodies, their retirement and other pension benefits are set out in regulations under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Accounts is invested in notional investments that produce that real rate of return.

ST JOHN'S CHURCH OF ENGLAND ACADEMY Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

23. Pension and Similar Obligations (*continued*)

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for services to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Services Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st August 2017

23. Pension and Similar Obligations (*continued*)

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 2017 was £56,791 (2016: £52,356), of which employer's contributions totalled £39,473 (2016: £37,429) and employees' contributions totalled £17,318 (2016: £14,927). The agreed contribution rates for future years are 15.40 per cent for employers and 5.50 to 12.50 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 2017	At 31 August 2016
Rate of increase in salaries	3.40%	3.40%
Rate of increase for pensions in payment/inflation	1.90%	1.90%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	1.90%	1.90%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.20	22.70
Females	24.90	25.20
<i>Retiring in 20 years</i>		
Males	25.40	24.90
Females	27.20	27.50

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Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

23. Pension and Similar Obligations *(continued)*

Sensitivity analysis

	At 31 August 2017	At 31 August 2016
Discount rate +0.1%	1,039	817
Discount rate -0.1%	1,096	860
Mortality assumption – 1 year increase	1,035	812
Mortality assumption – 1 year decrease	1,099	865
CPI rate +0.1%	1,086	852
CPI rate -0.1%	1,049	825

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equity instruments	312	187
Debt instruments	250	175
Property	46	34
Other	27	32
Total market value of assets	<u>635</u>	<u>428</u>

The actual return on scheme assets was £148,000 (2016: £59,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	103	47
Net interest cost	8	5
Total operating charge	<u>111</u>	<u>52</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

23. Pension and Similar Obligations *(continued)*

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

	2017 £000	2016 £000
At 1 September	838	473
Current service cost	103	47
Interest cost	17	18
Employee contributions	17	18
Actuarial (gain)/loss	94	283
Benefits paid	(2)	(1)
At 31 August	<u>1,067</u>	<u>838</u>

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

	2017 £000	2016 £000
At 1 September	428	317
Interest income	9	13
Actuarial gain/(loss)	139	46
Employer contributions	44	35
Employee contributions	17	18
Benefits paid	(2)	(1)
At 31 August	<u>635</u>	<u>428</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY

Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31st August 2017

24. 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 £26,833 (2016 - £25,920) 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 £nil (2016 - £18) was owed to IT Systems & Support and was included within trade creditors.

During the year the academy received invoices totalling £428 (2016 - £415) 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 (2016 - £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 and C A Large are common trustees. At a cost of £1,862 (2016 - £2,228). At the year end, the balance owing was £nil (2016 - £nil).