

**ST JOHN'S CHURCH OF ENGLAND ACADEMY
(A Company Limited by Guarantee)**

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

Registered Number 08026134 (England and Wales)



ST JOHN'S CHURCH OF ENGLAND ACADEMY
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

CONTENTS	PAGES
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	12
Statement of Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the financial statements	17
Statement of Financial Activities (incorporating Income & Expenditure Account)	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Financial Statements incorporating	22

ST JOHN'S CHURCH OF ENGLAND ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
YEAR ENDED 31 AUGUST 2014

Members	The Venerable S Bain R Thorndyke Rev. S Williamson V Cadd
Trustees	V Cadd (Chair) C A Large (Head Teacher) * M Brown (Deputy Head) G N Buckley E G Robinson J Blackburn (Staff Trustee, resigned 31/08/2014) S Plummer * S Railton (Staff Trustee) * J M Hazlewood * C Marsh * Rev. S Williamson (appointed 13/10/2013) J Pattinson (appointed 01/01/2014) A Henderson (appointed 01/01/2014) * M Doswell (appointed 01/09/2014)
Audit & Resources Committee members *	
Senior Management Team	
Head Teacher	C Large
Deputy Head Teacher	M Brown
Assistant Head Teacher	M Ramsay
SENCO	M Darling
Company Secretary	J Way
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	Baker Tilly UK Audit LLP Tenon House Ferryboat Lane Sunderland SR5 3JN
Bankers	Lloyds TSB Plc 21 – 23 Northgate Darlington Co Durham DL1 1TL
Solicitors	Bond Dickinson LLP One Trinity Broad Chare Newcastle upon Tyne NE1 2HF

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2013 to 31 August 2014. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The St John's Church of England Academy (the "Academy") was incorporated on 11 April 2012 and commenced operation as an Academy on 1 May 2012. 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. Directors of the Charitable Company are nominated by either the Secretary of State for Education or by the members.

The Trustees of the Academy are also the Directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

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 insurance provides cover up to £2,000,000 on any one claim.

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 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.

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.

- The Head Teacher shall be treated for all purposes as being an ex officio Trustee.
- The LA may appoint the LA Trustee.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

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

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

The Secretary of State may appoint additional Trustees as he sees fit, after consultation with the Diocesan Board of Education, if 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 full Governing Body training that is linked to the Academy's self-review of performance and the findings of the annual skills' audit. All new Trustees are given induction training by the Academy's governance partner that reflects his/her previous experience and expertise. All new Trustees are given a tour of the Academy (by the Headteacher and Chair) and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors.

Organisational Structure

The management structure consists of the Trustee Members, the Trustee Governor, 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. Governors 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 Headteacher is the designated accounting officer for the academy.

Following a review of Governance in November 2013, the trustees decided to combine the following two committees which previously met once per term;

- The Teaching and Learning, Curriculum and Standards Committee which had a remit to review learning and teaching and monitor the standards, progress and outcomes of pupils in the academy;
- The Audit and Resources Committee which had a remit to review how the Academy budget is spent and make sure that the building is fit for purpose.

Additional meetings of the trustees meet as and when required to review admissions, review pay and hear appeals. The School Business Manager (SBM) attends all relevant meetings. The SBM is also the designated Principal Finance Officer as required by the Education Funding Agency (EFA).

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

The work of the Board of Trustees is carefully planned by the Chair and the Head Teacher, working closely with the Academy's clerk to Trustees. The Board of Governors 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 of Trustees to reflect its own evaluation of need. Training undertaken in 2013/14 related to:

- Induction for newly appointed Trustees;
- Maintaining and developing our Christian values and Church distinctiveness;
- Reviewing the Academy's vision and mission statement;
- Developing a strategic vision and associated agendas;
- Ensuring that governance reflected the requirements of the Ofsted inspection framework;
- Effective Use of Data

The Board of Trustees believes that our processes make us an effective group and we are able to identify the impact of our work across all the areas expected by Ofsted. The most recent review of our Academy was undertaken as part of the Statutory Inspection of Anglican and Methodist Schools (SIAMS) process in July 2014. 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 2014

The Leadership Team consists of the Head Teacher, Deputy Head Teacher, Assistant Head Teacher and Special Educational Needs Co-ordinator. The Scheme of Delegation makes clear what decisions have been delegated to the Head Teacher by the Board of Trustees. The Headteacher is the Accounting Officer.

The Senior Leadership Team controls 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.

Connected Organisations including Related Party Relationships

St John's Church of England Academy is a stand-alone Academy and not part of a Multi-Academy Trust. The Academy is part of a group of local schools and this group meets half termly 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 we can share best practice, maximise resources and improve efficiencies.

Risk Management

The charity trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

OBJECTIVES AND ACTIVITIES

Principal Activities

The principal object 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.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES *(continued)*

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

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

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

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 as required of 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.

Objectives and Aims

"Our Christian Family enjoys learning together and rising to challenges as we seek to reach our full potential"

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.
- Commit to excellence for all and through the process of continual reflection and evaluation, constantly strive to improve.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

We value:

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:

FRIENDSHIP 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 key priorities for improvement in 2013/14:

- Improve the % of outstanding teaching and learning with a focus on marking & feedback and appropriate challenge for the more able;
- Improve the standard of achievement in writing so that progress is consistently good or better by ensuring that grammar is embedded;
- Improve the standard of attainment in maths and ensure that there are consistent mental and calculation strategies in place;
- Review the Curriculum in line with the higher expectations in the new framework;
- Utilise the PE & Sport Funding to improve the quality of PE and Sport;
- Review Attendance Policy in line with government legislation and improve levels of attainment;
- Collaborative Partnership with cluster academies to support development Website development in line with statutory requirements.

Public Benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider 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 the following 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 compared extremely well with similar schools in the 2014 school performance tables; RAISEonline shows that APS over time is Sig+ when compared to national performance;
- In 2014, APS (Reading, Writing & Maths) of pupils in receipt of pupil premium funding is well above national;
- Ofsted School Data Dashboard for 2013 (2014 not available at time of printing) shows that school was in:
 - top quintile for English, reading, writing and maths for all schools and similar schools at KS2;
 - top quintile for progress in maths and English for all schools and similar schools at KS2.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and Performance

The school converted to Academy status on 1 May 2012. Our results have continued to be excellent and this demonstrates that we are meeting the needs of all of our pupils be they gifted and talented or SEN. We are continually working to improve the outcomes for all pupils at our Academy. To achieve this we undertake a range of activities including: detailed tracking of individual progress and attainment, provision of timely support and intervention as required; a rigorous programme of classroom observations linked to our performance management policy, a planned programme of monitoring and evaluation activity and a creative curriculum that supports personalised learning and success for all.

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

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 students.

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

- Ofsted Report (Feb. 2008) Judgement outstanding in all categories
- SIAMs (July 2013) Judgement outstanding in all categories
- Well above national 2014 Floor Standards
- Attendance data much improved – 96.2%
- Pupils on roll & forecasts
- Performance Data as tabled below
- Financial Data confirms a strong, healthy balance

Summary of KS 2 Results 2014

At the end of KS 2 average attainment is judged to be Level 4 and above average is judged to be Level 5+.

Subject	Level 4+	Level 4b+	Level 5+
Reading	100%	90%	62%
Writing	90%		41%
Maths	97%	93%	66%
*RWM	90%	83%	34%

***RWM (Reading, Writing & Maths) combined 2014 Floor targets are 65% in RWM**

Headline Grades at KS 2 for 2013: Comparison to National Data

Subject	% @ L4+		% @ L5	
	Us	National	Us	National
Reading	100	89	62.1	50
Writing	88	85	41.4	33
Maths	100	86	65.5	42
*SPAG	72	76	28	52
RWM	88	79	34.5	24

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

Results over time at KS 2:

Subject % @L4+	2009	2010	2011	2012	2013	2014
Reading	96.8	93.3	92.3	100	100	100
Writing	83.9	73.3	92.3	95.5	88	90
Maths	93.5	90.0	96.2	100	100	97
RWM				95	88	90

Subject %@L5+	2009	2010	2011	2012	2013	2014
Reading	58.1	60.0	80.8	95.5	52.5	62
Writing	19.4	23.3	34.6	40.9	36.0	42
Maths	54.8	56.7	57.7	50.0	40.0	66
RWM				32	28	34

Average expected progress from the end of KS 1 to the end of KS 2 is judged to be 2 Levels Progress (2 LP) and better than average is 3 Levels Progress (3 LP).

Level of Progress	2012	2013	2014 Us	2014 National
2 LP Reading	100	100	100	91
2 LP Writing	100	100	100	93
2 LP Maths	100	100	100	89
2 LP RWM	100	100	100	*
3LP Reading	90	68	62	*
3 LP Writing	67	40	48	*
3 LP Maths	62	48	62	*
3 LP RWM	38	28	21	*

*National data not published at this time

Summary KS 1 Results 2014

Subject %	Level 2+	Level 2b+	Level 3
Speaking & Listening	87		10
Reading	93	80	13
Writing	93	63	3
Maths	93	77	13
Science	90		23

Headline Grades: Compared to National 2014

Subject	@ Level% 2b+		@ Level 3 %	
	Us	National	Us	National
Speaking & Listening	87 Level 2	89 Level 2	10	24
Reading	80	81	13	31
Writing	63	70	3	16
Maths	77	80	13	24
Science	90 Level 2	91	23	22

Results over time at KS 1:

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

Subject % L2B+	2009	2010	2011	2012	2013	2014
Reading	65.2	65.6	70.0	73.3	75.9	80
Writing	56.5	46.9	53.3	63.3	62.1	63
Maths	65.2	68.8	73.3	76.7	72.4	77
RWM	52.2	46.9	50.0	60.2	58.6	63.3

Subject % L3	2009	2010	2011	2012	2013	2014
Reading	0.0	9.4	0.0	13.3	13.8	13
Writing	4.3	3.1	3.3	6.7	3.4	3
Maths	4.3	3.1	0.0	6.7	6.9	13
RWM	0.0	3.1	0.0	3.3	3.4	3.3

Phonic Decoding	Us %	National %
At end of Year 1	69	74
At end of Year 2	89.7	88

EYFS Profile

A Good level of Development is achieving expected or exceeding in all ELGs in the prime areas of learning and all the ELGs in literacy and maths.

2014	Achieving Expected or Exceeding in		Achieving a Good Level of Development
	All Prime & Literacy Goals	All Prime & Maths Goals	
St Johns	58.1%	58.2%	54.8%
National	*	*	*

* Not published at time of printing

GOING CONCERN

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

Financial Review

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.

During the financial year ended 31 August 2014 total expenditure of £1,127,295 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year before actuarial gains was £41,191. The Academy held fund balances at 31 August 2014 of £1,745,628 comprising £86,978 (excluding the LGPS pension deficit) of restricted funds, £222,227 of unrestricted general reserves, restricted fixed asset funds of £1,572,423 and a LGPS pension reserve deficit of £136,000.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

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 current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £222,227 which is considered by the Trustees to be adequate.

Investment Policy

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

Principal Risks and Uncertainties

The Academy's risk register is updated termly. Following a comprehensive review of risk in June 13 alongside the likelihood, impact and the existing controls put in place, there were no risks identified with a High probability of occurrence. Three areas were identified as needing additional control measures to be put into place. These were:

1. Insufficient office and general space
2. Loss of IT
3. Loss of part of the school

There are plans to extend the academy in Autumn 2014 and the academy is in the process of completing a Business Continuity Plan which will reduce the risk for point 2 and 3.

Plans for the Future

The Academy plans to maintain the high standards of the property from which it operates and extend the office and intervention space to continue delivering high quality education to children.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY

TRUSTEE'S REPORT

YEAR ENDED 31 AUGUST 2014

AUDITOR

Baker Tilly Audit Limited ceased trading on 31 March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as auditor on 1 April 2014 to fill the casual vacancy. In accordance with Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as auditor will be put to the members.

Statement as to disclosure of information to auditors

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 26/11/2014 and signed on its behalf by:



V Cadd
Chair

ST JOHN'S CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 the Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee

	Meetings attended	Out of a possible
V Cadd (Chair)	6	6
M Brown (Staff Trustee)	4	6
J Blakeburn (Staff Trustee)	5	6
G N Buckley (Foundation Governor)	3	6
J M Hazlewood (Parent Governor)	5	6
C A Large (Head Teacher and Accounting Officer)	6	6
C Marsh (Foundation Governor)	5	6
J Pattinson (Foundation Governor appointed 01.01.2014)	3	4
S Plummer (Foundation Governor)	4	6
S Railton (Staff Trustee)	6	6
E G Robinson (LA Governor)	6	6
Rev S Williamson (Foundation Governor appointed 13.10.2013)	3	6
Mr A Henderson (Parent Governor appointed 01.01.2014)	2	4

The following changes have occurred since the end of the reporting year:

Mrs J Blakeburn – term end of office as Foundation Governor ended 31.08.2014

M Doswell – appointed as Foundation Governor 1.09.2014

During the 2013 autumn term, the academy operated a 'Resources and Audit Committee', which acted as both the Academy's Finance Committee and its Audit Committee. At its meeting on 5 December 2013, the Governing Body agreed to disestablish the Resources and Audit Committee, to form a separate Audit Committee and to consider financial matters at meetings of the full Governing Body.

Attendance at meetings of the Resources and Audit Committee during the reporting period was as follows:

ST JOHN'S CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

Trustee	Meetings attended	Out of a possible
E G Robinson (Committee Chair)	2	2
V Cadd (Chair of Trustees)	2	2
M Brown (Staff Trustee)	2	2
J M Hazlewood	1	2
C Large (Head Teacher and Accounting Officer)	2	2
C Marsh	2	2
S Plummer	2	2
S Railton (Staff Trustee)	2	2

Attendance at meetings of the Audit Committee during the reporting period was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Henderson (Parent Governor)	1	2
Mrs C Marsh (Foundation Governor)	2	2
Mrs S Railton (Staff Governor)	1	1
Mr E Robinson (Committee Chair)	2	2

Governance review

In the academy's most recent inspection, governance was judged to be outstanding. Governors undertake a review of the effectiveness and impact of their work. This year's review took place on the 7th November and was conducted over a full day to ensure that governors could review their work in depth. The review was linked to Ofsted criteria for effective governance within the Leadership and Management section of the Ofsted Handbook. As a result of the review, governors took the following actions to improve their efficiency and effectiveness:

1. The Trust's governance structure was revised to ensure that all governors were fully engaged in the governance process and agenda items were not repeated unnecessarily. In spring 2014, as previously mentioned, governors moved away from a committee structure to themed termly meetings of the full governing body. This has increased the knowledge and understanding of all governors across the Governing Body's core strategic responsibilities of setting the vision for the trust, holding the school to account for standards achieved and making the best use of their resources.
2. Governors were actively engaged in determining the academy's priorities for improvement through the development of the improvement plan, including the identification of governor monitoring activity to enable governors to evaluate progress against the key priorities.

The Trust is currently working towards the achievement of Governor Mark and this process has involved a rigorous self-evaluation of the Trust's strengths and areas for development in relation to effective governance. The requirements included the need for governors to identify three aspects of their work where they have been able to demonstrate considerable impact in relation to standards, community and pupil well-being.

The Trust's annual review of effectiveness for 2014/15 will take place on 23rd October 2014.

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 year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

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 Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Baker Tilly Risk Advisory Services LLP to assist the Responsible Officer whose role includes giving advice on financial matters and performing a range of checks on the Academy's financial system. A link Trustee delivers Responsible Officer reports to the full Governing Body. The Academy confirms that this function has been fully delivered in line with EFA requirements and no material control issues arose.

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

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

Approved by order of the members of the Board of Trustees on 26.11.14 and signed on its behalf by:



V Cadd
Chair

C Large
Accounting Officer

ST JOHN'S CHURCH OF ENGLAND ACADEMY
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2014

As Accounting Officer of St John's Church of England Academy, I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

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

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

C. Large

C Large
Accounting Officer

Date: 26.11.14

ST JOHN'S CHURCH OF ENGLAND ACADEMY
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2014

The Trustees who are also the directors of the Charitable Company for the purposes of company law are responsible for preparing the Trustees' report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 statement of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that year. 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;
- 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 business.

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 of both propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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 26 November 2014 and signed on its behalf by:



V Cadd
Chair

ST JOHN'S CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of St John's Church of England Academy for the year ended 31 August 2014 on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 AUGUST 2014

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees' were not entitled to prepare the financial statements in accordance with the small companies regime.

Baker Tilly UK Audit LLP

KEVIN ROONEY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

Date: *26 November 2014*

ST JOHN'S CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account and Statement of Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
Incoming resources						
<i>Income resources from generated funds:</i>						
Voluntary income	2	1,725	4,173	10,364	16,262	7,261
Transfer from Local Authority on conversion		—	—	—	—	1,755,457
Investment income	4	424	—	—	424	417
Activities for generating funds	3	29,844	2,390	—	32,234	29,536
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	—	1,119,566	—	1,119,566	1,295,201
Total incoming resources		<u>31,993</u>	<u>1,126,129</u>	<u>10,364</u>	<u>1,168,486</u>	<u>3,087,872</u>
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income		—	—	—	—	—
Fundraising trading		22,222	—	—	22,222	41,200
<i>Charitable activities:</i>						
Academy's educational operations	7	6,478	1,028,029	57,512	1,092,019	1,318,161
Governance costs	8	—	13,054	—	13,054	22,074
Total resources expended		<u>28,700</u>	<u>1,041,083</u>	<u>57,512</u>	<u>1,127,295</u>	<u>1,381,435</u>
Net incoming/ (outgoing) resources before transfers		<u>3,293</u>	<u>85,046</u>	<u>(47,148)</u>	<u>41,191</u>	<u>1,706,437</u>
Gross transfers between funds		—	(11,068)	11,068	—	—
Net income/(expenditure) for the year		<u>3,293</u>	<u>73,978</u>	<u>(36,080)</u>	<u>41,191</u>	<u>1,706,437</u>
Other recognised gains and losses:						
Actuarial losses on defined benefit pension scheme		—	40,000	—	40,000	(42,000)
Net movement in funds		<u>3,293</u>	<u>113,978</u>	<u>(36,080)</u>	<u>81,191</u>	<u>1,664,437</u>
Reconciliation of funds		—	—	—	—	—
Total fund balances brought forward at 1 September 2013		<u>218,934</u>	<u>(163,000)</u>	<u>1,608,503</u>	<u>1,664,437</u>	<u>—</u>
Total fund balances carried forward at 31 August 2014		<u>222,227</u>	<u>(49,022)</u>	<u>1,572,423</u>	<u>1,745,628</u>	<u>1,664,437</u>

All of the Academy Trust's activities derive from continuing operations in the above two financial periods.

The notes on pages 22 to 40 form part of these financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

BALANCE SHEET AS AT 31 AUGUST 2014

COMPANY NUMBER: 08026134

	Note	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	12		1,510,933		1,557,377
Current assets					
Stock	13	—		2,016	
Debtors	14	58,165		77,154	
Cash at bank and in hand		<u>436,499</u>		<u>326,431</u>	
		494,664		405,601	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(123,969)</u>		<u>(135,541)</u>	
Net current assets			<u>370,695</u>		<u>270,060</u>
Total assets less current liabilities and net assets excluding pension liability			1,881,628		1,827,437
Pension scheme liability			<u>(136,000)</u>		<u>(163,000)</u>
Net assets including pension liability			<u>1,745,628</u>		<u>1,664,437</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	1,572,423		1,608,503	
General fund	16	86,978		—	
Pension reserve	24	<u>(136,000)</u>		<u>(163,000)</u>	
Total restricted funds			1,523,401		1,445,503
Unrestricted income funds					
General fund	16	<u>222,227</u>		<u>218,934</u>	
Total unrestricted funds			<u>222,227</u>		<u>218,934</u>
Total funds			<u>1,745,628</u>		<u>1,664,437</u>

The financial statements on pages 19 to 40 were approved by the Trustees and authorised for issue on ~~26 November 2014~~ 2014 and are signed on their behalf by:



V Cadd
Chair of trustees

The notes on pages 22 to 40 form part of these financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	110,348	72,434
Returns on investment and servicing of finance	20	424	417
Capital expenditure	21	(704)	(31,273)
Cash transferred on conversion to academy trust		<u>—</u>	<u>284,853</u>
Increase in cash in the year		<u>110,068</u>	<u>326,431</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		<u>326,431</u>	<u>—</u>
Net funds at 31 August 2014		<u>436,499</u>	<u>326,431</u>

The notes on pages 22 to 40 form part of these financial statements.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: Accounting and Reporting by Charities ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy

The conversion from a state maintained school to an Academy in the prior period involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The playing fields were transferred to the Academy by Darlington Borough Council under a 125 year lease. The open market valuation received for the playing fields was based upon freehold ownership and therefore was not appropriate for the financial statements. The element of the valuation relating to the leasehold period was considered to be immaterial to the financial statements and has not therefore been recognised within the financial statements. The Academy was been granted use of the school buildings from the Durham Diocesan Board. This supplemental agreement includes a two year notice period however this notice period is only exercisable if the Academy is not complying with the underlying Trust Deed. Given that the Academy is compliant with the Trust Deed, the buildings have been included within the fixed asset valuation on conversion.

The assets and liabilities transferred on conversion from the maintained school to the Academy were valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value was in accordance with policies set out for St John's Church of England Academy. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Going concern

After reviewing financial and other information available, the Trustees consider that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

The General Annual Grant ("GAG") from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited to the Statement of Financial Activities, Incoming Resources from Charitable Activities, to the extent of the entitlement of funds, any abatement in respect of the period is deducted from the income and is recognised as a liability.

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (*continued*)

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

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

- **Other income**

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

- **Donated services and gifts in kind**

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

- **Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

- **Cost of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (*continued*)

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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Long leasehold buildings	- 50 years
Furniture and equipment	- 7 years
Computer equipment	- 3 years

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.

Leased Assets

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

Stock

Educational supplies and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. Statement of Accounting Policies (continued)

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the 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 the funders where the asset acquired or created is held for a specific purpose.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

2. Voluntary Income

	Unrestricted funds	Restricted funds	Restricted Fixed Asset fund	Total Year ended 31 August 2014	Total Period from 11 April 2012 to 31 August 2013
	£	£	£	£	£
DFE/EFA capital grants	—	—	10,364	10,364	—
Parent contributions to visits	—	4,173	—	4,173	5,591
Fundraising income (including school fund income)	<u>1,725</u>	<u>—</u>	<u>—</u>	<u>1,725</u>	<u>1,670</u>
	<u>1,725</u>	<u>4,173</u>	<u>10,364</u>	<u>16,262</u>	<u>7,261</u>

3. Activities for Generating Funds

	Unrestricted funds	Restricted funds	Total Year ended 31 August 2014	Total Period from 11 April 2012 to 31 August 2013
	£	£	£	£
Lettings	980	—	980	4,465
School meals – pupils & staff	24,200	—	24,200	13,553
Breakfast Sales	2,780	—	2,780	2,181
Uniform Sales	1,884	—	1,884	3,302
Training Income	—	2,390	2,390	3,575
Training course income	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,460</u>
	<u>29,844</u>	<u>2,390</u>	<u>32,234</u>	<u>29,536</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

4. Investment Income

	Unrestricted funds £	Restricted funds £	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
Bank interest	<u>424</u>	<u>—</u>	<u>424</u>	<u>417</u>

5. Funding for Academy's Educational Operations

	Unrestricted funds £	Restricted funds £	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
DfE/EFA grants				
- General Annual Grant (GAG)	—	895,147	895,147	1,167,067
- Capital grants	—	—	—	2,693
- Other DfE/EFA Grants	<u>—</u>	<u>124,650</u>	<u>124,650</u>	<u>65,336</u>
	<u>—</u>	<u>1,019,797</u>	<u>1,019,797</u>	<u>1,235,096</u>
Other Government grants				
- Local Authority grants	<u>—</u>	<u>95,164</u>	<u>95,164</u>	<u>39,690</u>
	<u>—</u>	<u>95,164</u>	<u>95,164</u>	<u>39,690</u>
Other Income				
- Other grants	<u>—</u>	<u>4,605</u>	<u>4,605</u>	<u>20,415</u>
	<u>—</u>	<u>4,605</u>	<u>4,605</u>	<u>20,415</u>
	<u>—</u>	<u>1,119,566</u>	<u>1,119,566</u>	<u>1,295,201</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. Resources Expended

	Non-pay expenditure			Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
	Staff Costs £	Premises Costs £	Other costs £		
Costs of generating voluntary income	—	—	—	—	—
Costs of activities for generating funds	—	—	22,222	22,222	41,200
Academy's educational operations:					
- Direct costs	698,317	57,512	89,664	845,493	1,019,235
- Allocated support costs	<u>94,614</u>	<u>56,407</u>	<u>95,505</u>	<u>246,526</u>	<u>298,926</u>
	792,931	113,919	207,391	1,114,241	1,359,361
Governance costs including allocated support costs	<u>—</u>	<u>—</u>	<u>13,054</u>	<u>13,054</u>	<u>22,074</u>
	<u>792,931</u>	<u>113,919</u>	<u>220,445</u>	<u>1,127,295</u>	<u>1,381,435</u>

Incoming/outgoing resources for the year include:

	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- Audit	3,805	2,719
- Other services	3,554	2,381
Operating leases	<u>1,271</u>	<u>1,536</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. Charitable Activities – Academy's Educational Operations

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset £	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013
Direct costs:					
Teaching and educational support staff costs	–	698,317	–	698,317	880,395
Depreciation	–	–	57,512	57,512	66,193
Technology costs	–	13,820	–	13,820	10,399
Educational supplies	5,514	26,544	–	32,058	31,581
Staff development	–	4,391	–	4,391	12,335
Educational consultancy	–	39,395	–	39,395	18,332
Other direct costs	–	–	–	–	–
	<u>5,514</u>	<u>782,467</u>	<u>57,512</u>	<u>845,493</u>	<u>1,019,235</u>
Allocated support costs:					
Support staff costs	–	94,614	–	94,614	105,354
Depreciation	–	–	–	–	–
Technology costs	–	9,229	–	9,229	19,312
Recruitment and Support	–	812	–	812	137
Maintenance of premises and equipment	–	19,680	–	19,680	21,715
Cleaning	–	17,284	–	17,284	24,400
Rent and rates	–	7,134	–	7,134	9,518
Energy costs	–	12,309	–	12,309	17,181
Insurance	–	20,054	–	20,054	22,991
Catering	–	–	–	–	–
Security and transport	–	2,286	–	2,286	2,038
Bank interest and charges	–	143	–	143	188
FRS 17 finance charges	–	5,000	–	5,000	6,000
Other support costs	964	10,307	–	11,271	19,984
Outsourced management support services	–	46,710	–	46,710	50,108
	<u>964</u>	<u>245,562</u>	<u>–</u>	<u>246,526</u>	<u>298,926</u>
Total	<u>6,478</u>	<u>1,028,029</u>	<u>57,512</u>	<u>1,092,019</u>	<u>1,318,161</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. Governance Costs

	Unrestricted funds £	Restricted funds £	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
Legal & professional fees	—	5,695	5,695	8,305
Costs incurred relating to conversion	—	—	—	10,300
Auditor's remuneration:				
Audit of financial statements	—	3,805	3,805	2,719
Responsible officer audit	—	750	750	750
Other services	—	2,804	2,804	—
Support staff costs	—	—	—	—
	—	13,054	13,054	22,074

9. Staff costs

Staff costs during the year were:

	Total Year ended 31 August 2014 £	Total Period from 11 April 2012 to 31 August 2013 £
Wages and salaries	656,558	805,308
Social security costs	44,406	59,952
Pension costs	84,180	110,109
	785,144	975,369
Supply staff costs	7,787	10,380
Staff restructuring costs	—	—
	792,931	985,749

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. Staff costs (continued)

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

	2014 No.	2013 No.
Charitable activities		
Teachers	8	8
Administration and support	14	12
Management	<u>1</u>	<u>1</u>
	23	21

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

	2014 No.	2013 No.
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0
£80,001 - £90,000	0	0
£90,001 - £100,000	0	0

The employee noted above participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £10,525 (period 11 April 2012 to 31 August 2013: £13,030).

10. Related Party Transactions – Trustees' Remuneration & Expenses

Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees remuneration paid in respect of their teaching duties is disclosed for the year that they were Trustees and the value of this remuneration is shown below. We do however draw your attention to the fact that the comparative relates to a 16 month period of account and therefore the comparative disclosure is for a 16 month period.

C A Large	Gross salary of £74,647 and employer's pension contributions of £10,525 (2013: £90,000 – £95,000)	
M Brown	£60,000 - £65,000 (2013: £65,000 – £70,000)	
J Blakeburn	£25,000 - £30,000 (2013: £25,000 – £30,000)	
S Railton	£5,000 - £10,000 (2013: £10,000 - £15,000)	

During the year ended 31 August 2014 (2013: £nil), no expenses were reimbursed to Governors.

Related party transactions involving the Trustees are set out in note 25.

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £624 (2013: £799).

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. Tangible Fixed Assets

	Leasehold buildings £	Furniture and equipment £	Computer equipment £	2014 £
Cost				
At 1 September 2013	1,530,000	37,191	56,379	1,623,570
Additions	—	4,641	6,427	11,068
Disposals	—	—	—	—
At 31 August 2014	1,530,000	41,832	62,806	1,634,638
Depreciation				
At 1 September 2013	40,800	3,683	21,710	66,193
Charged in year	30,600	5,976	20,936	57,512
Disposals	—	—	—	—
At 31 August 2014	71,400	9,659	42,646	123,705
Net book values				
At 31 August 2014	<u>1,458,600</u>	<u>32,173</u>	<u>20,160</u>	<u>1,510,933</u>
At 31 August 2013	<u>1,489,200</u>	<u>33,508</u>	<u>34,669</u>	<u>1,557,377</u>

13. Stock

	Total 2014 £	Total 2013 £
Educational supplies	—	<u>2,016</u>

14. Debtors

	Total 2014 £	Total 2013 £
Trade debtors	—	—
VAT recoverable	8,820	15,183
Prepayments and accrued income	<u>49,345</u>	<u>61,971</u>
	<u>58,165</u>	<u>77,154</u>

All amounts shown within debtors fall due for repayment within one year.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. Creditors: amounts falling during within one year

	Total 2014 £	Total 2013 £
Trade creditors	7,339	44,403
Other creditors	10,552	11,336
Taxation and social security	14,228	13,315
Accruals and deferred income	<u>91,850</u>	<u>66,487</u>
	123,969	135,541
	<u><u> </u></u>	<u><u> </u></u>
Deferred income		
Deferred Income at 1 September	58,988	–
Amount released from previous year	(58,988)	–
Incoming resources deferred in the year	<u>69,606</u>	<u>58,988</u>
Deferred Income at 31 August 2014	<u>69,606</u>	<u>58,988</u>
	<u><u> </u></u>	<u><u> </u></u>

At the balance sheet date the academy holds funding received in advance in respect of nursery funding, rates relief and school meals.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

16. Funds

	Balance at 1 September 2013 £	Income resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	–	895,147	(797,101)	(11,068)	86,978
Local Authority grants	–	95,164	(95,164)	–	–
Other restricted funds	–	11,168	(11,168)	–	–
Other EFA/DfE grants	–	<u>124,650</u>	<u>(124,650)</u>	–	–
	–	1,126,129	(1,028,083)	(11,068)	86,978
Pension reserve	<u>(163,000)</u>	–	<u>(13,000)</u>	<u>40,000</u>	<u>(136,000)</u>
	<u>(163,000)</u>	<u>1,126,129</u>	<u>(1,041,083)</u>	<u>28,932</u>	<u>(49,022)</u>
Restricted fixed asset funds					
Transfer from Local Authority on conversion	1,525,582	–	(48,030)	–	1,477,552
Transfer from Diocese on conversion	48,433	–	–	–	48,433
Capital grants	<u>34,488</u>	<u>10,364</u>	<u>(9,482)</u>	<u>11,068</u>	<u>46,438</u>
	<u>1,608,503</u>	<u>10,364</u>	<u>(57,512)</u>	<u>11,068</u>	<u>1,572,423</u>
Total restricted funds	<u>1,445,503</u>	<u>1,136,493</u>	<u>(1,098,595)</u>	<u>40,000</u>	<u>1,523,401</u>
Unrestricted funds					
General funds	<u>218,934</u>	<u>31,993</u>	<u>(28,700)</u>	–	<u>222,227</u>
Total funds	<u>1,664,437</u>	<u>1,168,486</u>	<u>(1,127,295)</u>	<u>40,000</u>	<u>1,745,628</u>

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 Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE/EFA grants and local authority grants include Pupil Premium, Insurance Income, Nursery Income and PE grants.

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.

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

Please note that the deficit on the restricted funds is a result of the LGPS deficit alone. There is no deficit on the underlying restricted funds.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2014 £	Total Funds 2013 £
Tangible fixed assets	–	–	1,510,933	1,510,933	1,557,377
Current assets	222,227	210,947	61,490	494,664	405,601
Current liabilities	–	(123,969)	–	(123,969)	(135,541)
Pension scheme liability	–	(136,000)	–	(136,000)	(163,000)
Total net assets	222,227	(49,022)	1,572,423	1,745,628	1,664,437

18. Financial Commitments

Operating Leases

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

	Total 2014 £	Total 2013 £
Other		
Expiring within one year	–	–
Expiring within two and five years inclusive	1,271	1,271
Expiring in over five years	–	–
	1,271	1,271

19. Reconciliation of net income to net cash inflow from operating activities

	Total 2014 £	Total 2013 £
Net income for the year	41,191	1,706,437
Depreciation (note 12)	57,512	66,193
Capital grants from DfE and other capital grants	(10,364)	(2,693)
Interest receivable	(424)	(417)
Fixed assets donated by Local Authority in the year	–	(1,589,604)
FRS 17 pension cost less contributions (note 24)	8,000	2,000
FRS 17 pension finance cost (note 24)	5,000	–
Decrease/(increase) in stock	2,016	(2,016)
Decrease/(increase) in debtors	18,989	(77,154)
(Decrease)/increase in creditors	(11,572)	135,541
Transfer from Local Authority on conversion	–	(165,853)
Net cash inflow from operating activities	110,348	72,434

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. Returns on investments and servicing of finance

	Total 2014 £	Total 2013 £
Interest received	<u>424</u>	<u>417</u>

21. Capital expenditure and financial investment

	Total 2014 £	Total 2013 £
Purchase of tangible fixed assets	(11,068)	33,966
Capital grants from DfE and EFA	<u>10,364</u>	<u>(2,693)</u>
Net cash outflow from capital expenditure and financial investment	<u>(704)</u>	<u>31,273</u>

22. Analysis of changes in net funds

	At 1 September 2013 £	Cash flows 2014 £	At 31 August 2014 £
Cash in hand and at bank	<u>326,431</u>	<u>110,068</u>	<u>436,499</u>

23. 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 as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

24. 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 defined-benefit schemes.

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

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

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

Teachers' Pension Scheme (*continued*)

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £54,000.

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (*continued*)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £46,000 of which employer's contributions totalled £35,000 and employees' contributions totalled £11,000. The agreed contributions to the fund for the year ending 31 August 2015 are £26,000. The agreed rates for future years are 6.5% for employees and 12.6% for employers.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate for scheme liabilities	3.7	4.5
Inflation assumption (CPI)	2.1	2.8
Commutation of pensions to lump sums		
• past service pension entitlements	60%	60%
• future service pension entitlements	80%	80%

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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.5	22.1
Females	25.0	24.3
<i>Retiring in 20 years</i>		
Males	24.7	23.9
Females	27.3	26.2

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 (£)	Expected return at 31 August 2013	Fair value at 31 August 2013 (£)
Equities	7.5	148,472	7.9	108,732
Government bonds	2.9	69,680	3.4	57,120
Corporate bonds	3.3	23,048	4.1	19,176
Property	6.8	17,688	7.4	14,280
Cash	1.1	9,112	0.9	4,692
Other	7.5	–	7.9	–
 Total market value of assets (funded)		268,000		204,000
Present value of scheme liabilities – funded		<u>(404,000)</u>		<u>(367,000)</u>
 Deficit in the scheme		 <u>(136,000)</u>		 <u>(163,000)</u>

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (*continued*)

St John's Church of England Academy employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each class over the actual assets allocation for the Fund at 31 August 2014.

The actual return on scheme assets was £18,000

Amounts recognised in the statement of financial activities

	Total Year ended 31 August 2014 £	Total Year ended 31 August 2013 £
Current service cost (net of employee contributions)	43,000	38,000
Past service cost	—	—
Total operating charge	43,000	38,000

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	13,000	12,000
Interest on pension liabilities	<u>(18,000)</u>	<u>(18,000)</u>
	<u>(5,000)</u>	<u>(6,000)</u>

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is £2,000 loss (2013: £42,000 loss).

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

	Total 2014 £	Total 2013 £
Opening present value of liabilities	367,000	—
Transfer on conversion	—	251,000
Current service cost	43,000	38,000
Employee contributions	11,000	12,000
Actuarial (gain)/loss	(35,000)	49,000
Interest cost	18,000	18,000
Net benefits paid out	<u>—</u>	<u>(1,000)</u>
	404,000	367,000

ST JOHN'S CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. Pension and similar obligations (continued)

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

	Total 2014 £	Total 2013 £
Opening present value of assets	204,000	–
Transfer on conversion	–	132,000
Expected return on assets	13,000	12,000
Actuarial gain	5,000	7,000
Employer contributions	35,000	42,000
Employee contributions	11,000	12,000
Net benefits paid out	<u>–</u>	<u>(1,000)</u>
At 31 August	268,000	204,000

The estimated value of employer contributions for the year ended 31 August 2015 is £26,000.

The history of experience adjustments is as follows:

	2014 £	2013 £
Present value of defined benefit obligations	(404,000)	(367,000)
Fair value share of scheme assets	<u>268,000</u>	<u>204,000</u>
Deficit in the scheme	(136,000)	(163,000)
Experience adjustments on share of scheme assets		
Amount £	<u>5,000</u>	<u>7,000</u>
Experience adjustments on scheme liabilities		
Amount £	<u>19,000</u>	<u>–</u>

25. Related Party Transactions

Owing to the nature of the Academy Trust's operations 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 a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The buildings in which the Academy operates from are owned by the Durham Diocese Board. Details of how such property has been accounted for within the financial statements is included within note 1. No other related party transactions took place in the year.