

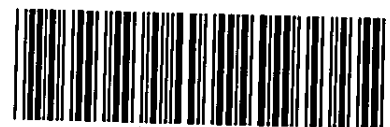
John Taylor High School Academy

(A company limited by guarantee)

Financial Statements for the period to 31 August 2011

Registered number 07421140
Registered charity number 1067945

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John Taylor High School Academy

Financial Statements

For the Period to 31 August 2011

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Governors and Accounting Officer's Annual Report

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee with no share capital (registration no 7421140). As a converter academy under the Government's direction the school automatically becomes a registered charity but does not have a registration no issued. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by the academy trust. The articles of association require the members of the charitable company to appoint at least four governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

Members' liability

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.

Governance

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

The Governors who were in office at 31 August 2011 and served throughout the year, are listed on Page 14.

During the year under review the governors held 6 full governors' meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual.

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 £1,000,000 on any one claim.

Organisational Structure

During 2010-11, John Taylor High School re-organised its Senior Leadership Team, moving from four Vice-Principals to three, and re-allocating responsibilities accordingly. In line with our academy conversion, the academy re-constituted the sub-committees of the governing body to ensure they were more suitably aligned with our change of status. Terms of Reference have been re-written, agreed and reviewed. The revised governance structure has been communicated to a variety of stakeholders.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments

The Senior Leadership Team comprises of the Principal, three Vice Principals, five Assistant Principals and the Director of Business. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels always contain a Governor. Some spending control is devolved to members of staff with leadership responsibilities that lie below senior level (e.g. curriculum leaders), with limits above this being countersigned by the Principal, a Vice Principal or the Director of Business, in line with the approved Scheme of Delegation.

Connected organisations

As a converter academy, John Taylor High School has no structural or commercial affiliation to any other organisations. All pecuniary interests for staff, governors and trustees are recorded, and reviewed annually. "Pecuniary interests" is a standing item on every governors' meeting.

Strategic Direction

Objects, aims and objectives for Public Benefit

The principal object and activity of the charitable company is the operation of John Taylor High School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19 with an emphasis on science and leadership.

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

The main objectives of the Academy during the year ended 31 August 2011 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all students,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Six key priorities are identified in our Strategic Plan:

- Curriculum
- Post-16 Provision
- Relationships, Collaborations and Links with Other Organisations
- IT Solutions
- Buildings and the Physical Environment
- Policies, Procedures, Systems and Administration

Core Purpose

To provide an excellent broad and balanced curriculum for all learners that ensures each individual reaches stretching personal goals and fulfils their potential

Supplementary Purposes

- To be an educational 'centre of excellence' providing services and expertise to other educational establishments
- To be a fully integrated 'Community' hub for residents in the local towns and villages
- To be a desired employer
- To provide all of the above whilst operating in from a robust financial position. This means being open to making profit where possible and reasonable without losing the core ethics of providing free education to all 11 – 19 year olds as defined by our admissions criteria

Intent

Within the next 10 Years

- *Learning*
 - Students experience optimal learning opportunities at all levels possible
 - The Academy is always oversubscribed ensuring maximum income
 - The Academy is truly a 'Community' establishment encouraging
 - A broad-based and balanced learning opportunity for all relevant stakeholders
 - Learners are community based and not just 11 – 19 years old
- *Staff*
 - The Academy is known for highest teaching standards meaning that vacancies for teaching staff attract the best candidates and we have to select from the best
 - Support functions operate at an equally high level and the Academy is a nationally-quoted example of a good employer
 - Working conditions are the best in the market
- *Teaching*
 - The Academy is a leader in 'State of the Art' teaching
 - Teachers have excellent development opportunities and are expected to develop themselves in accordance with the standards required by the Academy
- *Buildings*
 - Buildings are all fully 'fit for purpose' and have optimal carbon footprints
 - Infra-structure is 'state of the art' and economic to run
- *Systems*
 - Management systems, people & hardware are optimal, flexible and capable of absorbing new initiatives
- *Use*
 - Facilities are used as a community resource whenever possible and become optimally income generating

Strategies and activities

The Academy's main strategy is enshrined in its mission statement which is that 'we believe in the power of education to improve lives – and the world' To this end the activities provided include

- tuition and learning opportunities for all students to attain appropriate academic qualifications,
- training opportunities for all staff, and especially teaching staff,
- secondments and placing of students with industrial and commercial partners,
- a programme of sporting and after school leisure activities for all students,
- a system of after school clubs to allow students to explore science, engineering and other subject areas in a practical and project oriented way,
- a careers advisory service to help students obtain employment or move on to higher education

Equal opportunities and employment of disabled persons

The Academy is committed to ensuring equality of opportunity for all who learn and work here We respect and value positively differences in race, gender, sexual orientation, ability, class and age We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry This policy will be resourced, implemented and monitored on a planned basis

The Academy's Equal Opportunities Policy, including its Race Relations and Transgender Policies is made available on request

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned Where an existing employee becomes disabled, every effort is made to ensure that employment with the Academy continues The Academy's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees Policy and its implementation is reviewed annually by governors

Disability statement

The Academy seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005

- a) As part of its accommodation strategy the Academy updated its access audit A full access audit in this field was conducted during 2010/11
- b) The Academy has appointed an SEN Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities
- c) There is a list of specialist equipment, such as radio aids, which the Academy can make available for use by students and a range of assistive technology is available in the Special Needs Department
- d) The policy for the admittance of all students is described in the Academy's Admissions Policy Appeals against a decision not to offer a place are dealt with under the appeals procedure outlined within the admissions policy

- e) The Academy has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in Academy prospectuses, and achievements and destinations are recorded and published in the standard Academy format.
- g) We inform pupils and parents, at the point of transfer to John Taylor High School, of our pastoral system and identified staff e.g. House Learning Manager, to whom they can go to if they require support or assistance of any kind.

Performance against Objectives

The Academy is now in its second year of operation and continues to achieve the forecast numbers of students. Total students in the year ended 31st August 2011 numbered 1449 and the Academy has a full complement in all year groups. The Academy has obtained agreement from the Department for Education (DfE) to admit 224 students each year.

Examination results for 2011 were very pleasing.

| | |
|--------------------------|--|
| <u>A & AS</u> | Y13 students achieved an average of 843.3 points per student (855.8 in 2010) |
| | At A2 level there was a 99.4% pass rate (99.4% in 2010). 81.3% of grades were A* to C (76.7% in 2010). |
| <u>GCSE</u> | At GCSE 82% of grades were A* - C (79% in 2010) |
| | 90% of students achieved 5 A* - C grades (81% in 2010) |
| | 72% of students achieved 5 A* - C grades including English & Mathematics (72% in 2010) |

To ensure that standards are continually raised the Academy operates a programme of observation of lessons, work scrutiny, student voice activities, is subject to visit by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

Financial objectives

The Academy's financial objectives are

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances
- to generate sufficient levels of income to support the asset base of the Academy
- to further improve the Academy's shorter term liquidity
- to fund continued capital investment

These objectives were achieved in the year ending 31 August 2011.

Training

A range of courses have been attended by staff during the period November 2010 to August 2011

Work Experience/Employment:

During the year pupils are allocated work experience placements which are supported and evaluated by trained staff

All of our Year 11 Pupils obtained either employment, a place at a training college or continued with education at John Taylor with the exception of one pupil. In the current climate this is an achievement

Sporting / Community

John Taylor High School is a rural school at the heart of a vibrant, supportive community. The school has an excellent academic reputation with prospective parent moving to live within our catchment area to ensure a place here for their children. Each year school applications are over PAN.

The school works closely with the local Library and Youth and Community Centre, which are both adjacent to the school buildings.

Our school facilities are let to local groups including a range of sports clubs, drama, dance and art groups.

Our Physical Education department encourages all pupils to compete at all levels in a range of sporting disciplines and are successful at both local and national levels.

John Taylor pupils support a range of charities throughout the year and have raised a significant amount of money to benefit these.

Finance Review

Financial report for the year

Most of the Academy's income is obtained from the YPLA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the year ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2011, total expenditure of £6,086,000 was more than covered by recurrent grant funding from the YPLA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £12,675,000. Less the cost of the exceptional donation of the school leasehold buildings of £11,929,000 the excess of income over expenditure for the year is £746,000.

At 31 August 2011 the net book value of fixed assets was £11,598,000. There was no movement of tangible fixed assets during the year. Assets were used exclusively for providing education and the associated support services to the students of the Academy.

Reserves policy and financial position

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £149,000.

Financial position

The Academy held fund balance at 31 August 2011 of £11,705,000 comprising £11,556,000 of restricted funds and £149,000 of unrestricted general funds and a pension reserve deficit of £1,000,000.

Investment policy

The Academy does not currently have an investment policy as there are no investments. Should a decision be taken to consider a strategy requiring investment, this would be enshrined in policy.

Principal Risks and Uncertainties

The Academy has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its Terms of Reference, the Quality, Compliance and Audit Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Quality, Compliance and Audit Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by all governor sub-committees and more frequently where necessary (it appearing as a standing item on all governing body agendas). 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.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

- Strategic & Reputational,
- Operational Risk,
- Compliance Risk,
- Financial Risk

1 Government funding

The Academy has considerable reliance on continued government funding through the YPLA. In 2010/11 94% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue, this calculation was made after deducting the amount for fixed assets. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the YPLA

2 Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students secure employment or a place in Higher education once they leave.

| Objectives | Metric for Year 2016 |
|---|--|
| To become/remain top state school in Staffordshire for attainment and achievement | <ul style="list-style-type: none"> • EBacc Score = 55% • 5 A*-C (E + M) = 80% • Position in County = 1st @ Pre-16 |
| To have a curriculum that is broad, balanced and delivering high quality outcomes | <ul style="list-style-type: none"> • % NEET at 16= 0 |
| All teaching to be 'good' or 'outstanding' | <ul style="list-style-type: none"> • Lesson observation findings • External (e.g. Ofsted) findings |
| Pupils to experience 'learning on demand' via a 24/7 approach | <ul style="list-style-type: none"> • E-learning a reality in all subjects for all year groups • Saturday and evening opening a regular occurrence • Expansion of community learning opportunities via the above |
| John Taylor to provide a broader range of courses to more students Post-16 | <ul style="list-style-type: none"> • 400+ students in Sixth Form • More Level 3 courses than currently available (e.g. Geology, Archaeology, Astronomy, Spanish) • Greater breadth of Level 2 options • All Year 13s leave us with at least Level 2 qualifications in Mathematics and English |
| Sixth Form is an even more vibrant and enriching experience | <ul style="list-style-type: none"> • Entry into the Sixth Form is the preferred aspiration for 80% of Year 11 pupils at John Taylor |
| Primary links are at least maintained | <ul style="list-style-type: none"> • Number of events and experiences (measured by pupil hours) is at least the same as in 2011 |
| New secondary school collaborations are developed | <ul style="list-style-type: none"> • New opportunities exist for pupils and staff • John Taylor is a key partner in a new academies network in the County/region • John Taylor is a designated Teaching School • Courses in leadership are offered for staff across the Midlands, in collaboration with NCSL, SSAT or other providers |
| John Taylor has enhanced external partnerships | <ul style="list-style-type: none"> • New industrial partnerships contribute to outstanding provision • International School Award (Full) achieved • University links are embedded further • An annual event is hosted for John Taylor alumni • Languages video link with a French school at post-16 • Links may be advantageous to secure high quality specialist provision in Photography/IT/Dance at Level 3 BTEC/A Level • Links with other Academies, particularly our supported school/academy • IT central hub • Links with local Uni's Derby, Stafford, Wolverhampton, Birmingham, Nottingham, Loughborough • Links are being formed with local commercial industries |
| Computer Pupil ratio improved | <ul style="list-style-type: none"> • 1 computer 2 pupils |
| Greater use of mobile technologies | <ul style="list-style-type: none"> • Open access Wi-Fi across the campus • E-readers available in Library • Grants available for subject bids to develop creative use of mobile technologies in their curricular area • CLOUD Technology is used where appropriate |

| | |
|--|---|
| | for applications and storage This heightens the need for connectivity solutions |
| Development of e-learning and e-communication resources | <ul style="list-style-type: none"> • All subject areas to have e-learning content available to all pupils in all years • Subject E-Champions to ensure relevance and currency of content • Website is of high quality • John Taylor has more individuals and organisations connected with it via social networking than it has pupils at the school • Improved telephony and communications systems to include a fully-functioning parent portal, e-mail addresses in a standardised format for all pupils and staff • Employ a digital media champion who will devote time to training staff and uploading content |
| A Buildings Management Plan is a working document and a meaningful strategic tool for re-build and refurbishment | <ul style="list-style-type: none"> • The Development Control Plan is being implemented effectively • Our number on roll does not exceed our site capacity number |
| Accommodation is improving in key areas of need | <ul style="list-style-type: none"> • Mobile classrooms are either removed or scheduled for removal • Significant open indoor space is available for dining, recreation and learning • All-weather sporting surfaces are installed or incorporated into Development Plan • Central whole school theatre area designed for multiple use – flexible moveable seating to serve as theatre and gym |
| Accommodation is used more effectively | <ul style="list-style-type: none"> • Re-location of SEN/AEN/ELD into a coherent 'hub' of pupil support, to also include a Pupil Reception • Re-assign some departmental office space |
| Accommodation is made more secure and safe | <ul style="list-style-type: none"> • Safeguarding is more robust through greater security measures on site (e.g. access control, CCTV) • A detailed risk register specifies health and safety issues on site |
| John Taylor is fully compliant with all necessary financial, educational and organisational legislation | <ul style="list-style-type: none"> • A robust set of policies, procedures and guidance are evident, approved and regularly reviewed by trustees and governors, and maintained in practice by all staff at the school • A new self-evaluation tool is constructed, linking judgments to policy and governance structures • A detailed risk register is comprehensive, and is regularly reviewed and annually validated by governors |
| John Taylor exhibits its excellence (i.e. above compliance) through the maintenance and acquisition of external accreditation and validation | <ul style="list-style-type: none"> • JTHS attains the highest standards possible in external inspection and audit reports • JTHS gains International School Award • JTHS gains Investors in People |

Public Benefit, Sustainability, Social and Community Issues

Public Benefit

The Governors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy

Sustainability

The Academy is committed to sustainable development throughout all aspects of its operations

The Academy's Display Energy Certificate (DEC) has a rating of D91 Whilst this is mid range it does have potential for improvement

Reprographic and printing costs are currently being audited with a view to reducing this overhead Single glazed, metal framed windows have been replaced with double glazed plastic units as part of an ongoing programme of upgrading the school buildings

A review of the school buildings with a joint focus on state of repair and security is currently being done

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires academies, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received The target set by the Treasury for payment to suppliers within 30 days is 95 per cent During the accounting period 1st Nov 2010 to 31 August 2011, the Academy incurred no interest charges in respect of late payment

Reference and Administrative Details

Governors (Trustees)

Chair of Governors

* = members of the Finance Committee

G Moss

D Beaty* (Chair of Finance)

J Jackson (Responsible Officer) &
(Chair of Quality Compliance & Audit)

J Hodgkinson (Chair of People)

S Treamur (Chair of Academy Development)

C Cheadle

P Cleary *

L Cozens

C Goodwin *

C Robinson

P Russell

A Rutherford

R Dungworth

C Cooper

M Donoghue (Principal)

Secretary

A Elsmore

Registered Office

John Taylor High School
Dunstall Road
Barton under Needwood
Staffordshire
DE13 8AZ

Company Registration Number

107421140

Charity Registration Number

1067945

Auditors

RSM Tenon Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

Bankers

Lloyds TSB
High Street
Sudbury
Burton on Trent
Staffordshire
DE13 9LT

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Performance Indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence

In its inspection in January 2007, Ofsted concluded that the Academy was an 'Outstanding' school

| Assessment | Inspection Grade |
|--|------------------|
| The effectiveness of the Governing Body in challenging and supporting the Academy so that weaknesses are tackled decisively and statutory responsibilities met | 1 |
| The effectiveness of the Academy's engagement with parents and carers | 1 |
| The effectiveness of partnerships in promoting learning and well-being | 1 |
| The effectiveness with which the Academy promotes equality of opportunity and tackles discrimination | 1 |
| The effectiveness of safeguarding procedures | 1 |
| The effectiveness with which the Academy promotes community cohesion | 1 |
| The effectiveness with which the Academy deploys resources to achieve value for money | 1 |

Note Grade 1 is 'Outstanding' and Grade 2 is 'Good'

The Academy is also monitored through the completion and submission of the YPLA annual Financial Management and Governance Evaluation and GAG returns as and when due

Basis of Preparation of Financial Statements and Accounting Policies and Practices

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 28 and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005

So far as the Accounting Officer and Governing Body are aware, the Academy has disclosed all relevant information to the financial statement auditors. The Accounting Officer believes he has taken all the steps that he ought to make himself aware of any information relevant to the audit and to establish that the financial statement auditors are aware of that information.

The financial statement auditors, RSM Tenon, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

The report of the governors was approved by the governors on 19 December 2011 and signed on their behalf by



**Mr Gareth Moss,
Chair of Governors**

Statement of Governors' and Accounting Officer's Responsibilities

The Governors are responsible for preparing the Governors report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the governors are required to

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

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Risk Management

The governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the System of Internal Financial Control

Scope of responsibility

As governors, we acknowledge we have overall responsibility for the Academy's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between John Taylor High School and YPLA. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Taylor High School for the year ended 31 August 2011 and up to the date of approval of the annual report and accounts.

The risk and control framework

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

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

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- set policies on internal controls which cover the following
 - the type of risks the Academy faces,
 - the level of risks which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
 - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Staffordshire County Council Internal Audit department to carry out this function. The governors have appointed J Jackson, a governor, as Responsible Officer (RO). The RO's role includes receiving advice on financial matters and reviewing a range of checks on the Academy's financial systems, submitted to the Quality Compliance and Audit Committee by the internal auditors. The internal auditors carry out quarterly checks on the academy's financial systems and procedures along with annual checks on governance, safeguarding and safer recruitment. These are then reported to the Quality, Compliance and Audit Committee.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by

- the work of the responsible officer
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework
- comments made by the Academy's financial statements auditors in their management letters and other reports

The Principal has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Quality Compliance & Audit Committee, chaired by the Responsible Officer, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and all sub-committees of the governing body including Finance Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Going concern

After making appropriate enquiries, the Governing Body considers 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.

Approved by order of the members of the Governing Body on 19 December 2011 and signed on its behalf by



Mr Gareth Moss
Chairman



Mr Mike Donoghue
Principal

**Independent Auditors' Report to the Members of
John Taylor High School Academy
(A Company Limited By Guarantee) (Registration number 07421140)**

We have audited the financial statements of The John Taylor High School Academy for the period ended 31 August 2011, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Governors and auditors

The Governors act as trustees for the charitable activities of The John Taylor High School and are also the directors of the company for the purposes of company law.

As explained more fully in the Statement of Governors' Responsibilities set out in the Governors' Report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Young People's Learning Agency in respect of the relevant financial period, and
- grants made by the Young People's Learning Agency have been applied for the purposes intended.

**Independent Auditors' Report to the Members of
John Taylor High School Academy
(A Company Limited By Guarantee) (Registration number 07421140)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

RSM Tenon Audit Ltd

Caroline Martin, Senior Statutory Auditor
for and on behalf of RSM Tenon Audit Limited

RSM Tenon Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

Date *21 December 2011*

John Taylor High School Academy

Statement of Financial Activities for the period to 31 August 2011

| | | Unrestricted funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2011 |
|---|------|-----------------------|--------------------------------|---------------------------------------|---------------|
| | Note | £000 | £000 | £000 | £000 |
| Incoming resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| - Voluntary income | 2 | 385 | 64 | 11,830 | 12,280 |
| - Activities for generating funds | 3 | 25 | - | - | 25 |
| Interest receivable | 4 | 2 | - | - | 2 |
| <i>Incoming resources from charitable activities</i> | | | | | |
| - Funding for the Academy's educational operations | 5 | 25 | 6,079 | 351 | 6,455 |
| - Project Management grants | | - | - | - | - |
| Other income | | - | - | - | - |
| Total incoming resources | | 437 | 6,143 | 12,181 | 18,761 |
| Resources expended | | | | | |
| <i>Cost of generating funds</i> | | | | | |
| - Costs of generating voluntary income | | - | - | - | - |
| - Investment management costs | | - | - | - | - |
| <i>Charitable activities</i> | | | | | |
| - Academy's educational operations | 7 | 5 | 5,762 | 252 | 6,019 |
| - Development costs | | - | - | - | - |
| <i>Governance costs</i> | 8 | - | 67 | - | 67 |
| Total resources expended | | 5 | 5,829 | 252 | 6,086 |
| Net incoming (outgoing) resources before transfer | | 432 | 314 | 11,929 | 12,675 |
| Gross transfers between funds | 17 | - | - | - | - |
| Net incoming (outgoing) resources before other recognised gains and losses | | 432 | 314 | 11,929 | 12,675 |
| Other recognised gains and losses | | | | | |
| Brought forward defined benefit pension scheme liability | 23 | - | (1,089) | - | (1,089) |
| Actuarial (losses) gains on defined benefit pension schemes | 23 | - | 119 | - | 119 |
| Net movement in funds | | 432 | (656) | 11,929 | 11,705 |
| Total funds brought forward at 1 September | 17 | - | - | - | - |
| Funds carried forward at 31 August | | 432 | (656) | 11,929 | 11,705 |

Incoming resources and net outgoing resources are derived wholly from continuing operations

John Taylor High School Academy

Income and Expenditure Account for the Period to 31 August 2011

| | Note | 2011 £000 |
|--|------|---------------|
| Income | | |
| DfE/YPLA General Grant (GAG) | 5 | 6,079 |
| DfE/YPLA Start Up Grant | 5 | - |
| DfE/YPLA capital grants | 5 | 351 |
| DfE project management grants | 6 | - |
| Other DfE/YPLA grants | 5 | 25 |
| Voluntary income | 2 | 12,280 |
| Interest receivable | 4 | 2 |
| Activities for generating funds | 3 | 25 |
| Other income | | - |
| Cash at bank and in hand | | |
| Total income | | 18,761 |
| Expenditure | | |
| Staff costs | 6 | 4,777 |
| Non pay expenditure | 6 | 1,069 |
| Depreciation | 13 | 240 |
| Total expenditure | | 6,086 |
| Excess of income over expenditure | | 12,675 |

John Taylor High School Academy
Statement of Total Recognised Gains and Losses
for the Period to 31 August 2011

| | Note | 2011 £000 |
|--|------|----------------------|
| Excess of income over expenditure | | 12,675 |
| Brought forward defined benefit pension scheme liability | 23 | - |
| Actuarial losses on defined benefit pension scheme | 23 | 119 |
| | | <hr/> |
| Total recognised gains and losses for the year | | 12,794 |
| Prior year adjustments | | <hr/> |
| Total recognised gains and losses since last report | | <u>12,794</u> |
| Net movement to (from) funds | | |
| Endowment fund | | |
| Restricted general funds | | (656) |
| Restricted fixed asset fund | | 11,929 |
| Restricted other funds | | - |
| Unrestricted general fund | | 432 |
| | | <hr/> |
| | | <u>11,705</u> |

The income and expenditure account and statement of total recognised and losses are derived from the statement of financial activities on page 23 which, together with the notes to the financial statements on pages 27 to 45 provides full information on the movements during the year on all funds of the Academy

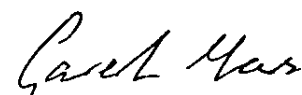
All of the Academy's activities derived from continuing operations during the above two financial periods

John Taylor High School Academy

Balance Sheet at 31 August 2011 (Registration number 07421140)

| | Note | 2011 £000 |
|--|------|----------------|
| Fixed assets | | |
| Tangible assets | 13 | 11,598 |
| Investments | 14 | - |
| | | 11,598 |
| Current assets | | |
| Stock | | - |
| Debtors | 15 | 77 |
| Cash at bank and in hand | | 3,311 |
| Creditors Amounts falling due within one year | 16 | (2,281) |
| Net current assets | | 1,107 |
| Net assets excluding pension liability | | 12,705 |
| Pension scheme liability | 23 | (1,000) |
| Net assets including pension liability | | 11,705 |
| Funds and reserves | | |
| Endowment funds | 17 | |
| Restricted funds | | |
| - Fixed asset fund | 17 | 11,929 |
| - General fund | 17 | 344 |
| - Pension reserve | 17 | (1,000) |
| - Other | 17 | - |
| | | 11,273 |
| Unrestricted funds | | |
| - General fund | | 432 |
| - Revaluation reserve | | - |
| Total unrestricted funds | | 432 |
| Total Charity funds and reserves | | 11,705 |

The financial statements on pages 22 to 26 were approved by the governors, and authorised for issue on 19 December 2011 and signed on their behalf by


G Moss
 Chairman

John Taylor High School Academy

Cash Flow Statement for 31 August 2011

| | 2011 £000 |
|---|---------------------------------|
| Net cash inflow from operating activities | |
| (Deficit)/surplus on continuing operations after depreciation of assets | 12,675 |
| Depreciation (note 13) | 240 |
| (Loss)/profit on disposal of tangible fixed assets | - |
| Capital grants from DfE and Others | (11,830) |
| Interest receivable (note 4) | (2) |
| FRS 17 pension cost less contributions payable(note 23) | (9) |
| FRS 17 pension finance income (note 23) | 39 |
| (Increase)/decrease in stocks | - |
| (Increase)/decrease in debtors | (77) |
| Increase/(decrease) in creditors | 2,281 |
| Increase/(decrease) in provisions | - |
| Net cash inflow from operating activities | 3,318 |
| Returns on investments and servicing of finance | |
| Interest received | 2 |
| Taxation | - |
| Capital expenditure and financial investment | |
| Purchase of tangible fixed assets | (8) |
| Capital grants from DfE/YPLA | - |
| Capital funding received from sponsors and others | - |
| Receipts from sale of tangible fixed assets | - |
| | (8) |
| Management of liquid resources | - |
| Increase/(decrease) in cash in the year | 3,312 |
| Analysis of changes in net funds | |
| | At 31 August 2011 £000 |
| Cash in hand and at bank | 3,312 |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

1. Accounting Policies

Basis of Accounting

The financial statements are prepared under the historic cost convention and accordance with applicable accounting standards and the Charities SORP 2005

The standard format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' 2005 and reflects the activities of the Academy

Fund Accounting

Unrestricted Funds are those monies which may be used towards meeting the objectives of the Academy at the discretion of the Governors

Restricted Funds comprise grants from DFE, Staffordshire County Council and other donations to be used for specific purposes

Grants Receivable

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted general fund on the balance sheet. The annual recurrent grant from DFE which is intended to meet recurrent costs, is credited direct to the statement of financial activities

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date

Sponsorship Income

The value of sponsorship provided to the Academy is recognised in the statement of financial activities in the period in which it is receivable

Interest Receivable

Interest receivable is included within the statement of financial activities on a receivable basis

Resources Expended

Resources expended are recognised in the period in which they are incurred. They have been classified under headings that aggregate all costs relating to that activity

Allocation of Costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity

Governance Costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

1. Accounting Policies (continued)

Costs of Generating Funds

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds

Charitable Activities

Charitable activities include expenditure on providing education and include both direct costs and support costs relating to the activity

Tangible Fixed Assets

Tangible fixed assets are included in the accounts at cost. 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 once bought in to use. 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 is provided once assets are completed and brought in to use. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided in freehold land. The principal annual rates used for other assets are:

| | |
|---------------------------------|-----|
| Freehold buildings | 2% |
| Long leasehold property | 2% |
| Furniture and equipment | 10% |
| Computer equipment and software | 25% |

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

Purchased Goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 20 years as in the opinion of the Governors this represents the period over which goodwill is effective.

Leases

Rentals paid under operating leases are charged to income in the period to which they relate.

Defined Benefit Schemes

• *Teachers' Pension Scheme*

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Young People's Learning Agency. As the group is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the group has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the academy in the year.

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

- **Local Government Pension Scheme**

Non teaching members of staff offered membership of the Local Government Pension Scheme (LGPS), which are managed by the Staffordshire Pension Fund. The LGPS is a defined benefit pension scheme and is able to identify the academy's share of assets and liabilities and requirements of the FRS 17, Retirement Benefits, have been followed.

The academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

2 Status of Company

The Company is limited by guarantee and does not have a share capital. The liability of members is limited and shall not exceed £10.

The Company has taken advantage of section 62 of the Companies Act 2006 and deleted the word "Limited" from its name.

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

1 General Annual Grant (GAG)

a Results and Carry Forward for the Year / period

| | 2011 £000 |
|---|------------------|
| GAG brought forward from previous year | - |
| GAG allocation for current year | 6,079 |
| Total GAG available to spend | 6,079 |
| Recurrent expenditure from GAG | (5,776) |
| Fixed assets purchased from GAG | - |
| Transfer from unrestricted fund | - |
| | 303 |
| Other restricted GAG funds | - |
| GAG carried forward to next year | 303 |
| Maximum permitted GAG carry forward at end of current year (12% of allocation for current year) | 729 |
| GAG to surrender to DfE | - |
| | no breach |

b Use of GAG Brought Forward from Previous Year for Recurrent Purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

| | |
|---|------------------|
| Recurrent expenditure from GAG in current year | 5,776 |
| GAG allocation for current year | (6,079) |
| GAG allocation for previous year x 2% | - |
| GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year | (303) |
| (2% rule breached if result is positive) | no breach |

2 Voluntary Income

| | Unrestricted Funds £000 | Restricted Funds £000 | 2011 Total Funds £000 |
|---|-------------------------------|-----------------------------|--------------------------------|
| Donations - Capital | - | 11,830 | 11,830 |
| Donations of historical school balances | 386 | - | 386 |
| Gifts in Kind | - | - | - |
| Other | - | 64 | 64 |
| | 386 | 11,894 | 12,280 |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

3 Activities for Generating Funds

| | Unrestricted Funds £000 | Restricted Funds £000 | 2011 Total Funds £000 |
|-----------------|-------------------------------|-----------------------------|--------------------------------|
| Lettings income | 14 | - | 14 |
| Catering income | 11 | - | 11 |
| Uniform sales | - | - | - |
| | <u>25</u> | <u>-</u> | <u>25</u> |

4 Investment Income

| | Unrestricted Funds £000 | Restricted Funds £000 | 2011 Total Funds £000 |
|---|-------------------------------|-----------------------------|--------------------------------|
| Gift aid payment from wholly owned subsidiary | - | - | - |
| Bank Interest | 2 | - | 2 |
| | <u>2</u> | <u>-</u> | <u>2</u> |

5 Funding for Academy's educational operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2011 £000 |
|--|-------------------------------|-----------------------------|-----------------------|
| DfE/YPLA capital grant | | | |
| - Devolved Formula Capital allocations | - | 69 | 69 |
| - Capital Maintenance Grant | - | 282 | 282 |
| - Academy main building grants | - | - | - |
| | <u>-</u> | <u>351</u> | <u>351</u> |
| DfE / YPLA revenue grants | | | |
| - General Annual Grant (GAG) (note 1) | - | 6,079 | 6,079 |
| - Start Up Grants | - | - | - |
| - Feasibility grants | - | - | - |
| - Lead in and implementation grant | - | - | - |
| - School Standards Fund | - | - | - |
| - Other DfE / YPLA grants | 25 | - | 25 |
| | <u>25</u> | <u>6,079</u> | <u>6,104</u> |
| Other Government grants | | | |
| - School Standards Funds | - | - | - |
| - Extended schools programme | - | - | - |
| - SEN from LA | - | - | - |
| - Aim Higher | - | - | - |
| - Special educational projects | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>25</u> | <u>6,430</u> | <u>6,455</u> |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

6 Resources Expended

| | Staff Costs | Other Costs | Depreciation | Total 2011 |
|--|----------------|----------------|--------------|---------------|
| | £000 | £000 | £000 | £000 |
| Costs of generating voluntary income | - | - | - | - |
| Academy's educational operations | | | | |
| - Direct costs | 4,315 | 418 | - | 4,733 |
| - Allocated support costs | 462 | 584 | 240 | 1,286 |
| - Implementation costs | | | | - |
| | <u>4,777</u> | <u>1,002</u> | <u>240</u> | <u>6,019</u> |
| Governance costs including allocated support costs | - | 67 | - | 67 |
| | <u>4,777</u> | <u>1,069</u> | <u>240</u> | <u>6,086</u> |

The method used for the apportionment of costs is disclosed in the accounting policies on page 27

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

7 Charitable Activities - Academy's educational operations

| | Unrestricted Funds £000 | Restricted Funds £000 | 2011 Total Funds £000 |
|--|-------------------------------|-----------------------------|--------------------------------|
| Direct costs | | | |
| Teaching and educational support staff costs | - | 4,315 | 4,315 |
| Depreciation | - | - | - |
| Educational supplies | - | 94 | 94 |
| Examination fees | - | 147 | 147 |
| Staff development | - | 23 | 23 |
| Educational consultancy | - | - | - |
| Other direct costs | - | 154 | 154 |
| | <u>-</u> | <u>4,733</u> | <u>4,733</u> |
| Extended schools programme | | | - |
| Educational support costs | | | |
| Support staff costs | - | 462 | 462 |
| Depreciation | - | 240 | 240 |
| Recruitment and other staff costs | - | 18 | 18 |
| Heat and light | - | 87 | 87 |
| Premises (including building insurance) | - | 121 | 121 |
| Catering contract | - | 16 | 16 |
| Technology costs | - | 113 | 113 |
| Other support and admin expenses | 5 | 223 | 228 |
| | <u>5</u> | <u>1,281</u> | <u>1,286</u> |
| Development costs | | | - |
| | <u>5</u> | <u>6,014</u> | <u>6,019</u> |

| 8 Governance costs | Unrestricted Funds £000 | Restricted Funds £000 | 2011 Total Funds £000 |
|---------------------------------|-------------------------------|-----------------------------|--------------------------------|
| Legal and professional fees | - | 53 | 53 |
| Auditors' remuneration | | | |
| - Audit of financial statements | - | 12 | 12 |
| - Responsible officer audit | - | 2 | 2 |
| - Other services | - | 0 | 0 |
| - Taxation services | - | - | - |
| Governor training | - | - | - |
| Governors' reimbursed expenses | - | - | - |
| | <u>-</u> | <u>67</u> | <u>67</u> |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

9 Staff costs

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

| | 2011 No |
|------------------------------|------------|
| Charitable Activities | |
| Teachers | 101 |
| Administration | 79 |
| Management | 10 |
| | 190 |

| Staff costs comprise | | | 2011 |
|-----------------------|--------------|------------|-------|
| | Unrestricted | Restricted | Total |
| | Funds | Funds | Funds |
| | £000 | £000 | £000 |
| Wages and salaries | - | 3,886 | 3,886 |
| Social security costs | - | 282 | 282 |
| Other pension costs | - | 609 | 609 |
| | - | 4,777 | 4,777 |
| Supply teacher costs | - | - | - |
| Compensation payments | - | - | - |
| | - | 4,777 | 4,777 |

Four employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2011. The total emoluments of these employees were in the following ranges

| | 2011 No. |
|-------------------|-------------|
| £60,001 - £70,000 | 2 |
| £70,001 - £80,000 | 0 |
| £80,001 - £90,000 | 1 |

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £21,181.

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

10 Governors' remuneration and expenses

Four of the governors are employees of the academy. The total remuneration for these members of staff for the period ended 31 August 2011 was £147,501. No other governor of the academy received any payment or other emoluments from the academy in the period.

Principal and staff governors only receive remuneration in respect of services they provide under the roles of Principal and staff members and not in respect of services as governors.

During the year ended 31 August 2011, travel and subsistence expenses totalling £nil were reimbursed to governors.

Interests in transactions

There were no declared interests in transactions made by the Academy.

11 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £2,067.

12 Taxation

The academy is a registered charity and therefore is not liable to income tax or corporation tax on income from charitable activities, as it falls within the exemption available to registered charities.

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

13 Tangible Fixed Assets

| | Long Leasehold Land and buildings | Computer equipment | Total |
|------------------------|---|-----------------------|---------------|
| | £000 | £000 | £000 |
| Cost | | | |
| At 1 September 2010 | - | - | - |
| Additions | 11,830 | 8 | 11,838 |
| Transfers | - | - | - |
| Inherited assets | - | - | - |
| Disposals | - | - | - |
| At 31 August 2011 | <u>11,830</u> | <u>8</u> | <u>11,838</u> |
| Depreciation | | | |
| At 1 September 2010 | - | - | - |
| Charged in year | 237 | 3 | 240 |
| Disposals | - | - | - |
| At 31 August 2011 | <u>237</u> | <u>3</u> | <u>240</u> |
| Net book values | | | |
| At 31 August 2011 | <u>11,593</u> | <u>5</u> | <u>11,598</u> |
| At 31 August 2010 | <u>-</u> | <u>-</u> | <u>-</u> |

Tangible fixed assets have been funded from the following sources

| | £000 |
|---|---------------|
| YPLA/DfE capital grants | 8 |
| Other YPLA/DfE grants | - |
| Other government grants | - |
| Donation from Local Authority | 11,830 |
| Private sector capital sponsorship | - |
| Capital funds advanced by DfES in lieu of sponsorship | - |
| General purpose fund (grant income) | - |
| Other funds (non grant income) | - |
| Cost of fixed assets at 31 August 2011 | <u>11,838</u> |
| Less Accumulated depreciation | (240) |
| Net book value of fixed assets at 31 August 2011 | <u>11,598</u> |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

14 Investments

The Academy has no subsidiary companies

15 Debtors

| | 2011 £000 |
|------------------------|--------------|
| Trade debtors | 9 |
| Prepayments | - |
| Sundry debtors | 2 |
| Grant and other income | - |
| VAT recoverable | 66 |
| | <u>77</u> |

16 Creditors: amounts falling due within one year

| | 2011 £000 |
|------------------------------|--------------|
| Trade creditors | 1,936 |
| Taxation and social security | 193 |
| Sundry creditors | 141 |
| Accruals and deferred income | 11 |
| | <u>2,281</u> |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

17 Restricted funds

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes

| | At 1 November 2010 £000 | Incoming resources £000 | Resources expended £000 | Gains, losses and transfers £000 | At 31 August 2011 £000 |
|------------------------------------|-------------------------------------|-------------------------------|-------------------------------|--|---------------------------------|
| DfE/YPLA Revenue Grants | | | | | |
| General Annual Grant (GAG) | - | 6,079 | (5,776) | - | 303 |
| Other income | - | 64 | (23) | - | 41 |
| | - | 6,143 | (5,829) | - | 344 |
| Pension Reserve | - | | (1,000) | | (1,000) |
| | - | 6,143 | (6,800) | - | (656) |
| Fixed asset funds | | | | | |
| DfE capital grants | - | 351 | (12) | - | 339 |
| Assets donated on conversion | | 11,830 | (240) | - | 11,590 |
| Capital expenditure from GAG | - | - | - | - | - |
| Private sector capital sponsorship | - | - | - | - | - |
| | - | 12,181 | (252) | - | 11,929 |
| Total restricted funds | - | 18,324 | (7,052) | - | 11,272 |

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development

Capital fund

These grants relate to funding received from the DfE, YPLA and private sponsors to carry out works of a capital nature as part of the School Building project

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

18 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by

| | Unrestricted general fund | Restricted general fund | Restricted fixed asset fund | Total 2011 |
|--------------------------|------------------------------|-------------------------------|--------------------------------------|---------------|
| | £000 | £000 | £000 | £000 |
| Tangible fixed assets | - | - | 11,598 | 11,598 |
| Investments | - | - | - | - |
| Current assets | - | 3,388 | - | 3,388 |
| Current liabilities | - | (2,281) | - | (2,281) |
| Pension scheme liability | - | (1,000) | - | (1,000) |
| Total net assets | - | 107 | 11,598 | 11,705 |

19 Capital commitments

| | 2011 £000 |
|--|---------------|
| Contracted for, but not provided in the financial statements | 592,380 |
| Authorised by governors, but not yet contracted | <u>23,500</u> |

The above capital commitments will be met from YPLA capital grants to be received in future years

20 Financial commitments

Operating leases

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows

| | 2011 £000 |
|--|----------------------|
| Other | 1,129 |
| Expiring within one year | |
| Expiring within two and five years inclusive | 28,564 |
| Expiring in over five years | - |
| | <u><u>29,693</u></u> |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

21 Contingent Liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

22 Members' Liability

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

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

23 Pension Commitments

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

| | |
|--|-------------|
| Total pension cost for the year | 2011 |
| | £000 |
| Teachers' Pension Scheme contributions paid | 579 |
| Local Government Pension Scheme Contributions paid | 149 |
| FRS 17 charge | (140) |
| Charge to the Income and Expenditure Account (staff costs) | 9 |
| Total Pension Cost for Year | 597 |

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2010 and of the LGPS 31 August 2011.

Contributions amounting to £63,908 were payable to the scheme and are included in creditors.

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

| | |
|---|------------------------|
| Latest actuarial valuation (under the new provisions) | 31 March 2004 |
| Actuarial method | Prospective benefits |
| Investment returns per annum | 6.5 per cent per annum |
| Salary scale increases per annum | 5.0 per cent per annum |
| Notional value of assets at date of last valuation | £162,650 million |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

23 Pension Commitments (continued)

Proportion of members' accrued benefits covered by the notional value of the assets 98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

FRS 17

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

Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

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 2011 was £250,362, of which employer's contributions totalled £201,284 and employees' contributions totalled £49,078. The agreed contribution rates for future years are 17.6 per cent for employers and range from 5.5 to 7.5 per cent for employees.

FRS 17

| Principal Actuarial Assumptions | At 31 August 2011 |
|--|----------------------|
| Rate of increase in salaries | 4.90% |
| Rate of increase for pensions in payment / inflation | 2.60% |
| Discount rate for scheme liabilities | 5.40% |
| Inflation assumption | 3.46% |
| Commutation of pensions to lump sums | 2.60% |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

23 Pension Commitments (Continued)

Local Government Pension Scheme (Continued)

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 2011 |
|-----------------------------|----------------------|
| <i>Retiring today</i> | |
| Males | 21.2 |
| Females | 23.4 |
| <i>Retiring in 20 years</i> | |
| Males | 23.3 |
| Females | 25.6 |

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

| | Long-term rate of return expected at 31 August 2011 % | Value at 31 August 2011 £000 |
|--|--|------------------------------------|
| Equities | 6.80% | 609 |
| Gilts | 0.00% | 0 |
| Bonds | 4.60% | 125 |
| Property | 4.80% | 67 |
| Cash | 3.90% | 33 |
| Total market value of assets | | 834 |
| Present value of scheme liabilities | | |
| - Funded | | - |
| - Unfunded | | - |
| Surplus/(deficit) in the scheme | | 834 |

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2010 for the year to 31 August 2011). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on investments for the period from 31 December 2010 to 30 June 2011 was 2.9%.

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

23 Pension Commitments (Continued)

Total expenditure recognised in the Statement of Financial Activities

| | 2011 £000 |
|--|--------------|
| Current service cost | 140 |
| Past service cost (gain) | 0 |
| Total operating charge | 140 |
| Interest on obligation | 78 |
| Expected return on Scheme assets | (39) |
| Net return | 39 |
| Total expenditure recognised in the Statement of Financial Activities | 179 |

| | 2011 £000 |
|--|--------------|
| Actuarial gains / (losses) on pension scheme | (34) |
| Actuarial gains / (losses) on scheme liabilities | 153 |
| Total amount recognised in STRGL | 119 |

Amounts for the current and previous periods

| | 2011 £000 |
|--|--------------|
| Defined benefit obligation at end of year | 104 |
| Fair value of plan assets at end of year | 193 |
| Deficit | 89 |
| Experience adjustments on Scheme assets | (34) |
| Experience adjustments on Scheme liabilities | 153 |

Projected pension expense for the year to 31 August 2012

| | 2012 £000 |
|-------------------------------|--------------|
| Projected amount credited to: | |
| Service cost | 163 |
| Interest cost | 105 |
| Return on assets | (59) |
| Total | 209 |
| Employer contributions | 203 |

John Taylor High School Academy

Notes to the financial statements for the period ended 31 August 2011

23 Pension Commitments (Continued)

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that the equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

24 Related Parties

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

During the year there were no transactions with the related parties of the governors.

The governors received no benefits or remuneration from the school during the year in their capacity as a member of the board. A total of 6 members of the board are employed by the school as teachers and as such received remuneration in this specific role.

Included within the trade debtors' balance at the yearend was £4,264 due from John Taylor Charitable Trust and £3,578 due from John Taylor Parent Teacher Association, there were no other balances or transactions with related parties during the period.

Transactions with the YPLA are detailed in note 5.