

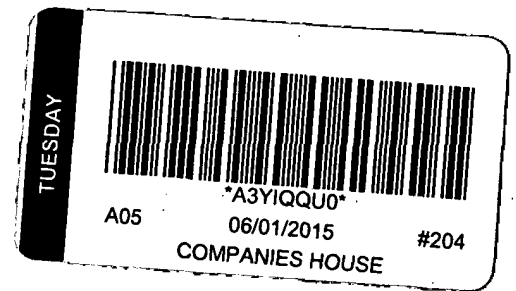
Company Number: 07555066



# **The John Warner School**

**Annual Report**

**31 August 2014**



Baker Tilly Tax and Accounting Limited  
3<sup>rd</sup> Floor, One London Square, Cross Lanes  
Guildford, Surrey GU1 1UN

# **The John Warner School**

## **Annual Report**

### **for the year ended 31 August 2014**

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## **The John Warner School**

### **Governors' Annual Report**

### **for the year ended 31 August 2014**

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The Governors present their report and the financial statements of The John Warner School (also referred to as the "Academy") for the year ended 31 August 2014.

#### **Reference and Administrative Details**

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The Governors, who are also trustees of the charity and the directors of the company, have held office since 1 September 2013, as follows:

Mrs F. L. Ives	<b>Chair</b>
Mr D. J. Kennedy BA, FRSA	<b>Headteacher &amp; Accounting Officer</b>
Mr A. Mitchell BSc, FCA	<b>Vice Chair</b>
Mrs W. E. Newby	<b>Responsible Officer (resigned 4 June 2014)</b>

Prof B. C. Barker MA, MPhil, PhD	
Mr M. Castiglione	
Mr P. Cuffaro BEng	
Mr G. A. Dykes BSc, FCA	
Ms S. A. Hurwood BA	
Mr T. Hutchings BA, FHEA	(appointed 1 September 2013)
Ms M. Jaggs HLTA	
Mr A. C. Lebaigue	
Mr J. Manitará	
Ms E. B. McHugh BA, MSc	(resigned 31 August 2014)
Ms L. K. Morbey BA, MSc	
Ms K. B. Puttock	
Ms S. Sharp	(resigned 9 October 2013)

Mrs J. Rich, Mr. S. Johnston, and Miss C. Herbert, are associate governors and in that capacity are neither trustees of the charity nor directors of the company.

The principal address of the charity and the registered office of the company are the premises of The John Warner School at Stanstead Road, Hoddesdon, Hertfordshire EN11 0QF.

The John Warner School is an exempt charity that is not therefore required to register with the Charity Commission, and the company is incorporated with the company registration number 07555066. Mr D. A. Allman is the company secretary and Ms. F. Cacciatore is the clerk to the Board of Governors.

The Governors have made the following professional appointments:

Solicitor:	Stone King LLP, 16 St John's Lane, London EC1M 4BS
Accountant:	Baker Tilly Tax and Accounting Limited, 3 <sup>rd</sup> Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN
Auditor:	Baker Tilly UK Audit LLP, The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, Buckinghamshire MK9 1BP

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Banker: Lloyds TSB Bank Plc, Hitchin Branch, PO Box 1000, BX1 1LT

Chartered Surveyor: Lambert Smith Hampton, 45 Grosvenor Road, St Albans,  
Hertfordshire AL1 3AW

In addition to the Headteacher, the following other key senior members of staff that comprise the Senior Leadership Team are responsible for the day-to-day management of the Academy:

Mrs S. Pringle DSBM, AinstAM(Dip), ACIM	Bursar
Mr D. Allman BSc, MA, NPQH, FRSA,	Deputy Headteacher
Mr J. Scott BA, MA, NPQH,	Deputy Headteacher

### **Structure, Governance and Management**

#### **Constitution**

The John Warner School is an exempt charity and a company limited by guarantee, not having share capital. The Memorandum and Articles of Association are the primary governing document of the Academy. The Governors of The John Warner School are also the directors of the Academy for the purposes of company law.

#### **Members' Liability**

The members of the Academy are Mrs F. L. Ives, Mr D. J. Kennedy, Mr A. Mitchell, Mr A. Lebaigue and Mrs K. Puttock.

Every member of the charitable company undertakes to contribute an amount not exceeding £10 to the assets of the Academy in the event of the Academy being wound up during the period of membership, or within one year thereafter.

#### **History**

The John Warner School has been set up as an Academy which took over the running of a senior school for boys and girls located in Hoddesdon, Hertfordshire. The John Warner School was itself originally a local authority operated school founded in 1953 and converted to academy status on 1 April 2011.

The Academy was incorporated on 8 March 2011 and is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 8 March 2011.

#### **Organisational Structure**

The Governors have responsibility for setting and monitoring the overall strategic direction of the Academy, approving decisions reserved to Governors and appointing key members of staff.

The Governors meet as a board five times each year. All decisions reserved to the Governors are taken by the board as a whole. Board sub-committees meet three times each year to consider detailed matters and recommend decisions to the full board.

## **The John Warner School**

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There are currently four main sub-committees that meet on a regular basis, namely:

- Standards and Curriculum;
- Finance;
- Accommodation and Resources; and
- Personnel.

In addition, there are five other committees that are convened as and when required, being Admissions, Audit/Risk, Sports Centre, Pupil Discipline and Staff Dismissal. Additionally, ad hoc groups of Governors are established, as and when required, to consider specific issues and make recommendations to the board.

Mrs W. Newby was the Responsible Officer and as such had an oversight role in relation to the systems and processes of control and risk management that operate throughout The John Warner School until her resignation.

The Headteacher of The John Warner School is the Accounting Officer and works closely with both the other Governors and the senior staff of the Academy. The day-to-day management of the Academy rests with the Headteacher who has overall responsibility for operations, and is responsible for establishing a Senior Leadership Team, including the Bursar, Mrs S. Pringle.

### **Method of Recruitment, Appointment, Election, Induction & Training of Governors**

The Governors have set up procedures that will enable them to regularly review the mix of skills that should be available to the Board. New Governors will then be sought with these skills, either as additional Governors or replacements when existing Governors stand down. It is anticipated that the great majority of new Governors will be drawn from the local community, being either parents or guardians of pupils at the Academy or others that have shown an interest in the future well-being of the Academy and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the Hoddesdon area of Hertfordshire.

New Governors will be appointed to the Board by the existing Governors until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four year term, retiring Governors are eligible for re-election for a further term. Individual Governors attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date. A series of briefings for the Board and the senior management team of the Academy as a whole is being designed that is based on areas of potential interest and/or concern.

### **Risk & Corporate Governance Matters**

The Governors have a robust attitude to risk management. The risk register matrix defines and considers risk, its potential impact, control procedures, monitoring and responsibility. The register is reviewed annually by the relevant sub-committee of the governing body and presented to the full governing body for approval as is the case for all school policies. The risk register matrix categorises risk under the following headings: strategic; reputational; operational and compliance risks. Governors additionally consider business continuity planning.

## **The John Warner School**

### **Governors' Annual Report**

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Governors complete criminal records bureau checks as they undertake site visits in respect of their work in safeguarding, health and safety, admissions and in the role of Responsible Officer. Governors receive regular reports from staff and Governor feedback following onsite visits.

The Responsible Officer checks that control procedures that are in place provide reasonable but not absolute assurance against material misstatement or loss. Regular financial assessment is entrusted to the Finance and Premises committee who meet a minimum of three times per year.

A comprehensive insurance policy is in place providing cover for the main risks, alongside statutory requirements.

#### **Governors' Responsibilities in the Preparation of Financial Statements**

The Governors (who are also the trustees and directors of The John Warner School for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy, and of its incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Governors 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 Academy will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with Companies Acts 2006. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Department for Education (DfE) via the Education Funding Agency (EFA) have been applied for the purposes intended.

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

## **The John Warner School**

### **Governors' Annual Report**

### **for the year ended 31 August 2014**

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#### **Auditor**

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

#### **Statement as to Disclosure of Information to the Auditor**

The Governors at the date of approval of this Governors' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy's auditor is unaware, and the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Professional Indemnity Insurance**

The Academy has taken out a combined insurance policy that includes:

- building and contents insurance;
- business interruption insurance;
- employers, public and products liability insurance with indemnity to hirers extension;
- money with assault;
- personal accident;
- engineering;
- fidelity guarantee insurance; and
- professional indemnity insurance to cover the Academy (including trustees, Governors, Academy employees and the parent teachers association).

Professional indemnity cover is provided up to an aggregate limit of £2 million in the insurance year. The total premium paid by the Academy for the insurance package during the accounting period was £49,745 (2012/2013: £40,261). In addition, the Academy purchases vehicle insurance for its minibuses and annual travel insurance for school visits at a total cost of £2,584 (2012/2013: £3,734).

<b>Objectives and Activities</b>
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#### **Charitable Objectives**

The charitable objectives for which The John Warner School was established are set down in the governing document as follows:

- To advance for the public benefit education 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 offering a broad and balanced curriculum ("the Academy"); and
- To promote for the benefit of the inhabitants of Hoddesdon and the surrounding area 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 for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

#### **Principal Activities**

The principal activity of the Academy is currently to run a senior school for boys and girls located in Hoddesdon and known as The John Warner School.

## **The John Warner School**

### **Governors' Annual Report**

### **for the year ended 31 August 2014**

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In addition, the Academy operates the John Warner School Sports Centre for the benefit of the Academy's pupils and also primary school pupils in the locality.

In accordance with its charitable objectives, the Academy seeks to advance the education of the children attending the Academy. The Academy's primary beneficiaries are therefore the students and their parents. The principal means whereby this activity is carried out is by maintaining a high standard of education for all within the Academy. These objectives have been certified by Ofsted as outstanding.

The Sports Centre is a joint venture with the Borough of Broxbourne governed by a dual-use agreement. This agreement allows the Sports Centre to operate for the benefit of the local community and for the Academy. The Academy provides the Sports Centre with appropriate amount of funding to support its maintenance and running. In return the Borough of Broxbourne operates the Sports Centre and maintains it for the benefit of both the pupils of the Academy and the local community. It is not possible to quantify the financial benefit of this arrangement but it is undoubtedly the case that both the Academy population and the local community benefit from the dual-use facility.

#### **Indicators, Milestones & Benchmarks**

The Governors use the following key measures to assess the success of the activities of the Academy:

- Pupil performance at the end of each key stage, viewed in the context of challenging academic targets. The Academy benchmarks itself against the highest performing 10% of schools in the country as identified by the Fischer Family Trust, and sets its targets well in excess of the expected levels of progress made by pupils nationally;
- Quantitative and qualitative data generated from pupil and parental satisfaction surveys is used to narrow the potential gaps in attainment for different groups of children;
- Ofsted and externally validated quality assurance marks including Customer Service Excellence and Investors in People enter new awards gained in year are used in order to identify ways to improve the Academy further;
- Monitoring mechanisms also include lesson observation, appraisal and faculty review; and
- The Headteacher is a National Leader of Education and the Academy is both a National Support School and a member of the Leading Edge Programme. These accreditations provide the Academy with additional mechanisms for assessing the success of the activities of the Academy, and are determined according to the aspect under evaluation.

#### **Public Benefit**

The Governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Governors' Annual Report.

#### ***Benefits & Beneficiaries***

In accordance with its charitable objectives, The John Warner School strives to advance the education of the pupils attending its Academy. The Academy's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the Academy.



## **The John Warner School**

### **Governors' Annual Report**

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#### *Governors' Assessment of Public Benefit*

In order to determine whether or not the Academy has fulfilled its charitable objectives for public benefit, the Governors gather evidence of the success of Academy's activities using the range of measures described above.

#### **Relationships with Related Parties**

The Academy has a relationship with the Borough of Broxbourne which involves a dual-use agreement whereby the Borough operate the Academy's Sports Centre. This agreement has a 21 year timespan and was signed on 13 February 2002. There is a Governor councillor oversight group that meet twice a year.

#### **Representation on Other Bodies**

The Headteacher is a trustee of Personal Finance Education Group, a national charity specialising in finance education for young people. The Headteacher and members of the senior leadership team are engaged in work with a number of partner schools under the National Leadership of Education initiative.

### **Strategic Report**

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#### ***Achievements and Performance***

##### **Review of Activities & Events**

Governors use five main types of performance indicators in order to assess the performance of the Academy. These are:

- Pupil performance;
- Pupil and parental satisfaction;
- Ofsted and externally validated quality marks;
- Internal monitoring; and
- System leadership.

The impact of the Academy's activities and events, and their public benefit, is given on pages 9 to 14.

## The John Warner School

### Governors' Annual Report for the year ended 31 August 2014

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#### Pupil Performance

Below are summary tables for the performance of students in the past five academic years. These show a rising trend in all academic measures.

Key Stage 5		2010	2011	2012	2013	2014
No. of students		82	101	95	115	124
APS per student (QCA)	M	633	615	740	677	771
	F	721	626	724	644	710
	All	686	621	731	660	745
Total points per entry (QCA)	M	193	211	226	211	211
	F	209	207	214	209	209
	All	203	209	220	210	210
A*-A		13%	19%	30%	26%	29%
A*-B		30%	41%	48%	41%	51%
A*-E		94%	94%	96%	98%	97%
Value added (achieving target grade or above)		62%	81%	81%	63%*	60%

\* The Academy revised its target setting mechanisms, therefore comparisons between 2012 and 2013 onwards are indirect.

Key Stage 4	2010	2011	2012	2013	2014*
No. of students	183	185	190	191	191
% 5 A*-C inc. English and Maths	59	58	60	65	67
% 5 A*-C	89	91	98	90	87
% 5 A*-G	98	98	99.5	99.5	99.5
% English Baccalaureate		21	20	18	28
Average Points Score (capped)	345.0	355.8	358	350	390
Average Points Score (uncapped)	540.1	573.2	557	500	545

\* From 2014 the DfE calculations for BTEC qualifications were amended so that each BTEC qualification only counts as the equivalent of one GCSE on performance tables

#### Pupil and parental satisfaction

The Academy has commissioned Kirkland Rowell, part of GL Performance, to provide detailed analyses about the levels of pupil and parental satisfaction provided by the Academy for many years.

## **The John Warner School**

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Outcomes from the November 2013 Kirkland Rowell Pupil Survey tell us that Academy facilities, community spirit, teaching quality, control of bullying, careers advice, social and health education, choice of subjects, availability of resources, developing confidence Academy communication and Academy discipline are all exceptional, with all other criteria being nothing less than good.

In relation to pupil happiness, 9 of the 15 selected criteria are seen as exceptional with none of the other criteria being less than good. Those 9 criteria include: the way in which the Academy encourages local community activity, the quality of marking of pupils work, the way staff treat pupils fairly and equally, how the Academy handles complaints, how it encourages and listens to pupils' views, promotes racial harmony, provides extra-curricular activities and explains to parents how to help their children.

#### **Ofsted, and externally validated quality assurance marks**

The Academy was last inspected in January 2014 where its overall effectiveness was judged to be good. The main findings of that report are reproduced below:

*Students achieve well. They make good progress to reach standards that are above average at the end of Year 11.*

*Teaching is mostly good, with some that is outstanding. A comprehensive programme of training is helping teachers to develop their skills well.*

*The determined and energetic school leaders and the governing body are passionate about including all students and providing them with a wide range of opportunities to develop academically and socially. This ensures that teaching and students' achievement continue to improve and that students leave the school well prepared for adult life.*

*Students behave well. Their very positive attitudes make a strong contribution to their successful learning.*

*Students say that they feel very safe in school and they have a mature understanding of how to keep themselves safe in a variety of situations.*

*Students are excellent ambassadors for their school. They thrive on the many opportunities to take on responsibility and appreciate the exciting range of enrichment activities on offer. As a result, their development of spiritual, moral, social and cultural values is excellent.*

*The parents who responded to the online survey are overwhelmingly positive about all aspects of the school's work.*

*Achievement is not outstanding and progress in science is slower than in other subjects.*

*The sixth form requires improvement. Although students are offered a wide variety of academic and vocational courses, not enough students make the progress they are capable of from their starting points in AS and A level courses.*

## The John Warner School

### Governors' Annual Report for the year ended 31 August 2014

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*Occasionally, teachers set work that is too easy for some pupils, especially for the most-able.*

*A very small number of teachers rush their lessons and do not give students enough time to practise and reinforce what is being taught.*

*When marking students' work, teachers do not always give students a clear indication of what they need to do to improve.*

Kirkland Rowell now offers analyses linking directly to the Ofsted inspection framework, and a summary of pupil responses from our 2013 satisfaction surveys is as follows:

- Pupils feel that the 'Achievement' of the Academy is good (2) and identify the following areas as needing to improve to move to outstanding: Pupils' learning and progress overall; Subject/Key Stage progress; Attainment and closing gaps.
- Pupils feel that the 'Quality of Teaching' is good (2+) and identify the following areas as needing to improve to move to outstanding: Teaching overall; Pupils' progress and learning; Teachers' expectations; Teachers' planning and strategies; Marking, feedback and homework.
- Pupils feel that the 'Behaviour and Safety' is outstanding (1).
- Pupils feel that 'Leadership and Management' is outstanding (1).
- Pupils feel that the 'Spiritual, moral, social and cultural development' is outstanding (1).
- Pupils feel that the 'Overall Effectiveness' of the Academy is good (2+) and identify the following areas as needing to improve: Achievement; Quality of Teaching.

These are presented in tabular form below. A grade of 1.5 or less is seen as outstanding, and of 2.5 or less is seen as good:

Criteria	Pupils			Parents		
	2011	2012	2013	2011	2012	2013
Achievement	1.8	1.5	2.0	1.6	1.8	1.6
Teaching	1.8	1.6	1.7	1.4	1.5	1.5
Behaviour	1.7	1.2	1.4	1.2	1.4	1.6
Spiritual, Moral, Social and Cultural Aspects of Learning	1.6	1.3	1.5	1.2	1.3	1.7
Leadership and Management	1.6	1.2	1.4	1.5	1.6	1.5
Overall Effectiveness	1.7	1.4	1.6	1.4	1.6	1.6

### Investors in People

The Academy holds Investors in People Gold Award and was invited to act as an IIP Champion, following an assessment visit in July 2010. In July 2013, the Academy was reaccredited at Gold standard, and there were a significant number of strengths identified in the report. Some of the highlights include:

- Excellent practices in place to develop people, supported by a professional and passionate structure;
- Excellent focus on the wellbeing of staff;
- Strong core values and vision for Academy improvement;
- Social responsibility built naturally into the ethos of the Academy;

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### **Governors' Annual Report**

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- Excellent feedback to parents and pupils;
- Empowerment and involvement in decision making at team and individual levels is a key strength;
- Everyone is committed to the success of the Academy;
- Faculty Reviews and Teacher Learning Communities are an outstanding example of people development;
- People's learning and development are well-planned at a strategic level;
- People clearly value the opportunities to learn and it is a daily activity;
- The SLT are clear about future learning needs;
- Managers are effective role models for leadership and knowledge sharing; and
- Key Performance Indicators are very closely measured.

#### **Customer Service Excellence**

Customer Service Excellence is an industry standard that is a measure of quality in how the Academy consults and deals with its customers. It was originally known as Chartermark and has the support of the Government Cabinet Office. This mark recognises outstanding practice relating to how the Academy handles its customers, which in Academy terms means our pupils, parents and partners. It focuses on five key areas: delivery, timeliness, information, how professional our service is, and staff attitude. The award measures not only how successful our current services are but also how capable the Academy is with dealing with the most modern developments in customer service, for example, our ability to adapt to a changing media landscape.

The Academy was reaccredited in July 2012 and had our Year 2 continuous assessment in July 2014. The assessor confirmed we remained outstanding in our delivery of all standards. This was corroborated by our parental questionnaire for which we had a 25% response rate and the overall rating for our customer service was 90%. This is against an already challenging industry-specific benchmark of 80%.

The Academy already held two areas of compliance plus from the 2012 assessment. These were that we treat all our customers fairly and with respect and this is confirmed by feedback and measurement of customer experience (element 2.1.4) and that we make our services easily accessible to all customers through provision of a range of alternative channels (element 3.1.1).

The July 2014 assessment confirmed our commitment to progress as we were designated compliance plus in four further areas of customer service. These are that we have developed customer insight about our customer groups to better understand their needs and preferences (element 1.1.2), that we have made positive changes to services as a result of analysing customer experience, including improved customer journeys (element 1.3.5), that we promptly share customer information with colleagues and partners within our organisation whenever appropriate and can demonstrate how this has reduced unnecessary contact for customers (element 5.2.3) and enhancing parental engagement and consultation resulting in the SSAT gold award for parental engagement (element 1.2.1).

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In the words of the assessor, our strengths are as follows;

- The evolution of Go4Schools has had a massive impact on customer profiling and now allows for speedier interventions based on a detailed (finite) customer insight;
- Go4Schools has also created a more detailed map of the customer journey and has led to many improvements in service (teaching & support) delivery;
- Your corporate commitment to customer excellence is clearly evident through passionate and enthusiastic leadership which in turn has led to massive buy-in from your people as to the required ethos. It is indicative that you are seen by partners as a beacon for customer excellence within the County and that your Academy is held in very high esteem;
- Continuing to keep a wide variety of communication channels open and being innovative with new channels to meet the needs of your customers;
- Innovations such as Wise Pay and Cashless Catering are to be applauded;
- Interaction with wider communities with demonstrable benefits particularly around the 'Looked After Children' agenda;
- Your desire for challenging and stretching targets in preference to meeting all your targets and standards is to be commended; and
- A resolve to deal with enquiries 'right-first-time' from your front-line staff coupled with them taking personal ownership for any issues raised directly with them.
- Enhancing parental engagement.

#### **Internal monitoring**

The Academy is committed to self-evaluation as a means of building its capacity for sustained improvement in the quality of the education it provides for all its students. We do this in as open a manner as we can and are committed to the principles of intelligent accountability. As such, all pupils and their parents/carers have complete access to their assessment records on line at all times.

The personal circumstances and academic performance of identified vulnerable groups is monitored on a weekly basis by both academic and pastoral staff with interventions devised in order to ensure that any potential gaps in achievement between pupils of different social, economic or domestic backgrounds are minimised. This is also the case when viewing performances in subject areas and across subject areas.

Within lessons themselves, all teaching staff are observed at least three times a year in order to evaluate the quality of teaching as it impacts on pupils' learning and in order to promote continuing professional development of staff.

In the period April 2012 – July 2013, the proportion of observed lessons that were at least good rose to 88%, with the proportion viewed to be outstanding reaching 51% of all those lessons seen.

In the period September 2013 – July 2014, the proportion of observed lessons that were at least good rose to 93%, with the proportion viewed to be outstanding remaining at 51%.

## **The John Warner School**

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#### **System leadership**

The John Warner School is an outward facing research enabled institution. It is committed to the continuing professional development of its staff as a vehicle for improving the quality of education for its pupils. With that in mind a high proportion of staff have conducted Master's level research into issues of leadership, management, pedagogy and practice and this is now embedded within the Academy's culture.

We work in partnership with the Princes' Teaching Institute, the Specialist Schools and Academies Trust' Leading Edge programme and the National College for Teaching and Leadership in the delivery of national professional qualifications in school leadership, and in developing innovative approaches to pupil centred independent learning.

All staff are actively encouraged to engage in school to school support, with initiatives including English, mathematics, science, modern foreign languages, humanities, design technology, electronic engineering: robotics, and physical education. We provide tailored advice and guidance in finance and resource management and continue to explore ways to contribute further through building and sharing leadership capacity across schools.

#### **Financial Review**

##### **Financial Outcome of Activities & Events**

The operational activities of the Academy during the year ended 31 August 2014 generated total incoming resources of £7,902,633 including core funding in respect of the General Annual Grant of £5,916,815 (Year ended 31 August 2013: £6,858,780 including core funding in respect of the General Annual Grant of £5,795,272).

Resources expended for the year ended 31 August 2014 amounted to £7,945,344 including depreciation on tangible fixed assets of £601,944 (Year ended 31 August 2013 amounted to £7,368,190 including depreciation on tangible fixed assets of £592,615).

The Academy continues to recognise its liability in respect of the Hertfordshire Local Government Pension Scheme on its balance sheet, which as at 31 August 2014 amounted to £1,162,000 (31 August 2013: £854,000). The Academy makes contributions to this pension scheme in accordance with the advice of the actuary and these contributions are funded from the General Annual Grant.

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

As mentioned previously in this Governors' Annual Report, the Academy has a comprehensive risk management approach embedded throughout all of its operations. The Governors do not believe that the Academy needs to take any significant risks in order to achieve its aims and objectives.

There are no major risks or uncertainties in relation to the current or future finances of the Academy.

##### **Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Governors have adopted the going concern basis in preparing the financial statements.

## **The John Warner School**

### **Governors' Annual Report**

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#### **Financial Key Performance Indicators**

In terms of financial key performance indicators, the Governors' main goal is to maintain a balanced budget at all times and to therefore undertake the Academy's educational operations in such a way that all costs incurred are fully funded by an identified and receivable source of income.

The Governors monitor expenditure against budget during the year and look at forecast cash flows to ensure continuing solvency.

Key ratios reviewed by Governors are actual, budgeted and forecast staff costs as a proportion of revenue income with the aim that these ratios should be maintained between 77% and 82% in each case.

#### **Reserves Policy**

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Academy and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the Academy had free reserves of £47,109 (31 August 2013: £121,683).

The Governors intend to utilise these reserves in the near future to improve the infrastructure of the Academy's premises that were inherited from the local authority.

#### **Investments Policy**

The Governors' investment powers are set down in the Academy's Memorandum and Articles of Association, which permit the investment of monies of the Academy which are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Academy's current policy is to invest surplus funds in short-term cash deposits. For the year ended 31 August 2014, the Academy's cash balances generated an average income return of 0.9% (Year ended 31 August 2013: 0.8%), which in the current economic climate the Governors consider to be reasonable.

<b>Plans for Future Periods</b>
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#### **Future Strategy**

The future development of The John Warner School is contained within the Academy's development plan for 2014 as approved by the Governors.



## **The John Warner School**

### **Governors' Annual Report**

#### **for the year ended 31 August 2014**

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The Academy values all its stakeholders and seeks:

- To support all students and staff in a friendly, caring environment;
- To involve staff, students and parents in a positive and effective partnership;
- To provide equality of opportunity for all students, through a range of curricular and extra-curricular opportunities;
- To foster and strengthen links between Academy, home and local community; and
- To establish and maintain links with the world of work and education.

Every child matters and we aim to ensure that all learners:

- Lead a healthy lifestyle enjoying good physical and mental health;
- Are protected from harm and neglect;
- Acquire the skills which equip them to enjoy life and achieve their full potential as adults;
- Recognise the importance of human relationships based on understanding, tolerance and respect enabling them to contribute to society; and
- Acquire the knowledge, qualifications, skills and attitudes which enable them to achieve economic well-being.

The long term aims of the Academy are to continue to provide a high quality of education to all students and their parents. It is anticipated that the Academy will continue to develop its core activity of teaching and learning in a way which allows the pupils to continue to benefit from the highest quality of education and to emerge from the Academy in a manner capable of making themselves good citizens, economically in a position to be able to live fulfilling and worthwhile lives.

The Academy's development plans address all aspects of the needs of the Academy including the physical redevelopment and rebuilding of the premises and the continued professional development for staff at all levels which will ensure continuity of succession.

### **Future Activities & Events**

The Governors' short term aims are:

- To address the needs of all of the students of the Academy so as to ensure that they achieve high levels of performance and make at least three levels of progress;
- To continue to provide a wide variety of cultural, sporting and learning opportunities outside the form of curriculum;
- To continue to work with other schools and education providers to advance the education of young people in general;
- To continue to expand and develop the Sixth Form so that it provides an excellent quality of education for students of the Academy and outside; and
- To continue to rebuild the Academy by raising monies through grants and other initiatives in order to provide the highest level of education possible for students and staff.

### **Impact of Future Activities & Events**

The targets set by the Governors are those set out in the Governing Body's development plan which is reviewed annually by the appropriate committees and by the full Governing Body. A number of indicators will be used, but will include examination performance at all levels, the successful retention of quality marks, reports from Ofsted etc.

## **The John Warner School**

### **Governors' Annual Report**

### **for the year ended 31 August 2014**

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#### **Public Benefit**


Students of the Academy will be given every opportunity to fulfil their potential in the areas of academic performance, sporting and artistic endeavour. The students of the Academy will make a worthwhile contribution to their local community and to the wider community both in the United Kingdom and abroad. The quality of education that they receive will allow them to develop into citizens who can make a useful contribution to their local community and wider afield. The Academy is committed to value all of their students in their achievement and to provide them a platform for future success.

#### **Funds Held as Custodian**

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Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The John Warner School does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

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

  
..... Chair  
Mrs F. L. Ives

11 December 2014

## **The John Warner School**

### **Governance Statement**

**for the year ended 31 August 2014**

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#### **Scope of Responsibility**

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

The Board of Governors has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The John Warner School and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control.

#### **Governance**

The structure of the Governing Body is set out in the Articles of Association. The main sub-committees of the Governing Body are Standards and Curriculum, Finance, Accommodation and Resources, and Personnel. These meet at least three times a year and the full Governing Body meets at least five times a year. In addition, the Academy's Admissions Committee meets three times a year, and thereafter as required, the Audit/Risk Committee meets three times a year and the Sports Centre Committee meets twice a year as a minimum.

The Chair of Governors and the Headteacher are ex-officio members of all committees. They may attend all the meetings and are copied in on all agendas, minutes and associated papers.

The Chair of Governors is the Governor with designated responsibility for child protection, looked after children, vulnerable children, gifted and talented children and safeguarding.

The Chair of the Pupil Discipline Committee is the Chair of the Standards and Curriculum Committee.

The Chair of Staff Dismissal Committee and members of the committee will be drawn from the whole Governing Body as required.

Designated Governors have specific responsibility for health and safety and for special educational needs.

## The John Warner School

### Governance Statement

for the year ended 31 August 2014

#### Attendance at Meetings

The Governing Body met formally five times in the period from 1 September 2013 to 31 August 2014, but there was one additional meeting held informally during the year.

Title	Firstname	Surname	Meetings attended	Out of a possible
Prof	Bernard	Barker	4	6
Mr	Mario	Castiglione	4	6
Mr	Peter	Cuffaro	4	6
Mr	Graeme	Dykes	6	6
Mrs	Sarah	Hurwood	6	6
Mr	Timothy	Hutchings	5	6
Mrs	Fiona	Ives	6	6
Miss	Michelle	Jaggs	5	6
Mr	David	Kennedy	5	6
Mr	Tony	Lebaigue	5	6
Mr	John	Manitara	5	6
Miss	Ellen	McHugh	6	6
Mrs	Lauren	Morbey	5	6
Mr	Anthony	Mitchell	6	6
Ms	Wendy	Newby	1	5
Mrs	Kay	Puttock	5	6
Mrs	Sue	Sharp	0	1

#### Finance Committee

Mr	Mario	Castiglione	3	4
Mr	Graeme	Dykes	2	4
Mr	Timothy	Hutchings	3	4
Mr	David	Kennedy	4	4
Mr	Antony	Lebaigue	4	4
Miss	Ellen	McHugh	1	4
Mr	Anthony	Mitchell	3	4
Mrs	Wendy	Newby	1	2

#### Personnel Committee

Mr	Mario	Castiglione	0	2
Mrs	Sarah	Hurwood	2	2
Mrs	Fiona	Ives	2	2
Miss	Michelle	Jaggs	2	2
Mr	David	Kennedy	2	2
Mr	Antony	Mitchell	2	2
Mrs	Lauren	Morbey	1	2

## **The John Warner School**

### **Governance Statement**

**for the year ended 31 August 2014**

#### **Accommodation and Resources Committee**

Mr	Mario	Castiglione	2	3
Mr	Graeme	Dykes	2	3
Mr	David	Kennedy	2	3
Mr	Antony	Lebaigue	3	3
Mr	John	Manitara	3	3
Mr	Anthony	Mitchell	3	3

#### **Audit/Risk Committee**

Mrs	Fiona	Ives	3	3
Mr	David	Kennedy	3	3
Mr	Antony	Lebaigue	3	3
Mr	Anthony	Mitchell	3	3
Mrs	Kay	Puttock	3	3

### **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 The John Warner School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The John Warner School for the year ended 31 August 2014 and up to the date of approval of the Governors' Annual Report and financial statements.

### **Capacity to Handle Risk**

The Board of Governors has reviewed the key risks to which The John Warner School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing The John Warner School's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the Governors' Annual Report and financial statements. This process is regularly reviewed by the Board of Governors.

## The John Warner School

### Governance Statement for the year ended 31 August 2014

#### The Risk and Control Framework

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors had appointed Mrs Wendy Newby, a Governor, as Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on The John Warner School's financial systems. It is intended that on a termly basis, the Responsible Officer reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.


#### Review of Effectiveness

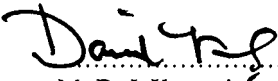
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2014, this review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within The John Warner School 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 11 December 2014 and signed on its behalf by:

 Chair  
Mrs F. L. Ives

 Accounting Officer  
Mr D. J. Kennedy

11 December 2014

11 December 2014

## **The John Warner School**

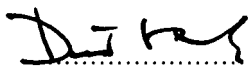
### **Statement on Regularity, Propriety and Compliance for the year ended 31 August 2014**

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

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

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

..... Accounting Officer  
Mr D. J. Kennedy

11 December 2014

## **The John Warner School**

### **Independent Auditor's Report to the Members of The John Warner School for the year ended 31 August 2014**

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We have audited the financial statements of The John Warner School for the year ended 31 August 2014 on pages 25 to 53. 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 Academy'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 Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 5, the Governors (who act as trustees for the charitable activities of the Academy, and are also the directors of the Academy 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 Academy'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 Governors' Annual Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**The John Warner School**  
**Independent Auditor's Report to the Members of The John Warner School**  
**for the year ended 31 August 2014**

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**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 Academy 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

Sarah Mason (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Buckinghamshire MK9 1BP

Date: *17 December 2014*

# The John Warner School

## Statement of Financial Activities

(including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)

for the year ended 31 August 2014

		Unrestricted Funds	Restricted Funds		Total 2014	Total 2013
	Notes	£	General £	Fixed Assets £	£	£
<b>Incoming Resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	1	517	877,768	-	878,285	174,683
Activities for generating funds	2	2,597	-	-	2,597	5,173
Investment income	3	6,857	-	-	6,857	4,639
<i>Incoming resources from charitable activities</i>						
Academy's educational operations	4	536,903	6,477,991	-	7,014,894	6,674,285
<b>Total Incoming Resources</b>		<b>546,874</b>	<b>7,355,759</b>	<b>-</b>	<b>7,902,633</b>	<b>6,858,780</b>
<b>Resources Expended</b>						
<i>Charitable activities</i>						
Academy's educational operations	5	239,713	6,593,859	1,052,700	7,886,272	7,305,176
<i>Governance costs</i>	5	-	59,072	-	59,072	63,014
<b>Total Resources Expended</b>		<b>239,713</b>	<b>6,652,931</b>	<b>1,052,700</b>	<b>7,945,344</b>	<b>7,368,190</b>
<b>Net Incoming/(Outgoing) Resources Before Transfers</b>		<b>307,161</b>	<b>702,828</b>	<b>(1,052,700)</b>	<b>(42,711)</b>	<b>(509,410)</b>
<b>Transfers</b>						
Gross transfers between funds		(382,435)	(637,679)	1,020,114	-	-
<b>Net Income/(Expenditure) For The Year</b>		<b>(75,274)</b>	<b>65,149</b>	<b>(32,586)</b>	<b>(42,711)</b>	<b>(509,410)</b>

## The John Warner School

### Statement of Financial Activities

(including Income & Expenditure Account and Statement of Total Recognised Gains & Losses)  
for the year ended 31 August 2014

		Unrestricted	Restricted Funds		Total	Total
	Notes	Funds	General	Fixed	2014	2013
		£	£	Assets	£	£
				£		
<b>Net Income/(Expenditure) For The Year</b>		(75,274)	65,149	(32,586)	(42,711)	(509,410)
<b>Other Recognised Gains and Losses</b>						
Actuarial (losses)/gains on defined benefit pension scheme	11	-	(273,000)	-	(273,000)	27,000
<b>Net Movement In Funds</b>		(75,274)	(207,851)	(32,586)	(315,711)	(482,410)
<b>Reconciliation of Funds</b>						
Fund balances brought forward		134,440	(741,299)	33,874,268	33,267,409	33,749,819
<b>Fund Balances Carried Forward</b>	12	59,166	(949,150)	33,841,682	32,951,698	33,267,409

The net movement in funds for the year arises from the Academy's continuing operations.

# The John Warner School

## Balance Sheet as at 31 August 2014

Company number: 07555066

	Notes	2014 £	2013 £
<b>Fixed Assets</b>			
Tangible assets	7	33,853,714	33,887,025
Investments	8	25	-
		<u>33,853,739</u>	<u>33,887,025</u>
<b>Current Assets</b>			
Stock		7,046	7,207
Debtors	9	328,879	210,205
Cash at bank and in hand		990,623	593,167
		<u>1,326,548</u>	<u>810,579</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(1,066,589)</u>	<u>(576,195)</u>
<b>Net Current Assets</b>		<u>259,959</u>	<u>234,384</u>
<b>Total Assets Less Current Liabilities &amp; Net Assets Excluding Pension Liability</b>		<u>34,113,698</u>	<u>34,121,409</u>
Pension scheme liability	11	(1,162,000)	(854,000)
<b>Net Assets Including Pension Liability</b>		<u>32,951,698</u>	<u>33,267,409</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed assets funds	12	33,841,682	33,874,268
Restricted general funds – LGPS deficit fund	12	(1,162,000)	(854,000)
Restricted general funds – other	12	212,850	112,701
		<u>32,892,532</u>	<u>33,132,969</u>
<b>Total restricted funds</b>		<u>32,892,532</u>	<u>33,132,969</u>
<b>Unrestricted income funds</b>	12	59,166	134,440
<b>Total Funds</b>	13	<u>32,951,698</u>	<u>33,267,409</u>

The financial statements on pages 25 to 53 were approved by the Governors and authorised for issue on 11 December 2014, and are signed on their behalf by

 Chair  
Mrs F. L. Ives

11 December 2014

**The John Warner School**  
**Cash Flow Statement**  
**for the year ended 31 August 2014**

	Notes	2014 £	2013 £
<b>Net Cash Flow from Operating Activities</b>	a	532,970	(45,533)
<b>Returns on Investment &amp; Servicing of Finance</b>			
Investment income received		6,857	4,639
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(1,020,114)	(88,552)
Capital grant income		877,768	168,399
Payment to acquire investments		(25)	-
		<u>(142,371)</u>	<u>79,847</u>
<b>Increase in Cash</b>	b & c	<u>397,456</u>	<u>38,953</u>

**The John Warner School**  
**Cash Flow Statement**  
**for the year ended 31 August 2014**

	2014 £	2013 £	
a. <b>Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities</b>			
Net outgoing resources and net expenditure for the year	(42,711)	(509,410)	
Depreciation	601,944	592,615	
Loss on disposal of fixed assets	451,480	77,510	
Capital grant income	(877,768)	(168,399)	
Investment income receivable	(6,857)	(4,639)	
FRS17 pension costs less contributions payable (Note 11)	10,000	9,000	
FRS17 pension finance costs (Note 11)	25,000	28,000	
Decrease/(increase) in stock	161	(2,945)	
(Increase)/decrease in debtors	(118,674)	20,644	
Increase/(decrease) in creditors	490,395	(87,909)	
<b>Net Cash Flow from Operating Activities</b>	<u>532,970</u> =====	<u>(45,533)</u> =====	
b. <b>Reconciliation of Net Cash Flow to Movement in Funds</b>			
Increase in cash in the period	397,456	38,953	
<b>Change in Net Funds</b>	<u>397,456</u>	<u>38,953</u>	
Net funds at 1 September	593,167	554,214	
<b>Net Funds at 31 August</b>	<u>990,623</u> =====	<u>593,167</u> =====	
c. <b>Analysis of Changes in Net Funds</b>			
	<b>1 September 2013 £</b>	<b>Cash flows £</b>	<b>31 August 2014 £</b>
Cash in hand, at bank	593,167	397,456	990,623
<b>Net Funds</b>	<u>593,167</u> =====	<u>397,456</u> =====	<u>990,623</u> =====

## **The John Warner School**

### **Financial statements for the year ended 31 August 2014**

### **Accounting Policies**

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#### **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 ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Governors have adopted the going concern basis in preparing the financial statements.

#### **Incoming Resources**

General donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the Academy in the period in which they are receivable, and where the benefit to the Academy is both quantifiable and material.

Grants receivable for tuition and other wider educational activities, other operating income, rental income, and investment income are accounted for on an accruals basis. Income is recognised as receivable and excluding any relevant Value Added Tax when earned.

The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the statement of financial activities, as incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement. 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.

All sources of income given for specific purposes are treated as restricted income.

## **The John Warner School**

**Financial statements for the year ended 31 August 2014**

### **Accounting Policies**

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#### **Resources Expended**

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the Academy are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore recognised in the period in which a liability is incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the Academy's charitable activities or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved. Typically, the basis of allocation will be a reflection of the activity involved and will use measures such as staff time or headcount.

Governance costs are the costs associated with running the Academy as a charitable company and compliance with constitutional and statutory requirements. These costs include those attributable to audit, strategic management and trustees' meetings and reimbursed expenses.

#### **Taxation**

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

#### **Tangible Fixed Assets**

All tangible assets purchased that have a cost that exceeds £5,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 15 to 54 years
Plant and machinery	over 4 to 20 years

Assets in the course of construction are included at cost. No depreciation will be charged on these assets until they have been completed and brought into use.

A review for potential impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable or in instances when the remaining useful life is assessed to be in excess of 50 years. Impairment losses that may arise would be recognised in the statement of financial activities.



## **The John Warner School**

### **Financial statements for the year ended 31 August 2014**

#### **Accounting Policies**

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#### **Investments**

Fixed asset investments are included in the balance sheet at their market value. The gains and losses arising on their annual revaluation are included in the statement of financial activities.

#### **Stock**

Stock is valued at the lower of cost and net realisable value.

#### **Leased Assets**

All of the Academy's leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

#### **Pension Benefits**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Hertfordshire Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 11, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

## **The John Warner School**

**Financial statements for the year ended 31 August 2014**

### **Accounting Policies**

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#### **Fund Accounting**

Unrestricted funds comprise the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the Academy and at the discretion of the Governors.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of the Governors.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the funders where the assets acquired or created are tangible fixed assets. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and the Department for Education.

#### **Agency Arrangements**

The Academy acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

# The John Warner School

## Notes to the Financial Statements

### for the year ended 31 August 2014

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
<b>1. Voluntary income</b>					
Other donation income	517	-	-	517	6,284
EFA capital grant income	-	877,768	-	877,768	168,399
	<u>517</u>	<u>877,768</u>	<u>-</u>	<u>878,286</u>	<u>174,683</u>
<b>2. Activities for generating funds</b>					
Sundry lettings and hire of facilities	2,597	-	-	2,597	5,173
	<u>2,597</u>	<u>-</u>	<u>-</u>	<u>2,597</u>	<u>5,173</u>
<b>3. Investment income</b>					
Bank interest receivable on short term cash deposits	6,857	-	-	6,857	4,639
	<u>6,857</u>	<u>-</u>	<u>-</u>	<u>6,857</u>	<u>4,639</u>

# The John Warner School

## Notes to the Financial Statements

for the year ended 31 August 2014

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
<b>4. Funding for the Academy's educational operations</b>					
DfE/EFA revenue grants:					
General Annual Grant (GAG)	-	5,916,815	-	5,916,815	5,795,272
Other DfE/EFA grants –					
Rates and insurance	-	74,750	-	74,750	72,362
Other	-	29,363	-	29,363	20,946
Pupil Premium	-	193,270	-	193,270	124,062
16-19 Bursary funds	878	-	-	878	544
Other government grants:					
Other Special Educational Needs	-	245,653	-	245,653	183,384
Graduate & teacher training	-	18,085	-	18,085	3,456
PE teacher release scheme	-	-	-	-	7,600
Other school income:					
Extended school income	-	-	-	-	745
Consortium income	-	55	-	55	6,801
Other educational income	536,025	-	-	536,025	459,113
	<u>536,903</u>	<u>6,477,991</u>	<u>-</u>	<u>7,014,894</u>	<u>6,674,285</u>
<b>5. Resources expended</b>					
	Staff Costs £	Non-Pay Premises £	Expenditure Other £	Total 2014 £	Total 2013 £
Academy's educational operations:					
Direct costs	4,635,147	131,760	1,052,190	5,819,097	5,638,747
Allocated support costs	544,474	1,489,087	33,614	2,067,175	1,666,429
	<u>5,179,621</u>	<u>1,620,847</u>	<u>1,085,804</u>	<u>7,886,272</u>	<u>7,305,176</u>
Governance costs including allocated support costs	-	-	59,072	59,072	63,014
	<u>5,179,621</u>	<u>1,620,847</u>	<u>1,144,876</u>	<u>7,945,344</u>	<u>7,368,190</u>

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 5. Resources expended (Continued)

	Academy's educational operations £	Governance costs £	Total 2014 £	Total 2013 £
Direct costs:				
Teaching and educational support staff costs	4,635,147	-	4,635,147	4,557,317
Staff recruitment, training and development	82,620	-	82,620	64,300
Technology costs	131,760	-	131,760	108,666
Educational supplies	480,117	-	480,117	438,638
Examination expenses	169,804	-	169,804	171,600
Other direct costs	319,649	-	319,649	298,226
	<u>5,819,097</u>	<u>-</u>	<u>5,819,097</u>	<u>5,638,747</u>
Support costs:				
Staff costs	544,474	-	544,474	512,039
Maintenance of premises and equipment	160,405	-	160,405	187,152
Rates, insurance and utilities	223,895	-	223,895	208,609
Depreciation – owned assets	601,944	-	601,944	592,615
Auditor's remuneration:				
Audit fees	-	26,645	26,645	15,275
Accountancy and advisory services	3,580	-	3,580	4,250
Operating lease rentals:				
Plant and machinery	51,363	-	51,363	50,073
Legal and professional fees	-	31,465	31,465	47,273
Net finance expense on pension scheme assets and liabilities – see note 11	25,000	-	25,000	28,000
Loss on disposal of fixed assets	451,480	-	451,480	77,510
Other costs	5,034	962	5,996	6,647
	<u>2,067,175</u>	<u>59,072</u>	<u>2,126,247</u>	<u>1,729,443</u>
	<u>7,886,272</u>	<u>59,072</u>	<u>7,945,344</u>	<u>7,368,190</u>

Loss on disposal of fixed assets in both the current and previous year relates to areas of the school site that were originally inherited upon conversion to academy status that have been completely demolished to make way for new buildings funded from capital grant and General Annual Grant income.

## **The John Warner School**

### **Notes to the Financial Statements**

#### **for the year ended 31 August 2014**

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#### **5. Resources expended (Continued)**

There are no transactions, included in resources expended above, that relate to ex-gratia/compensation payments, gifts made by the Academy, stock losses, unrecoverable debts or cash losses.

The John Warner Sports Centre is a joint venture with the Borough of Broxbourne governed by a dual-use agreement. This agreement allows the Sports Centre to operate for the benefit of the local community and for the Academy. The Academy provides the Sports Centre with an appropriate amount of funding to support its maintenance and running. In return the Borough of Broxbourne operates the Sports Centre and maintains it for the benefit of both the pupils of the school and the local community. It is not possible to quantify the financial implications of this arrangement but it is undoubtedly the case that both the school population and the local community benefit from the dual-use facility.

The Academy strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost.

Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £26,645 (2012/2013: £15,275) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £3,580 (2012/2013: £4,250).

# **The John Warner School**

## **Notes to the Financial Statements**

### **for the year ended 31 August 2014**

	2014	2013
<b>6. Staff costs</b>		
	No.	No.
The average monthly number of persons employed by the Academy (excluding Governors not on the payroll) during the period, was as follows:		
Teaching	78	84
Welfare	57	53
Premises	4	4
Support	13	13
	<u>152</u>	<u>154</u>
	=====	=====
	No.	No.
The average monthly number of persons employed by the Academy (excluding Governors not on the payroll) during the period, expressed as full time equivalents, was as follows:		
Teaching	76	81
Welfare	19	16
Premises	4	4
Support	12	11
	<u>111</u>	<u>112</u>
	=====	=====
	£	£
Staff costs for the above persons:		
Wages and salaries	4,128,752	4,102,421
Social security costs	342,759	341,958
Pension costs - defined benefit schemes:		
Teachers' Pension Scheme	447,131	439,866
Local Government Pension Scheme	153,969	132,995
Supply staff costs	87,424	52,116
Staff severance payments	19,586	-
	<u>5,179,621</u>	<u>5,069,356</u>
	=====	=====

Staff severance payments comprises non-statutory/non-contractual payments made to one individual.

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

	2014	2013
<b>6. Staff costs (Continued)</b>		
	No.	No.
The number of employees whose emoluments for the period exceeded £60,000 fell within the following ranges:		
£60,001 to £70,000	4	3
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-
	=====	=====

The Academy made contributions to the Teachers' Pension Scheme on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the period amounted to £81,536 (2012/2013: £71,327). No other member of staff received total emoluments in excess of £60,000 during the current period.

#### Governors' remuneration and expenses

The Headteacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors.

In addition to being the Accounting Officer (and also a Governor), Mr D. J. Kennedy was the Headteacher. In respect of his role as Headteacher, Mr D. J. Kennedy received emoluments for qualifying services during the year amounting to £150,195 (2012/2013: £147,137), and in that same period, the Academy incurred pension costs of £21,178 (2012/2013: £20,746) in respect of the pension benefits accruing to him under the Teachers' Pension Scheme.

In addition to being Governors, Ms M. Jaggs, Ms E. B. McHugh and Ms L. K. Morbey were also members of staff. In respect of their role as members of staff, these Governors received aggregate emoluments for qualifying services during the year amounting to £120,214 (2012/2013: £112,489), and in that same period, the Academy incurred aggregate pension costs of £12,671 (2012/2013: £11,675) in respect of the pension benefits accruing to them under the Teachers' Pension Scheme and £6,858 (2012/2013: £6,115) in respect of the pension benefits accruing to them under the Local Government Pension Scheme.

Other than as disclosed above, none of the Governors received any remuneration for services as a trustee of the charity or as a director of the company during the current or previous period. During the year, one (2012/2013: one) of the Governors received reimbursement for travel expenses incurred in relation to the Academy amounting to £962 (2012/2013: £466).



## **The John Warner School**

### **Notes to the Financial Statements**

#### **for the year ended 31 August 2014**

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#### **6. Staff costs (Continued)**

##### **Governors' and officers' insurance**

The Academy has taken out a combined insurance policy that includes:

- building and contents insurance;
- business interruption insurance;
- employers, public and products liability insurance with indemnity to hirers extension;
- money with assault;
- personal accident;
- engineering;
- fidelity guarantee insurance; and
- professional indemnity insurance to cover the Academy (including trustees, Governors, Academy employees and the parent teachers association).

Professional indemnity cover is provided up to an aggregate limit of £2 million in the insurance year. The total premium paid by the Academy for the insurance package during the accounting period was £49,745 (2012/2013: £40,261). In addition the Academy purchases vehicle insurance for its minibuses and annual travel insurance for educational visits at a total cost of £2,584 (2012/2013: £3,734).

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 7. Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Plant and machinery £	TOTAL £
Cost:				
1 September 2013	34,914,989	29,412	325,782	35,270,183
Additions	-	1,020,114	-	1,020,114
Disposals	(505,566)	-	(17,667)	(523,233)
31 August 2014	34,409,423	1,049,526	308,115	35,767,064
Depreciation:				
1 September 2013	1,317,048	-	66,110	1,383,158
Charge in the year	565,558	-	36,386	601,944
Disposals	(59,680)	-	(12,072)	(71,752)
31 August 2014	1,822,926	-	90,424	1,913,350
Net book value:				
31 August 2014	32,586,497	1,049,526	217,691	33,853,714
31 August 2013	33,597,941	29,412	259,672	33,887,025

The freehold land and buildings inherited by the academy upon conversion were valued at £33,453,000 on an existing value basis and a depreciated replacement cost basis by Lambert Smith Hampton.

The cost of the above tangible assets was funded by: £

Fixed assets inherited upon conversion	33,051,468
General Annual Grant	603,862
Capital grants	2,096,339
Unrestricted income	15,395
	<u>35,767,064</u>

Disposals of fixed assets in the current year relate to areas of the school site that were originally inherited upon conversion to academy status that have been completely demolished to make way for new buildings funded from capital grant and General Annual Grant income.

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 8. Investments

During 2013/2014, the Academy acquired at par for cash one ordinary share with a nominal value of £25 in Herts For Learning Limited, a United Kingdom private limited company registered in England and Wales under company number 08419581. The company is owned by Hertfordshire Schools and Hertfordshire County Council with any one school only permitted to hold one share as a minority interest. Being a shareholder give the Academy access to discounts on the purchase of training courses and a range of other educational support services.

The Governors have estimated that the market value of the Academy's investment at the balance sheet date is its original cost.

	2014 £	2013 £
9. Debtors		
Trade debtors	119,547	40,165
Other debtors	11,612	17,813
Prepayments and accrued income	197,720	152,227
	<u>328,879</u>	<u>210,205</u>
	=====	=====

#### 10. Creditors: Amounts falling due within one year

Trade creditors	343,097	131,325
Other tax and social security costs	105,533	105,785
Pension contributions creditor	87,396	77,168
Other creditors	26,762	17,719
Accruals	286,019	98,245
Deferred income	217,782	145,953
	<u>1,066,589</u>	<u>576,195</u>
	=====	=====
Deferred income reconciliation:		
Deferred income brought forward at 1 September	145,953	116,287
Income released to the statement of financial activities	(81,642)	(116,287)
Income received in advance	153,471	145,953
	<u>217,782</u>	<u>145,953</u>
	=====	=====
Deferred income carried forward at 31 August		

At the balance sheet date, the Academy was holding funds received in advance for school trips and insurance and rates income.

## **The John Warner School**

### **Notes to the Financial Statements**

### **for the year ended 31 August 2014**

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#### **11. Pension and similar obligations**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme England and Wales ("TPS") and the Hertfordshire Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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

Pension contributions amounting to £87,396 (31 August 2013: £77,168) were payable at 31 August 2014 and are included within creditors.

#### ***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.

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

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#### 11. Pension and similar obligations (Continued)

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%.

#### 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 £447,131 (2012/2013: £439,866).

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

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

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#### 11. Pension and similar obligations (Continued)

##### *Local Government Pension Scheme*

The Academy is, however, able to identify its share of the underlying assets and liabilities of the Hertfordshire Local Government Pension Scheme, and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the accounting period, adjusted to reflect variations from that cost. The interest cost and expected return on the underlying assets and liabilities of the pension scheme are treated as a net finance income or expense for the period.

The Hertfordshire Local Government Pension Scheme is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2014 amounted to £172,000 of which the employer's contributions totalled £134,000 and the employees' contributions totalled £38,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The employer contribution rate has been set at 25.3% of pensionable salary inclusive of the necessary extra contributions required to deal with the current deficit position. An equivalent employee contribution rate has been set which is variable by salary and by employee at between 5.5% and 7.5% of pensionable salary. On that basis, the anticipated employer payments required to be made to the scheme in the coming year (2014/2015) amount to £176,000 (2013/2014: £119,000).

The major assumptions used by the actuary were:

	2014	2013
Rate of increase in salaries	4.0%	5.1%
Rate of increase in pensions in payment	2.7%	2.8%
Discount rate	3.7%	4.6%
Inflation assumption - cpi	2.6%	2.5%
	=====	=====

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 11. Pension and similar obligations (Continued)

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

	2014	2013
Retiring today –		
Males	22.3 years	21.0 years
Females	24.5 years	23.8 years
Retiring in 20 years –		
Males	24.3 years	22.9 years
Females	26.7 years	25.7 years
	=====	=====

The assets in the scheme and the expected rate of return were:

	Expected return on total assets at 31 August 2014	Value at 31 August 2014 £'000	%	Expected return on total assets at 31 August 2013	Value at 31 August 2013 £'000	%
Equities	6.3%	923	(67%)	6.6%	767	(74%)
Bonds	3.3%	317	(23%)	3.9%	186	(18%)
Property	4.5%	96	(7%)	4.7%	52	(5%)
Cash	3.3%	41	(3%)	3.6%	31	(3%)
		=====			=====	
Total market value of assets		1,377			1,036	
Present value of scheme liabilities		(2,539)			(1,890)	
		=====			=====	
Deficit in the scheme		(1,162)			(854)	

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 11. Pension and similar obligations (Continued)

	2014 £'000	2013 £'000
Analysis of the amount charged to the statement of financial activities -		
As staff costs:		
Current service cost	144	130
Past service cost	-	-
Total operating charge	<u>144</u>	<u>130</u>
As finance expense:		
Expected return on assets	(66)	(41)
Interest on liabilities	91	69
Net finance expense	<u>25</u>	<u>28</u>
Total pension costs	<u>169</u>	<u>158</u>

The net actuarial losses for the current period are recognised in the statement of financial activities.

	2014 £'000	2013 £'000
Movements in the present value of defined benefit obligations were as follows:		
Opening defined benefit obligations	1,890	1,604
Employee' contributions	38	37
Current service cost	144	130
Interest cost	91	69
Actuarial losses	381	50
Benefits paid	(5)	-
Closing defined benefit obligations	<u>2,539</u>	<u>1,890</u>



# **The John Warner School**

## **Notes to the Financial Statements**

### **for the year ended 31 August 2014**

#### **11. Pension and similar obligations (Continued)**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Movements in the fair value of Academy's share of scheme assets:		
Opening fair value of assets	1,036	760
Employer contributions	134	121
Employee contributions	38	37
Expected return on assets	66	41
Actuarial gains	108	77
Benefits paid	(5)	-
Closing fair value of assets	<u>1,377</u>	<u>1,036</u>

The actual return on plan assets was £138,000 (2012/2013: £117,000).

Experience adjustments are as follows:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts for the period:			
Plan assets at fair value	1,377	1,036	760
Defined benefit obligation	(2,539)	(1,890)	(1,604)
Deficit	<u>(1,162)</u>	<u>(854)</u>	<u>(844)</u>
Experience adjustments on share of scheme assets	<u>108</u>	<u>77</u>	<u>(32)</u>
Experience adjustments on scheme liabilities	<u>(235)</u>	<u>-</u>	<u>-</u>

**The John Warner School**  
**Notes to the Financial Statements**  
**for the year ended 31 August 2014**

12. The funds of the Academy

	At 1 September 2013 £	Incoming resources £	Outgoing resources £	Actuarial losses £	Transfers between funds £	At 31 August 2014 £
<b>Restricted fixed assets funds:</b>						
Inherited fixed assets fund	32,227,684	-	(1,008,962)	-	-	31,218,722
General Annual Grant fixed assets fund	351,612	-	(9,677)	-	245,074	587,009
Capital grants fixed assets fund	1,294,972	-	(34,061)	-	775,040	2,035,951
	<u>33,874,268</u>	<u>-</u>	<u>(1,052,700)</u>	<u>-</u>	<u>1,020,114</u>	<u>33,841,682</u>
<b>Restricted general funds:</b>						
General Annual Grant fund	-	6,176,580	(6,238,558)	-	61,978	-
LGPS deficit fund	(854,000)	-	(35,000)	(273,000)	-	(1,162,000)
Capital grants fund	79,847	877,768	-	-	(775,040)	182,575
Rates and Insurance fund	27,405	74,750	(71,880)	-	-	30,275
Special Educational Needs fund	-	208,521	(283,904)	-	75,383	-
Graduate & Teacher Training fund	-	18,085	(18,085)	-	-	-
Extended Schools fund	332	-	(332)	-	-	-
Consortium fund	5,117	55	(5,172)	-	-	-
	<u>(741,299)</u>	<u>7,355,759</u>	<u>(6,652,931)</u>	<u>(273,000)</u>	<u>(637,679)</u>	<u>(949,150)</u>
<b>Total restricted funds</b>	<u>33,132,969</u>	<u>7,355,759</u>	<u>(7,705,631)</u>	<u>(273,000)</u>	<u>382,435</u>	<u>32,892,532</u>

**The John Warner School**  
**Notes to the Financial Statements**  
**for the year ended 31 August 2014**

12. The funds of the Academy (Continued)

	At 1 September 2013 £	Incoming resources £	Outgoing resources £	Actuarial losses £	Transfers between funds £	At 31 August 2014 £
<b>Unrestricted income funds:</b>						
General fund	134,440	546,874	(239,713)	-	(382,435)	59,166
<b>Total funds</b>	<u>33,267,409</u>	<u>7,902,633</u>	<u>(7,945,344)</u>	<u>(273,000)</u>	<u>-</u>	<u>32,951,698</u>

The Inherited fixed assets fund was set up to recognise the tangible assets gifted to the Academy upon conversion which represent the Academy site including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The General Annual Grant fixed assets fund was set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The Capital grants fixed assets fund was set up to recognise the tangible assets purchased by the Academy following conversion that have been funded by capital grants received by the Academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

## **The John Warner School**

### **Notes to the Financial Statements**

#### **for the year ended 31 August 2014**

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#### **12. The funds of the Academy (Continued)**

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the Academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Academy. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

The Rates and Insurance fund has been created to recognise the restricted funding received from the Department for Education to cover the cost to the Academy of rates and insurance.

The Special Educational Needs fund has been created to recognise all restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the Academy in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The Graduate & Teacher Training fund has been created to recognise funding received to support the salary costs of Graduate Teacher Programme individuals employed by the Academy. The relevant restricted expenditure is then also recorded through this fund.

The Extended Schools fund has been created to recognise funding received from the Local Authority to support the provision of extended schools activities across 18 consortium schools. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The Consortium fund has been created to recognise funding received from consortium schools and the Strategic Area Partnership Group (SAPG) to support the provision of a cross consortium curriculum. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

## The John Warner School

### Notes to the Financial Statements

for the year ended 31 August 2014

#### 13. Analysis of net assets between funds

	Fixed assets £	Net current assets £	Pension scheme liability £	Total £
<b>Restricted fixed assets funds:</b>				
Inherited fixed assets fund	31,218,722	-	-	31,218,722
General Annual Grant fixed assets fund	587,009	-	-	587,009
Capital grants fixed assets fund	2,035,951	-	-	2,035,951
<b>Restricted general funds:</b>				
LGPS deficit fund	-	-	(1,162,000)	(1,162,000)
Capital grants fund	-	182,575	-	182,575
Rates and Insurance fund	-	30,275	-	30,275
<b>Unrestricted income funds:</b>				
General fund	12,057	47,109	-	59,166
<b>Net assets</b>	<u>33,853,739</u>	<u>259,959</u>	<u>(1,162,000)</u>	<u>32,951,698</u>

#### 14. Members' liability

John Warner School is an exempt charity and a company limited by guarantee, not having share capital. Each of the four members undertakes to contribute an amount not exceeding £10 to the assets of the Academy in the event of the Academy being wound up during the period of membership, or within one year thereafter.

#### 15. Capital commitments

At the balance sheet date, the Academy had capital commitments of £1,609,831 in respect of the new library and classroom building and £47,701 in respect of the engineering block (31 August 2013: £659,660 in respect of the new engineering building).

## The John Warner School

### Notes to the Financial Statements for the year ended 31 August 2014

#### 16. Commitments under operating leases

	2014 £	2013 £
At 31 August, the Academy was committed to make the following payments during the next year under non-cancellable operating leases as follows:		
In respect of plant and machinery leases -		
expiring within one year	2,366	9,565
expiring within two to five years	3,836	10,588
	<u>        </u>	<u>        </u>

#### 17. Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No such transactions have been identified for the year ended 31 August 2014 (2012/2013: None).

#### 18. Agency Arrangements

The Academy administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year, it recognised £19,961 (2012/2013: £18,040) of funding and disbursed £8,503 (2012/2013: £7,079), with therefore at the 31 August 2014 an amount of £22,419 (31 August 2013: £10,961) remaining unspent which is included in other creditors. The Academy retained a beneficial interest in individual transactions such that £878 (2012/2013: £544) has been recognised as income in the statement of financial activities.