

ST JOHN'S CHURCH OF ENGLAND MIDDLE SCHOOL ACADEMY

(A Company Limited by Guarantee)

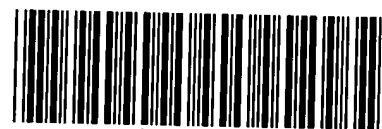
Annual Report and Financial Statements

Year ended 31 August 2016

Company Registration Number:

08355037(England and Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISORS FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNORS AND DIRECTORS

R Shorter
A James
C Ashman
R Sumner
R Powell
C Spencer (resigned 1 March 2016)
P Andrews
V Clarke
A Lee
D Matharu (resigned 29 September 2015)
M Ireland
A Elwell-Thomas
K Baxter (resigned 29 September 2016)
L Wallace
S Pemberton
S Reeves (resigned 1 December 2015)
G Roberts (Governor only – appointed 1 September 2015)
Rev. R Khan (appointed 29 September 2015)
N Limbrick (appointed 1 December 2016)

MEMBERS

R Shorter
A James (resigned 29 September 2015)
C Ashman
B Allbut
P Andrews (appointed 29 September 2015)

COMPANY SECRETARY

J Perrey

SENIOR MANAGEMENT TEAM

G Roberts – Headteacher and Accounting Officer (appointed 1 September 2015)
M Ireland – Deputy Headteacher
A Elwell-Thomas – Assistant Headteacher
H Cheuk – Assistant Headteacher

COMPANY REGISTERED NUMBER

08355037

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISORS FOR THE PERIOD ENDED 31 AUGUST 2016 *(continued)*

REGISTERED OFFICE

St. John's Church of England Middle School Academy
Watt Close
Bromsgrove
Worcestershire,
B61 7DH

AUDITORS

Curo Professional Services Limited
Curo House
Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

BANKERS

Lloyds Bank PLC
112, High Street
Bromsgrove
Worcestershire
B61 8EZ

ST. JOHN'S CHURCH OF ENGLAND MIDDLE SCHOOL ACADEMY

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Governors' Report

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a governor's report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company was set up by a memorandum and Articles of Association on 10 January 2013 which are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of St. John's Church of England Middle School Academy and are also the directors of the Charitable Company for the purposes of company law.

Members' Liability

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

Principal Activities

The principal object of the Academy is 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 curriculum with a strong emphasis on, but in no way limited to, creativity and expression.

Method of Recruitment and Appointment or Election of Governors

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The number of Governors shall be no less than three and no more than twenty-one.

The academy shall have the following Governors:

- Up to 4 Governors appointed by the members,
- Up to 3 Foundation Governors,
- Up to 1 Governor appointed by the Local Authority,
- At least 2 Parent Governors elected by the parents of registered pupils,
- Up to 2 Co-opted Governors,
- Any additional Governors appointed by the Secretary of State,
- The Headteacher shall be treated as an ex-officio governor.

The Governors as at 31 August 2016 are listed on the Reference and Administration Details page of this document.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction and training will be provided on charity, educational, legal and financial matters. All new Governors will be given a tour of the Academy site and will be given the opportunity to meet with staff and students where appropriate. All Governors have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction will be done informally and will be tailored specifically to the individual governor.

Governors' Report *(continued)*

Organisational Structure

The management structure consists of four levels: the Governors, the Executive Leadership, the Senior Leadership and the Leadership. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Executive Leadership comprises the Head Teacher, Deputy Heads, Company Secretary and Director of Finance. The Executive Leadership control the Academy at a day to day level, implementing the policies laid down by the Governors and reporting back to them.

Arrangements for Setting Remuneration of Key Management Personnel

The Headteachers', Deputy Headteachers and Assistant Headteachers pay ranges are determined on appointment and reflect the responsibilities of the job in addition to the size of the school, any other factors specified in the School Teachers' Pay and Conditions Document and advice issued by the Local Authority on the salaries of management at comparable size schools.

The salaries of the Headteacher, Deputy Headteacher(s) and Assistant Headteacher will be reviewed annually. The annual determination of salaries will be conducted by the appropriate committee having regard to the results of the most recent appraisal carried out in accordance with the regulations, the current School Teachers' Pay and Conditions Document and the guidance issued by the Local Authority and reported to the full Governing Body.

The Governing Body ensures that performance-based progression awards reflect individual performance. It will also ensure that objective-setting is rigorous and that the school's pay policy provides a clear link between levels of achievement and progression.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors are satisfied that systems and procedures are in place to mitigate the exposure to major risks and that the procedures are consistent with the guidelines issued by the Charity Commission.

Related Parties and other Connected Charities and Organisation

St. John's Church of England, Bromsgrove, is a guarantor and the sponsor of St. John's Church of England Middle School Academy.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of St. John's Church of England Middle School Academy to provide education for pupils of different abilities between the ages of 9 and 13 with an emphasis on creativity and expression.

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the Academy Trust, the Academy is governed by a governing body which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Governors' Report *(continued)*

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

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

The Academy's main strategy is to raise standards of achievement through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning. Its people and resources are constantly appraised by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

Key activities which support the main strategic purpose of the organisation are:

- robust quality assurance processes which are transparent and inform all subsequent actions,
- secure use of data and tracking to measure progress and inform actions and intervention,
- constant review of CPD and training opportunities for staff,
- a core structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are clear.

Public Benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's objectives and aims and in planning future activities for the period. The Governors consider that the company's aims are demonstrably to the public benefit.

Achievements and Performance

The Academy is in its fourth year of operation and the majority of indicators reveal an upward trend in performance and achievement. The school achieved 'outstanding' in 2012 and has sought to further increase the percentage of outstanding teaching through the development of ITE provision through school Direct.

The percentage of pupils at expected standard are as follows:

Reading	61%
Writing	85%
Maths	69%
SPAG	64%

The school is a lead school for primary provision and a strategic partner with the High school for the delivery of KS3.

In addition the Academy aims to continually improve facilities throughout the school, having completed a brand new state of the art music suite in 2014 and further investment in ICT equipment.

Governors' Report *(continued)*

To ensure that standards are continually raised the Academy, the Governing Body and the Leadership Group:

- Operates a robust quality assurance through Performance Management which monitors the quality of teaching and learning;
- Is visited and scrutinised and supported by an independent Consultant Advisor and improvement partner; and
- Undertakes a rigorous and regular review of attainment using RAISEONLINE and FFT to benchmark the progress of students and Classroom Monitor to track individual and group performance throughout the year.

Going Concern

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

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. All General Annual Grant (GAG) available was spent in the year (2015: £0 overspend) with nothing carried forward (2015: represents 0.00% of GAG).

Staffing costs as a percentage of GAG is a key performance indicator. For the year under review this was 88% (2015 – 86%) which is in line with benchmarking.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 funding were 620 (2015 – 609).

Financial Review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2016, total expenditure of £2,913,000 (2015 - £2,755,000) was more than covered by recurrent grant funding from the EFA together with other incoming resources.

At 31 August 2016 the net book value of fixed assets was £4,405,000 (2016 - £4,416,000) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Principle Risks and Uncertainties

St. John's Church of England Middle School Academy uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Academy's operations.

The existence of these financial instruments exposes the Academy to a number of financial risks which are described in more detail below.

The main risks arising from the financial instruments are liquidity risk and cash flow interest rate risk.

Governors' Report *(continued)*

Liquidity Risk

The Academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for borrowing. Surplus cash is invested so as to maximise interest income

Interest rate risk

The Academy earns interest on cash deposits and with interest rates currently falling, the governors will take appropriate action to ensure that they maximise the income from these deposits.

The Academy is exposed to price risk in terms of government funding levels but is content that these are in line with those in the sector, and budget accordingly. Credit risk is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our bankers.

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. The level of reserves will be kept under review by the Governors.

At 31 August 2016 the total reserves are £3,720,000 (2015: £4,117,000) which consists of General Unrestricted funds, Restricted funds, and Restricted Fixed Asset funds.

General unrestricted funds consist of income funds which are freely available for general purpose expenditure and will be carried forward to future periods. At 31 August 2016 general unrestricted funds is in surplus of £813,000 (2015: £698,000).

Restricted funds are available for the Academy's educational operations only, any surplus will be carried forward for future expenditure. At 31 August 2016 the restricted fund is in deficit to the amount of £892,000 (2015: £533,000 deficit). This deficit can be broken down into two funds – the general restricted funds £18,000 surplus (2015: £13,000 surplus) and the pension fund of £910,000 deficit (2015: £546,000 deficit).

Restricted fixed asset funds consist of capital assets matched to capital grants or assets held on conversion to an academy. These funds are not available for general purposes and are carried forward to future periods. Fixed asset restricted funds are currently. At 31 August 2016 the restricted fixed asset fund is in surplus to the amount of £3,799,000 (2015: £3,952,000).

At 31 August 2016 the total funds available for future spending is £831,000 (2015: £711,000). This shows all reserves net of the pension fund and restricted fixed asset fund.

Plans for Future Periods

The Academy will continue striving to improve the levels of attainment and achievement of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving the Academy with regard to transfer to High School.

The Academy continuously strives to be at the forefront of innovation in education and we are perpetually revising our curriculum offer to suit the needs of our students. The Academy invests in alternative programmes of education which ensure that students with additional needs are as well supported and as successful as their peers.

As the Academy continues to go from strength to strength, we are better able to build partnerships with local schools. We have support and deliver differentiated programmes of study and interventions.

Governors' Report *(continued)*

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company'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.

The auditors, Curo Professional Services Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 13th December 2016 and signed on its behalf by:

R Shorter

Chair



Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St. John's Church of England Middle School Academy and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 6 times during the period. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
R Shorter	6	6
A James	2	6
B Allbutt	5	6
C Ashman	6	6
R Sumner	6	6
R Powell	6	6
C Spencer	1	4
P Andrews	6	6
V Clarke	4	6
A Lee	6	6
D Matharu	0	1
M Ireland	5	6
A Elwell-Thomas	6	6
K Baxter	5	6
L Wallace	6	6
S Pemberton	6	6
S Reeves	1	2
G Roberts	6	6
Rev R Khan	3	6
N Limbrick	4	5

The Finance Committee is a sub-committee of the main governing body. Its purpose is to oversee the financial systems, procedures and operations of the Trust. Attendance at meetings in the period was as follows:

Committee member	Meetings attended	Out of a possible
R Shorter	4	4
B Allbutt	3	4
C Ashman	3	4
D Matharu	1	1
B Powell	4	4
A James	3	4
K Baxter	3	4
G Roberts	4	4

Governance Statement *(continued)*

Review of Value for Money

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St. John's Church of England Middle School Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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


Governance Statement *(continued)*

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 Governing Body on 13th December 2016 and signed on its behalf by:

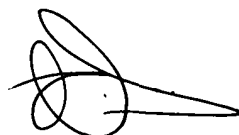
R Shorter

Chair



G Roberts

Accounting Officer



Statement on Regularity, Propriety and Compliance

As accounting officer of St. John's Church of England Middle School Academy I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

**G Roberts
Accounting Officer**

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of St. John's Church of England Middle School Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE 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 Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 13th December 2016 and signed on its behalf by:



R Shorter

Chair

Independent Auditor's Report to the Members of St. John's Church of England Middle School Academy

We have audited the financial statements of St. John's Church of England Middle School Academy for the year ended 31 August 2016 set out on pages 15 to 38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 11 the Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of 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 auditing standards require us to comply with the Auditing Practices Board'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements: give a true and fair view of the state of the Academy's affairs at 31 August 2015, 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 UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the EFA.

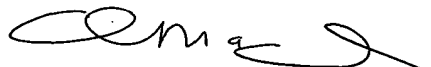
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Academy, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.



Anna Madden FCA (Senior Statutory Auditor)
for and on behalf of Curo Professional Services Limited (Statutory Auditors)
Curo House, Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL
13th December 2016

Independent Accountant's Assurance Report on Regularity to St. John's Church of England Middle School Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 13 January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. John's Church of England Middle School Academy during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St. John's Church of England Middle School Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St. John's Church of England Middle School Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the St. John's Church of England Middle School Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St. John's Church of England Middle School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St. John's Church of England Middle School Academy's funding agreement with the Secretary of State for Education dated 10 June 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our review in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Independent Accountant's Assurance Report on Regularity to St. John's Church of England Middle School Academy and the Education Funding Agency (Continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Anna Madden FCA (Reporting Accountant)
for and on behalf of Curo Professional Services Limited (Statutory Auditors)
Curo House
Greenbox
Westonhall Road
Stoke Prior
Bromsgrove
Worcestershire
B60 4AL

13th December 2016

Statement of Financial Activities for the period ended 31 August 2016

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

	Note	Unrestricted Funds £000	Restricted non fixed- asset funds £000	Restricted fixed asset funds £000	Total 2016 £000	Total 2015 £000
Incoming and endowments from						
Donations and capital grants	3	-	103	-	103	-
• Transfer from local authority on conversion		-	-	-	-	-
Charitable activities						
• Funding for the Academy's educational operations	4	-	2,570	-	2,570	2,489
Other trading activities	5	185	1	-	186	186
Investment Income	6	-	-	-	-	-
Total income		<u>185</u>	<u>2,674</u>	<u>-</u>	<u>2,859</u>	<u>2,649</u>
Expenditure						
Expenditure on raising funds		-	-	-	-	-
Charitable activities						
• Academy's educational operations	8	70	2,690	153	2,913	2,742
Total expenditure		<u>70</u>	<u>2,690</u>	<u>153</u>	<u>2,913</u>	<u>2,742</u>
Net income / (expenditure) before transfers	16	115	(16)	(153)	(54)	(106)
Gross transfers between funds	16	-	-	-	-	-
Net income for the year		115	(16)	(153)	(54)	(106)
Other recognised gains and losses						
Actuarial (losses)/ gains on defined benefit pension schemes	26	-	(343)	-	(343)	(37)
Net movement in funds		<u>115</u>	<u>(359)</u>	<u>(153)</u>	<u>(397)</u>	<u>(143)</u>
Reconciliation of funds						
Funds brought forward at 1 September 2015	16	698	(533)	3,952	4,117	4,260
Funds carried forward at 31 August 2016	16	<u>813</u>	<u>(892)</u>	<u>3,799</u>	<u>3,720</u>	<u>4,117</u>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Statement of Financial Activities for the period ended 31 August 2015

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

	Note	Unrestricted Funds £000	Restricted non fixed asset funds £000	Restricted fixed asset funds £000	Total 2015 £000
Incoming and endowments from					
Donations and capital grants	3	-	-	-	-
• Transfer from local authority on conversion		-	-	-	-
Charitable activities					
• Funding for the Academy's educational operations	4	-	2,489	-	2,489
Other trading activities	5	148	12	-	186
Investment Income	6	-	-	-	-
Total income		<u>148</u>	<u>2,501</u>	<u>-</u>	<u>2,649</u>
Expenditure					
Expenditure on raising funds		-	-	-	-
Charitable activities					
• Academy's educational operations	8	75	2,520	147	2,742
Total expenditure		<u>75</u>	<u>2,520</u>	<u>147</u>	<u>2,742</u>
Net income / (expenditure) before transfers	16	73	(32)	(147)	(106)
Gross transfers between funds	16	-	-	-	-
Net income for the year		73	(32)	(147)	(106)
Other recognised gains and losses					
Actuarial (losses)/ gains on defined benefit pension schemes	26	-	(37)	-	(37)
Net movement in funds		<u>73</u>	<u>(69)</u>	<u>(147)</u>	<u>(143)</u>
Reconciliation of funds					
Funds brought forward at 1 September 2015	16	625	(464)	4,099	4,260
Funds carried forward at 31 August 2016	16	<u>698</u>	<u>(533)</u>	<u>3,952</u>	<u>4,117</u>

Balance sheet at 31 August 2016

COMPANY NUMBER: 08355037

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets		-	-
Tangible assets	12	4,405	4,416
Current assets			
Stocks	13	-	-
Debtors	14	108	90
Cash at bank and in hand		310	286
		418	376
Creditors: Amounts falling due within one year	15	193	129
Net current assets		225	247
Total assets less current liabilities		4,630	4,663
Net assets excluding pension liability			
Pension scheme liability	26	(910)	(546)
Net assets including pension liability		3,720	4,117
Funds of the academy:			
Restricted funds			
Fixed asset fund	16	3,799	3,952
General fund	16	18	13
Pension reserve	16	(910)	(546)
Total restricted funds		2,907	3,419
Unrestricted funds			
General fund	16	813	698
Total funds		3,720	4,117

The financial statements on pages 15 to 38 were approved by the Governors, and authorised for issue on 13th December 2016 and are signed on their behalf by:



R Shorter

Director



G Roberts

Director

Statement of Cash Flows for the period ended 31 August 2016

	<i>Note</i>	2016	2015
		£000	£000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	<i>20</i>	64	57
Cash flows from financing activities	<i>21</i>	-	-
Cash flows from investing activities	<i>22</i>	(42)	(81)
Decrease in cash in the period	<i>23</i>	24	(24)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2015		286	310
		<hr/>	<hr/>
Net funds at 31 August 2016		310	286
		<hr/>	<hr/>

Notes

(Forming part of financial Statements)

1 Statement of Accounting Policies

Basis of Preparation

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

First time adoption of FRS102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Explanation of transition to FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	Notes	31 August 2014	31 August 2015
		£000	£000
Total funds under previous UK GAAP		4,260	4,117
Employee benefits accrual	B	-	-
Total funds reported under FRS 102		<u>4,260</u>	<u>4,117</u>

Notes (continued)

Statement of Accounting Policies (continued)

Reconciliation of net income/(expenditure)	Notes	2015
		£000
Net income/(Expenditure) previously reported under UK GAAP		(106)
Change in recognition of LGPS interest cost	A	-
Employee benefits accrual	B	-
		<hr/>
Net movement in funds reported under FRS 102		(106)
		<hr/> <hr/>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £0 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward up to 0 of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. A provision of £0 was recognised at 1 September 2014, and £0 at 31 August 2015. The movement on this provision of £0 has been charged to the SOFA in the year ended 31 August 2015.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes (continued)

Statement of Accounting Policies (continued)

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

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

Notes (continued)

Statement of Accounting Policies (continued)

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

Freehold buildings	2%
Long leasehold buildings	2%
Furniture and equipment	10% - 20%
ICT equipment	33%

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

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

Notes (continued)

Statement of Accounting Policies (continued)

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes (continued)

Statement of Accounting Policies (continued)

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and the Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

	2016	2015
	£000	£000
Results and Carry Forward for the Year		
GAG brought forward from previous year	-	17
GAG allocation for current period	2,570	2,489
	<hr/>	<hr/>
Total GAG available to spend	2,570	2,506
Recurrent expenditure from GAG	(2,587)	(2,506)
Fixed assets purchased from GAG	-	-
	<hr/>	<hr/>
GAG carried forward to next year	(17)	-
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

3 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	102	102	-
Donated fixed assets	-	-	-	-
Other donations	-	1	1	-
	<u>-</u>	<u>103</u>	<u>103</u>	<u>-</u>
	<u>-</u>	<u>103</u>	<u>103</u>	<u>-</u>

4 Funding for the Academy's educational operations

	Unrestricted funds £000	Restricted funds non fixed assets £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
General Annual Grant (GAG) (note 2)	-	2,570	2,570	2,292
	<u>-</u>	<u>2,570</u>	<u>2,570</u>	<u>2,292</u>
	<u>-</u>	<u>2,570</u>	<u>2,570</u>	<u>2,292</u>

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
Hire of facilities	12	-	12	20	-	20
Catering income	74	-	74	70	-	70
Educational visits	-	1	1	-	12	12
Other income	99	-	99	58	-	58
	<u>185</u>	<u>1</u>	<u>186</u>	<u>148</u>	<u>12</u>	<u>160</u>
	<u>185</u>	<u>1</u>	<u>186</u>	<u>148</u>	<u>12</u>	<u>160</u>

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
Short term deposits	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes (continued)

7 Expenditure

	Staff costs £000	Non Pay Premises £000	Expenditure Other costs £000	Total 2016 £000	Total 2015 £000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations					
Direct costs	1,946	-	110	2,056	2,004
Allocated support costs	335	417	105	857	751
	<u>2,260</u>	<u>417</u>	<u>215</u>	<u>2,913</u>	<u>2,755</u>

	Staff costs £000	Non Pay Premises £000	Expenditure Other costs £000	Total 2015 £000
Expenditure on raising funds	-	-	-	-
Academy's educational operations				
Direct costs	1,890	-	114	2,004
Allocated support costs	270	373	108	751
	<u>2,160</u>	<u>373</u>	<u>215</u>	<u>2,755</u>

	2016 £000	2015 £000
Incoming/outgoing resources for the year include:		
Operating leases	13	9
Fees payable to auditor - audit	4	4
Other services	7	2
Depreciation	153	139
Profit/(loss) on disposal of fixed assets	-	(8)

Notes (continued)

8 Charitable activities – Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
Direct costs						
Teaching and educational support staff costs	-	1,946	1,946	-	1,890	1,890
Educational supplies	-	71	71	-	89	89
Other direct costs	-	39	39	-	25	25
	<u>-</u>	<u>2,056</u>	<u>2,056</u>	<u>-</u>	<u>2,004</u>	<u>2,004</u>
Allocated support costs						
Support staff costs	-	335	335	-	270	270
Premises costs	2	79	81	16	79	95
Depreciation	-	153	153	-	139	139
Loss on disposal of fixed assets	-	-	-	-	8	8
Cleaning	-	11	11	-	9	9
Catering	33	-	33	27	-	27
Other support costs	34	186	220	32	158	190
Governance costs	-	24	24	-	13	13
	<u>70</u>	<u>787</u>	<u>857</u>	<u>75</u>	<u>663</u>	<u>685</u>
	<u>70</u>	<u>2,843</u>	<u>2,913</u>	<u>75</u>	<u>2,667</u>	<u>2,546</u>

Notes (continued)

9 Staff costs

Staff costs during the period were:	2016	2015
	£000	£000
Wages and salaries	1,789	1,762
Social security costs	145	127
Pension costs	252	224
	<hr/>	<hr/>
Supply staff costs	31	27
	<hr/>	<hr/>
	2,217	2,140
	<hr/>	<hr/>

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

	2016	2015
	No.	No.
Teachers	55	55
Administration and support	27	25
Management	4	4
	<hr/>	<hr/>
	86	84
	<hr/>	<hr/>

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

	2016	2015
	No.	No.
£60,001 – £70,000	1	-
£70,001 – £80,000	-	1
	<hr/>	<hr/>

33 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £301,979. The other employees participated in the Local Government Pension Scheme, pension contributions for whom amounted to £85,234.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits received by key management personnel for their services to the academy trust was £376,625.

Notes (continued)

10 Related pert transactions – governors remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment. Other governors did not receive any payments, or expenses, from the Academy in respect of their role as governors.

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

G Roberts (headteacher and governor)

Remuneration £65,000 - £70,000 (2015: £0)

Employer's pension contributions paid £10,000 - £15,000 (2015: £0)

W Taylor (headteacher and governor, resigned 1 September 2015)

Remuneration £0 (2015: £75,000 - £80,000)

Employer's pension contributions paid £0 (2015: £10,000 - £15,000)

M Ireland (deputy headteacher and governor)

Remuneration £50,000 - £55,000 (2015: £50,000 - £55,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

H Cheuk (assistant headteacher)

Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

J Perrey (company secretary)

Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £0 - £5,000)

K Baxter (staff governor)

Remuneration £25,000 - £30,000 (2015: £20,000 - £25,000)

Employer's pension contributions paid £0 - £5,000 (2015: £0 - £5,000)

A Elwell-Thomas (assistant headteacher and staff governor)

Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

S Pemberton (staff governor)

Remuneration £25,000 - £30,000 (2015: £20,000 - £25,000)

Employer's pension contributions paid £0 - £5,000 (2015: £0 - £5,000)

S Reeves (staff governor)

Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)

Employer's pension contributions paid £0 - £5,000 (2015: £0 - £5,000)

11 Governors', trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,500 (2015: £1,403). The cost of this insurance is included in the total insurance cost.

Notes (continued)

12 Tangible Fixed assets

	Leasehold Land and Buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost at 1 September 2015				
Brought forward	4,391	200	124	4,715
Additions	89	19	34	142
Disposals	-	-	-	-
At 31 August 2016	4,480	219	158	4,857
Depreciation at 1 September 2015	205	33	61	299
Charged in period	80	31	42	153
Adjustment on disposal	-	-	-	-
At 31 August 2016	285	64	103	452
Net book value				
At 31 August 2016	4,195	155	55	4,405
At 31 August 2015	4,186	167	63	4,416

Assets under construction of £79,833 have been included in Land and Buildings but will not incur depreciation until the assets are fully functional.

13 Stock

No stock was held at the year end (2015: £Nil).

14 Debtors

	2016 £000	2015 £000
Trade debtors	4	5
Other debtors – VAT	67	38
Prepayments and accrued income	37	47
	108	90

Notes (continued)

15 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	63	17
Other creditors	39	30
Social security	44	38
Accruals	8	11
Deferred income	39	33
	<u>193</u>	<u>129</u>

	2016 £000	2015 £000
Deferred Income		
Amount brought forward	33	26
Resources deferred in the year	39	33
Amounts released from previous years	<u>(33)</u>	<u>(26)</u>
Deferred Income at 31 August 2016	<u>39</u>	<u>33</u>

At the balance sheet date the academy was holding funds received for the pupil premium grant of £36,332 relating to the 2016/17 financial year (2015: £33,590 for 2015/16 financial year). This income has been deferred.

Notes (continued)

16 Funds

	Balance at 1 September 2015 £000	Incoming resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General annual grant (GAG)	-	2,570	(2587)	-	(17)
Start Up Grant	-	-	-	-	-
Other DfE/EFA grant	-	1	(1)	-	-
Restricted income	-	1	(1)	-	-
Pension reserves	(546)	-	(21)	(343)	(910)
DfE/YPLA capital grants	13	102	(80)	-	35
	(533)	2,674	(2,690)	(343)	(892)
Restricted fixed asset funds					
Donations	3,952	-	(153)	-	3,799
	3,952	-	(153)	-	3,799
Total Restricted Funds	3,419	2,674	(2,843)	(343)	2,907
Unrestricted funds	698	185	(70)	-	813
Total unrestricted funds	698	185	(70)	-	813
Total funds	4,117	2,859	(2,913)	(343)	3,720

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

DfE revenue grant fund and other restricted funds

These grants relate to the Academy's development and operational activities

Fixed asset fund

These grants relate to funding received from DfE to carry out capital works.

Notes (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	606	-	3,799	4,405
Current assets	361	57	-	418
Current liabilities	(154)	(39)	-	(193)
Pension scheme liability	-	(910)	-	(910)
Total net assets	813	(892)	3,799	3,720

18 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	-	-

19 Commitments under operating leases

Operating leases

At 31 August 2016 the Academy had annual commitments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Other		
Amounts due within one year	4	4
Amounts due between two and five years	4	8
Amounts due after five years	-	-
	8	12

Notes (continued)

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	At 31 August 2016 £000	At 31 August 2015 £000
Net income/(expenditure)	(54)	(106)
Depreciation (note 13)	153	139
Loss on disposal of fixed assets	-	8
Capital grants from DfE and other capital income	(102)	-
Defined benefit pension scheme cost less contributions payable	21	15
FRS 17 pension finance income	-	-
Interest receivable	-	-
Increase in stocks	-	-
Decrease/(Increase in debtors)	(18)	98
(Decrease)/Increase in creditors	64	(97)
Net cash inflow/(outflow) from operating activities	64	57

21 Cash flows from financing activities

	2016 £000	2015 £000
Interest received	-	-
Net cash inflow from returns on investment and servicing of finance	-	-

22 Cash flows from investing activities

	2016 £000	2015 £000
Purchase of tangible fixed assets	(142)	(81)
Capital grants from DfE/EFA	102	-
Net cash outflow from capital expenditure and financial investment	(42)	(81)

23 Analysis of changes in net funds

	At 1 September 2015 £000	Cash Flows £000	At 31 August 2016 £000
Cash in hand and at bank	286	(24)	310

24 Contingent liabilities

There are no contingent liabilities.

Notes (continued)

25 Members' liability

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

26 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer Limited. Both are multi-employer defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 August 2016.

There were outstanding contributions totalling £25,685 (2015: £22,859) due to the TPS and outstanding contributions totalling £7,942 (2015: £6,875) due to the LGPS at the end of the financial year. These are included within creditors.

Teachers' Pension Scheme (TPS)

Teachers' Pension Scheme Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £301,979 (2015: £282,325).

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

Notes (continued)

26 Pension and similar obligations (continued)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £85,234 (2015: £78,283), of which employer's contributions totalled £61,810 (2015: £56,723) and employees' contributions totalled £23,424 (2015: £21,560).

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

Principal Actuarial Assumptions:

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.3%	3.8%
Rate of increase for pensions in payment	1.9%	2.3%
Discount rate for scheme liabilities	2.1%	4.0%
Inflation assumption (CPI)	1.8%	2.3%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.5	23.4
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.8	25.6
Females	28.2	28.1

Notes (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	417	280
Bonds	32	19
Property	23	-
Cash	12	3
Other	18	11
	<hr/>	<hr/>
Total market value of assets	502	313
Present value of scheme liabilities	(1,412)	(859)
- Funded		
	<hr/>	<hr/>
Deficit in the scheme	(910)	(546)
	<hr/>	<hr/>

The actual return on scheme assets was £74,000 gain. (2015: £2,000 loss).

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(95)	(83)
Net interest cost	(23)	(15)
	<hr/>	<hr/>
Total operating charge	(118)	(98)
	<hr/>	<hr/>

Notes (continued)

26 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016 £000	2015 £000
At 1 September	859	698
Current service cost	95	83
Interest cost	36	29
Employee contributions	28	22
Actuarial (gain)/loss	404	20
Benefits/transfers paid	10	7
Past service cost	-	-
	<hr/>	<hr/>
At 31 August	1,412	859
	<hr/>	<hr/>

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

	2016 £000	2015 £000
At 1 September	313	204
Interest income	15	15
Actuarial gain/(loss)	60	(17)
Employer contributions	98	82
Employee contributions	28	22
Benefits/transfers paid	(10)	7
	<hr/>	<hr/>
At 31 August	502	313
	<hr/>	<hr/>

27 Related Party Transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10