

B. Mahoney (Company Sec)

**John Taylor High School Academy
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Year Ended 31 August 2013

**Company Registration No: 07421140
(England and Wales)**

**Also includes:
John Taylor School Fund
Registered Charity Number: 1067945**

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John Taylor High School Academy

Financial Statements

Year Ended 31 August 2013

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John Taylor High School Academy

Governors' Report Year Ended 31 August 2013

Members & Governors

G Moss
D Beaty
J Hodgkinson
S Treanor
M Donoghue
J Jackson

Governors

C Cheadle
P Cleary
C Sanders
C Robinson
P Russell
A Rutherford
R Dungworth
C Cooper
A Skipper
A Lees
V Flek

Company secretary

B Mahoney

Senior Leadership Team

Principal
Vice Principal
Vice Principal
Vice Principal
Assistant Principal
Assistant Principal
Assistant Principal
Assistant Principal
Assistant Principal
Assistant Principal
School Business Director
School Business Director

M Donoghue
C Burns
J Rudge
R De Marco (resigned 31/12/12)
J Blanchenot (appointed 1/1/13)
C Fogarty
M Goodwin
N Gibbs
G Martin
J Twynham
A Elsmore (resigned January13)
B Mahoney (appointed February 13)

Company registration number

07421140 (England and Wales)

Independent auditor

Baker Tilly Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

Bankers

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

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

John Taylor High School Academy

Governors' Report Year Ended 31 August 2013

The Members and Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year commencing 1 September 2012 and ending 31 August 2013.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee (registration number 07421140) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy trust.

The Members and Governors of John Taylor High School Academy Limited are also the directors for the Charitable Company for the purpose of company law. The Charitable company is known as John Taylor High School.

Detail of the Members and Governors who served during the year are included in the Reference and Administrative Details on page 1.

Directors Liability

Every Governor is a Director

Each Director 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 director, or within one year after they cease to be a director, such amount as may be required not exceeding £10, for the debts and liabilities contracted before they ceased to be a director.

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

The attendance of Members and Governors who were in office at 31 August 2013 and served throughout the year, is listed on Page 14.

During the year under review 1 members' meeting and 6 full Governors' meetings were held. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

The following text is an extract from our Strategic Plan (2011-16), constructed in February 2011. It is important to note that this plan will be reviewed and amended in 2014, and that the Academy recognises that we operate in circumstances (e.g. legislative framework, curriculum requirements) that differ from those at the point of the plan's inception.

Principal Activities

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

Other Purposes

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

Method of Recruitment and Appointment or Election of Members

Members of the Academy are constituted on an ex officio basis. The Principal, Chair of Governors, Chairs of Governing Body Sub-Committees and the Responsible Officer (who chairs the Quality, Compliance and Audit Committee also) are annually elected to their roles in the first committee meeting of the academic year.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for each new Governor will depend on their existing experience. The Academy Trust purchases support that provides for individual and full Governing Body training through an annual programme of training which is reviewed each year to reflect any changes in practice and legislation. The Academy Trust will perform an annual skills audit of Governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

In line with our Academy conversion, the Academy re-constituted the sub-committees of the governing body to ensure they were more suitably aligned with our change of status. Terms of Reference were re-written, agreed and reviewed. The revised governance structure has been communicated to a variety of stakeholders and is now embedded.

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. They are also bound by duties and responsibilities as set out in charity law and the duties of a director as set out in company law.

The Senior Leadership Team comprises of the Principal, three Vice Principals (to December 2012, with two from January 2013), five Assistant Principals (to December 2012, with six from January 2013) and the Director of Business. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment panels always contain a Governor. Some spending control is devolved to members to staff within leadership responsibilities that lie below senior level

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

(e.g. curriculum leaders), with limits above this being countersigned by the Principal, a Vice Principal or the Director of Business, in line with the approved Scheme of Delegation.

Risk Management

The Governors have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks will be tabled at all Finance committee meetings and mitigating actions agreed as required. The risk register will be reviewed at a full Governors meeting on an annual basis.

Connected Organisations including Related Party Relationships

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

As stated previously, the Strategic Plan from which these statements emanate (February 2011) will be reviewed in 2014.

Objectives and Activities

Objects and Aims

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

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

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

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

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

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

Six key priorities are identified in our Strategic Plan (February 2011):

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

Objectives and Activities (*continued*)

Intent

Within the next 10 Years:

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

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

Objectives, Strategies and Activities

Strategies and Activities

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

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

Equal Opportunities and Employment of Disabled Persons

In line with the Equality Act 2010 the Academy is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

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

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

Disability Statement

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

- a) As part of its accommodation strategy the Academy updated its access audit. A full access audit in this field was conducted during 2010/11.
- b) The Academy has appointed an SEN Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- c) There is a list of specialist equipment, such as radio aids, which the Academy can make available for use by students and a range of assistive technology is available in the Special Needs Department.

John Taylor High School Academy

Governors' Report (continued) Year Ended 31 August 2013

Disability Statement (continued)

- d) The policy for the admittance of all students is described in the Academy's Admissions Policy. Appeals against a decision not to offer a place are dealt with under the appeals procedure outlined within the admissions policy.
- e) The Academy has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in Academy prospectuses, and achievements and destinations are recorded and published in the standard Academy format.
- g) We inform pupils and parents, at the point of transfer to John Taylor High School, of our pastoral system and identified staff e.g. House Learning Manager, to whom they can go if they require support or assistance of any kind.

Public Benefit

The Trust Governors have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Achievements and Performance

The school continues to perform strongly in a range of key performance indicators. Below are statistical tables indicating the success at Key Stages 4 and 5 in examinations. The school also exceeded a very challenging attendance target (95.6%) and permanently excluded no (0) students in the academic year for which these accounts are filed.

At the end of Key Stage 4:

Percentages	2013	2012	2011	2010
5+ A*-C inc E&M	76.5%	72.7%	72.0%	72.0%
5+ A*-C	93.5%	92.2%	90.0%	81.0%
2+ A*-C in Science	90.4%	87.9%	72.8%	66.0%
1+ A*-C in a MFL	63.5%	55.4%	66.7%	65.0%
English Bacc	52.2%	42.9%	47.4%	-

John Taylor High School Academy

Governors' Report (continued) Year Ended 31 August 2013

Achievements and Performance (continued)

Key Stage 5:

A2	2013	2012	2011	2010
APS per academic entry	220.8	222.3		
APS per entry incl equiv	221.8	222.2	228.8	221.5
Female	230	224	236	224
Male	213.6	219	220	217
Target	234.5	240	246.2	240
Difference	12.7	17.8	17.4	18.5
Number of students	152	136	136	157
AS				
APS per academic entry	108.9 217.7	105.8	100.7	97
Target	238.5			
Number of students	190	151	161	155

Going Concern

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

Key Financial Performance Indicators:

- to achieve an annual operating surplus of approximately 1%;
- to pursue alternative sources of funding, consistent with the Academy's core competencies;
- to generate sufficient levels of income to support the asset base of the Academy;
- to pursue sources of funding for capital development projects.

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 year ended 31 August 2013 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.

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

Financial Review (*continued*)

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £7,940,000 (2012: £7,370,000) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £263,000 (2012: £51,000).

At 31 August 2013 the net book value of fixed assets was £11,644,000 (2012: £11,891,000). Assets were used exclusively for providing education and the associated support services to the students of the Academy.

Principal Risks and Uncertainties

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

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

A risk register is maintained at the Academy level which is reviewed at least annually by all governor sub-committees and more frequently where necessary (it appearing as a standing item on all governing body agendas). The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

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

John Taylor High School Academy

Governors' Report (*continued*) Year Ended 31 August 2013

1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2012/13 92.0% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue, this calculation was made after deducting the amount for fixed assets. There can be no assurance gained that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

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

2. Maintain adequate funding of pension liabilities

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

Reserves Policy

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

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £604,000 (2012: £479,000).

Financial position

The Academy held fund balance at 31 August 2013 of £11,602,000 (2012: £11,564,000) comprising £12,293,000 (2012: £12,352,000) of restricted funds and £604,000 (2012: £479,000) of unrestricted general funds and a pension reserve deficit of £1,295,000 (2012: £1,267,000).

Investment Policy

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

Plan for Future Periods

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

John Taylor High School Academy

Governors' Report (*continued*)

Year Ended 31 August 2013

Objectives	Metric for Year 2016 (as presented in the Strategic Plan – February 2011, and subject to review in 2014)
To become/remain top state school in Staffordshire for attainment and achievement	<ul style="list-style-type: none"> EBacc Score = 55% 5 A*-C (E + M) = 80% Position in County = 1st @ Pre-16
To have a curriculum that is broad, balanced and delivering high quality outcomes	<ul style="list-style-type: none"> % NEET at 16= 0
All teaching to be 'good' or 'outstanding'	<ul style="list-style-type: none"> Lesson observation findings External (e.g. Ofsted) findings
Pupils to experience 'learning on demand' via a 24/7 approach	<ul style="list-style-type: none"> E-learning a reality in all subjects for all year groups Saturday and evening opening a regular occurrence Expansion of community learning opportunities via the above
John Taylor to provide a broader range of courses to more students Post-16	<ul style="list-style-type: none"> 400+ students in Sixth Form More Level 3 courses than currently available Greater breadth of Level 2 options. All Year 13s leave us with at least Level 2 qualifications in Mathematics and English.
Sixth Form is an even more vibrant and enriching experience	<ul style="list-style-type: none"> Entry into the Sixth Form is the preferred aspiration for 80% of Year 11 pupils at John Taylor
Primary links are at least maintained	<ul style="list-style-type: none"> Number of events and experiences (measured by pupil hours) is at least the same as in 2011.
New secondary school collaborations are developed	<ul style="list-style-type: none"> New opportunities exist for pupils and staff. John Taylor is a key partner in a new academies network in the County/region John Taylor is a designated Teaching School Courses in leadership are offered for staff across the Midlands, in collaboration with NCSL, SSAT or other providers.
John Taylor has enhanced external partnerships	<ul style="list-style-type: none"> New industrial partnerships contribute to outstanding provision University links are embedded further An annual event is hosted for John Taylor alumni Languages video link with a French school at post-16. Links may be advantageous to secure high quality specialist provision in Photography/IT/Dance at Level 3 BTEC/A Level. Links with other Academies, particularly our supported school/Academy. Links with local Uni's Derby, Stafford, Wolverhampton, Birmingham, Nottingham. Links are being formed with local commercial industries.
Computer: Pupil ratio improved	<ul style="list-style-type: none"> 1 computer : 2 pupils
Greater use of mobile technologies	<ul style="list-style-type: none"> Open access Wi-Fi across the campus E-readers available in Library Grants available for subject bids to develop creative use of mobile technologies in their curricular area

John Taylor High School Academy

Governors' Report (*continued*)

Year Ended 31 August 2013

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

John Taylor High School Academy

**Governors' Report (*continued*)
Year Ended 31 August 2013**

Funds held as Custodian Trustee on Behalf of Others

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

Auditors

Insofar as the trustees 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 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 board of Governors on 19 December 2013 and signed on its behalf by:

Chair 

Mr Gareth Moss

John Taylor High School Academy

Governance Statement

Year Ended 31 August 2013

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that John Taylor High School Academy Trust 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 Principal, 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 John Taylor High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting 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 members of the Trust have formally met once during the year. Attendance during the year at members' meetings was as follows:

Member	Meetings attended	Out of a possible
G. Moss	1	1
D Beaty	0	1
J Jackson	1	1
S Treanor	1	1
M Donoghue	1	1
A Elsmore	1	1
J Hodgkinson	1	1

The Governing body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body were as follows:

Governor	Meetings attended	Out of a possible
G. Moss	4	6
D. Beaty	4	6
J Hodgkinson	2	6
P Cleary	5	6
C Sanders	4	6
A Skipper	5	6
M Donoghue	6	6
S Treanor	6	6
J Jackson	4	6
C Cheadle	6	6
C Robinson	5	6
P Russell	6	6
A Rutherford	4	6
R Dungworth	4	6
C Cooper	3	6
A Lees	5	6
V Flek	6	6

John Taylor High School Academy

Governance Statement (continued)

Year Ended 31 August 2013

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Taylor High School Academy for the period ended 31 August 2013 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 Trust 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 on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the year commencing on 1 September and ending on 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided:

- to appoint Staffordshire County Council auditors as internal auditor

John Taylor High School Academy

Governance Statement (continued)

Year Ended 31 August 2013

Review of Effectiveness

As accounting officer, Mike Donoghue has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


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

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

Approved by order of the governing body on 19 December 2013 and signed on its behalf by:



Mr Gareth Moss
Chairman



Mr Michael Donoghue
Principal

John Taylor High School Academy

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2013

As accounting officer of John Taylor High School, I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and noncompliance 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 unable 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.

A handwritten signature in black ink, appearing to read 'M. Donoghue', with a long horizontal line extending from the end of the signature.

Michael Donoghue
Principal
19 December 2013

Independent Auditor's Report on the Financial Statements to the Governing Body of John Taylor High School Academy

Year Ended 31 August 2013

We have audited the financial statements of John Taylor High School for the year ended 31 August 2013 on pages 20 to 39. 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 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report on the Financial Statements to the Governing
Body of John Taylor High School Academy**

Year Ended 31 August 2013

Matters on which we are required to report by exception

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

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



Philip Coleman
Senior Statutory Auditor
for and on behalf of Baker Tilly Audit Limited

Baker Tilly Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

Date: 19 December 2013

John Taylor High School Academy

Statement of Financial Activities for the Year Ended 31 August 2013 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year Ended 31 August 2013

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	Total 2012 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	3	-	117	-	117	79
- Activities for generating funds	4	171	224	-	395	63
- Investment income	5	4	-	-	4	2
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	6	-	7,375	29	7,404	7,277
Total incoming resources		175	7,716	29	7,920	7,421
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income	7	(73)	(260)	-	(333)	(49)
<i>Charitable activities:</i>						
- Academy's educational operations	8	-	(7,318)	(274)	(7,592)	(7,296)
<i>Governance costs</i>	9	(15)	-	-	(15)	(25)
Total resources expended	7	(88)	(7,578)	(274)	(7,940)	(7,370)
Net incoming/(outgoing) resources before transfers		87	138	(245)	(20)	51
Gross transfers between funds	16	38	-	(38)	-	-
Net incoming/(expenditure) for the year		125	138	(283)	(20)	51
<i>Other recognised gains and losses</i>						
Actuarial gains/ (losses) on defined benefit pension schemes	25	-	58	-	58	(192)
Net movement in funds		125	196	(283)	38	(141)
Reconciliation of funds						
Total funds brought forward at 1 September 2012	16	479	(842)	11,927	11,564	11,705
Total funds carried forward at 31 August 2013		604	(646)	11,644	11,602	11,564

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.

The notes on pages 23 to 39 form part of these financial statements.

John Taylor High School Academy

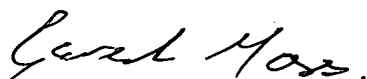
Balance Sheet

Registered number 07421140

Year Ended 31 August 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		11,644		11,891
Current assets					
Debtors	14	76		171	
Cash at bank and in hand		1,713		1,256	
		1,789		1,427	
Liabilities					
Creditors: Amounts falling due within one year	15	(536)		(487)	
Net current assets			1,253		940
Total assets less current liabilities			12,897		12,831
Pension scheme liability	25		(1,295)		(1,267)
Net assets including pension liability			11,602		11,564
Funds of the Academy trust:					
Restricted income funds					
– Fixed asset fund	16		11,644		11,927
– General fund	16		649		425
– Pension reserve	25		(1,295)		(1,267)
Total restricted funds			10,998		11,085
Unrestricted income funds					
– General funds	16		604		479
Total unrestricted funds					
Total funds			11,602		11,564

The financial statements on pages 20-39 were approved by the Governors, and authorised for issue on 19 December 2013 and are signed on their behalf by:



Mr Gareth Moss
Chair of Governors

The notes on pages 23 to 39 form part of these financial statements.

John Taylor High School Academy

Cash Flow Statement

Year Ended 31 August 2013

	Notes	2013 £000	2012 £000
Net cash inflow/(outflow) from operating activities	19	451	(1,858)
Return on investments and servicing of finance	20	4	2
Capital expenditure	21	2	(199)
Increase/(decrease) in cash in the year	22	457	(2,208)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		1,256	3,312
Net funds at 31 August 2013		1,713	1,104

The notes on pages 23 to 39 form part of these financial statements.

John Taylor High School Academy

Notes to the Financial Statements

for the year ended 31 August 2013

1. Statement of accounting policies

Basis of Accounting

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

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

Going concern

The Governors 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 trust to continue as a going concern. The Governors make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants Receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Sponsorship Income

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

Interest Receivable

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

Other income

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

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

1. Statement of accounting policies (*continued*)

Resources expended

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

- **Cost of generating funds**

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

- **Charitable activities**

These are costs incurred on the trust's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy trust's depreciation policy.

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

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

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

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

1. Statement of accounting policies (*continued*)

Leases

Rentals paid 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency or the Department for Education.

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy trust has not exceeded these limits during the year ended 31 August 2013.

3. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Capital donations	-	49	49	-
Other donations	-	68	68	79
	<u>-</u>	<u>117</u>	<u>117</u>	<u>79</u>

4. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Lettings income	19	-	19	18
Catering income	22	-	22	15
School trips	-	224	224	-
Other income	130	-	130	30
	<u>171</u>	<u>224</u>	<u>395</u>	<u>63</u>

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Bank interest	<u>4</u>	<u>-</u>	<u>4</u>	<u>2</u>

John Taylor High School Academy

Notes to the Financial Statements (continued)

for the year ended 31 August 2013

6. Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
DfE/YPLA capital grant				
Developed Formula Capital allocations	-	29	29	-
Capital Maintenance Grant	-	-	-	311
DfE/EFA revenue grants				
General Annual Grants (GAG) (note 2)	-	6,999	6,999	6,840
Other DfE/EFA grants	-	244	244	55
	-	7,272	7,272	7,206
Other Government grants				
Local Authority grants	-	132	132	71
	-	7,404	7,404	7,277

7. Resources Expended

	Staff Costs £000	Non pay expenditure Premises £000	Other costs £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income	-	49	284	333	-
Academy's educational operations					
- Direct costs	5,308	245	285	5,838	5,585
- Allocated support costs	551	734	469	1,754	1,760
	5,859	1,028	1,038	7,925	7,345
Governance costs including allocated support costs	-	-	15	15	25
	5,859	1,028	1,053	7,940	7,370
Outgoing resources for the year include:				Total 2013 £000	Total 2012 £000
Operating leases				30	30
Fees payable to auditor - audit				9	8
Depreciation on fixed assets				274	252

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

8. Charitable Activities - Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Direct costs				
Teaching and educational support staff costs	-	5,308	5,308	5,160
Depreciation	-	245	245	-
Educational supplies	-	26	26	78
Examination fees	-	149	149	119
Staff development	-	45	45	44
Other direct costs	-	65	65	165
	<u>-</u>	<u>5,838</u>	<u>5,838</u>	<u>5,565</u>
	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Allocated support costs				
Support staff costs	-	551	551	535
Depreciation	-	29	29	252
Recruitment and support	-	44	44	17
Maintenance of premises and equipment	-	380	380	445
Rent and Rates	-	134	134	59
Cleaning	-	130	130	-
Technology costs	-	216	216	147
Catering	-	24	24	21
Security & Transport	-	11	11	-
Interest and charges	-	43	43	47
Other support costs	-	192	192	207
	<u>-</u>	<u>1,754</u>	<u>1,754</u>	<u>1,730</u>
	<u>-</u>	<u>7,592</u>	<u>7,592</u>	<u>7,296</u>

9. Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	3	-	3	14
Auditor's remuneration				
– Audit of financial statements	9	-	9	8
– Responsible officer audit	2	-	2	3
– Other support and services	1	-	1	-
	<u>15</u>	<u>-</u>	<u>15</u>	<u>25</u>

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

10. Staff costs

Staff costs during the year were:

	2013	2012
	£000	£000
Wages and salaries	4,700	4,607
Social security costs	356	345
Pension costs	725	707
	5,781	5,659
Supply teacher costs	72	36
Compensation payments	6	-
	5,859	5,695

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

	2013	2012
	No	No
Charitable activities		
Teachers	97	101
Administration and support	73	75
Management	10	10
	180	186

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

	2013	2012
	No	No
£60,001 – £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £33,490 (2012: £21,181).

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

11. Trustees' Remuneration & Expenses - Related Party Transactions

The Principal and other Governors only receive remuneration in respect of services they provide under the roles of Head teacher and staff members and not in respect of services as Governors. Other Governors' did not receive any payments, other than expenses from the Academy trust in respect of their roles as Governors. The value of Governors' remuneration was as follows:

4 trustees in aggregate of £98,000 (2012: £97,000)

During the year ended 31 August 2013, travel expenses totalling £740 (2012: £nil) were reimbursed to Governors'. Other related party transactions involving the Governors are set out in note 26.

12. Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £1,855 (2012 - £1,540).

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

13. Tangible Fixed Assets

	Leasehold Buildings £000	Furniture and equipment £000	Computer Equipment £000	Total £000
Cost				
At 1 September 2012	12,266	23	105	12,394
Additions	17	10	-	27
Disposals	-	-	-	-
At 31 August 2013	<u>12,283</u>	<u>33</u>	<u>105</u>	<u>12,421</u>
Depreciation				
At 1 September 2012	482	2	19	503
Charged in year	245	3	26	274
Disposals	-	-	-	-
At 31 August 2013	<u>727</u>	<u>5</u>	<u>45</u>	<u>777</u>
Net book values				
At 31 August 2013	<u>11,556</u>	<u>28</u>	<u>60</u>	<u>11,644</u>
At 31 August 2012	<u>11,784</u>	<u>21</u>	<u>86</u>	<u>11,891</u>

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

14. Debtors

	Total 2013 £000	Total 2012 £000
Trade debtors	7	61
Prepayments & accrued income	32	-
Other debtors	37	110
	<u>76</u>	<u>171</u>

15. Creditors: amounts falling due within one year

	Total 2013 £000	Total 2012 £000
Trade creditors	200	181
Taxation and social security	105	111
Other creditors	92	125
Accruals and deferred income	139	70
	<u>536</u>	<u>487</u>

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

16. Funds

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources expended £000	Gains, Losses and Transfers £000	At 31 August 2013 Total £000
Restricted general funds					
General Annual Grant (GAG)	344	6,999	(6,905)	-	438
Other DfE/EFA grants	67	244	(194)	-	117
Local authority	-	132	(132)	-	-
Other restricted funds	14	341	(261)	-	94
	425	7,716	(7,492)	-	649
Pension reserve	(1,267)	-	(86)	58	(1,295)
	(842)	7,716	(7,578)	58	(646)
Restricted fixed asset funds					
DfE/EFA capital grants	539	29	-	(38)	530
Assets donated on conversion	11,353	-	(274)	-	11,079
Restricted donations	35	-	-	-	35
	11,927	29	(274)	(38)	11,644
Total restricted funds	11,085	7,745	(7,852)	20	10,998
Unrestricted funds					
Unrestricted funds	479	175	(88)	38	604
Total unrestricted funds	479	175	(88)	38	604
Total funds	11,564	7,920	(7,940)	58	11,602

Under the funding agreement with the Secretary of State, the Academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Restricted general funds

The General Annual Grant fund balance of £438,000 is the recurrent funding to be used for educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE (see note 2 for further information).

The Other DfE/EFA fund balance of £117,000 is in respect of the income received for Teaching Schools Initiative, of which no expenditure has occurred during the year.

The Pension reserve of £1,295,000 (overdrawn) represents the Academy Trust's share of the deficit in the Staffordshire Pension Fund.

Restricted fixed asset funds

The assets donated on conversion balance of £11,079,000 represents the net book value of inherited fixed assets, principally the freehold land and buildings. These assets are subject to restriction by the Secretary of State whose approval must be sought prior to any sale or purchase.

The Capital Grant fund balance of £530,000 comprises the net book value of assets purchased from DfE/EFA capital grants including Devolved Formula Capital income.

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

17. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,644	11,644
Current assets	604	1,185	-	1,789
Current liabilities	-	(536)	-	(536)
Pension Scheme Liability	-	(1,295)	-	(1,295)
Total net assets	<u>604</u>	<u>(646)</u>	<u>11,644</u>	<u>11,602</u>

18. Financial commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	Total 2013 £000	Total 2012 £000
Other		
Expiring within one year	1	1
Expiring within two and five years inclusive	29	29
Expiring in over five years	-	-
	<u>30</u>	<u>30</u>

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

	Total 2013 £000	Total 2012 £000
Net (deficit)/surplus	(20)	51
Interest received (note 5)	(4)	(2)
Depreciation (note 13)	274	263
Capital grants from DfE and other capital	(29)	(357)
FRS 17 pension cost less contributions payable (note 25)	43	123
FRS 17 pension finance income (note 25)	43	(48)
Decrease/(increase) in debtors	95	(94)
Increase/(decrease) in creditors	49	(1,794)
Net cash inflow/(outflow) from operating activities	<u>451</u>	<u>(1,858)</u>

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

20. Returns on investments and servicing of finance

	Total 2013 £000	Total 2012 £000
Interest received	4	2
Net cash inflow from returns on investment and servicing of finance	<u>4</u>	<u>2</u>

21. Capital expenditure and financial investment

	Total 2013 £000	Total 2012 £000
Purchase of tangible fixed asset	(27)	(556)
Capital grants from DfE/EFA	29	357
Net cash inflow/(outflow) from capital expenditure and financial investment	<u>2</u>	<u>(199)</u>

22. Analysis of changes in net funds

	At 2012 £000	Cash Flows £000	At 2013 £000
Cash in hand	1,256	457	1,713

23. Contingent Liabilities

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

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

- The value at the time of the Academy's site and premises and other assets held for the purpose of the Academy and;
- The extent to which expenditure incurred in providing those assets was met by the Secretary of State under the Funding Agreement.

24. Directors Liability

Each director 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 director, or within one year after he/she ceases to be a director, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a director.

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

25. Pension and similar obligations

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

25. Pension and similar obligations (*continued*)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

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

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial reporting Standard (FRS 17) Retirement Benefits, 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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £188,000 (2012: £201,000), of which employer's contributions totalled £133,000 (2012: £148,000) and employees' contributions totalled £55,000 (2012: £53,000).

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.

Principal Actuarial Assumptions	Total 2013	Total 2012
Rate of increase in salaries	5.1%	4.50%
Rate of increase for pensions in payment/inflation	2.8%	2.20%
Discount rate for scheme liabilities	4.6%	4.10%
Expected return on assets	6.0%	4.90%

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

25. Pension and similar obligations (*continued*)

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

	Total 2013	Total 2012
Retiring today		
Males	21.2	21.2
Females	23.4	23.4
Retiring in 20 years		
Males	23.3	23.3
Females	25.6	25.6

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

	Expected return at 2013 %	Fair value at 2013 £000	Expected return at 2012 %	Fair value at 2012 £000
Equities	6.60%	1,151	5.50%	859
Bonds	4.00%	179	2.80%	147
Property	4.70%	120	3.70%	102
Cash	3.60%	45	2.80%	23
		1,495		1,131
Total market value of assets				
Present value of scheme liabilities				
- Funded		(2,790)		(2,398)
Deficit in the scheme		(1,295)		(1,267)

Amounts recognised in the statement of financial activities

	Expected return at 31 August 2013 £000	Expected return at 31 August 2012 £000
Current service cost (net of employee contribution)	121	123
Total operating charge/(income)	121	123
Analysis of pension finance income/(costs)		
Expected return on pension scheme	(60)	(58)
Interest on pension liabilities	103	105
Pension finance costs	43	47

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £58,000 gain (2012: £262,000 loss).

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

25. Pension and similar obligations (*continued*)

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

	2013 £000	2012 £000
At beginning of the year	2,398	1,834
Current service cost	176	176
Interest cost	103	105
Employee contributions	55	53
Actuarial loss	58	230
At the end of the year	<u>2,790</u>	<u>2,398</u>

Local Government Pension Scheme (*continued*)

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

	2013 £000	2012 £000
At 1 September 2012	1,131	834
Expected return on assets	60	58
Actuarial gain	116	38
Employer contributions	133	148
Employee contributions	55	53
At 31 August 2013	<u>1,495</u>	<u>1,131</u>

The estimated value of employer contributions for the year ended 2014 is £170,000 (2013: £264,000).

The two-year history of experience adjustments is as follows:

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(2,790)	(2,398)
Fair value of share of scheme assets	<u>1,495</u>	<u>1,131</u>
Deficit in the scheme	<u>(1,295)</u>	<u>(1,267)</u>
Experience adjustments on share of scheme assets		
Amount £'000	116	38
%	7.8%	3.4%

26. Related Party Transactions

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

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

John Taylor High School Academy

Notes to the Financial Statements (*continued*)

for the year ended 31 August 2013

26. Related Party Transactions (*continued*)

The Governors received no benefits or remuneration from the school during the year in their capacity as a member of the Governing body. A total of 6 (2012- 6) members of the governing body are employed by the school as teachers and as such received remuneration in this specific role.

Included within trade debtors' is a balance at the year- end of £nil (2012: £46,225) due from John Taylor Charitable Trust and £nil (2012- £nil) due from the John Taylor Parent Teacher Association, there were no other balances or transactions with related parties during the period.

27. School Fund

A summary of the school fund accounts for the year to 31 August 2013 is presented below. The amounts are consolidated within the financial statements of John Taylor High School Academy.

	Year Ended 31 August 2013 £000	Year ended 31 August 2012 £000
INCOME AND EXPENDITURE		
Income	247	242
Expenditure	(239)	(233)
Surplus for the year to 31 August 2013	8	9
BALANCE SHEET		
Debtors and prepayments	11	4
Cash at bank and in hand	163	162
Accruals and deferred income	(1)	(1)
Net assets at 31 August 2013	173	165
Retained funds	165	156
Surplus/(deficit) for the year	8	9
School fund balance at 31 August 2013	173	165