

Company Registration No. 07835950 (England and Wales)

**ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A
CATHOLIC ACADEMY (BISHOP AUCKLAND)**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the accounts	24 - 41

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

R Bowron
W Brown *
A Byrne
M Cantwell *
M Dunn
P Giblin
R Hall
J Harwood *
M Maguire
S McMullan (Chair of Trustees) *
A Smith
A Stephenson
Rev D Tindall
M Weetman
M Wood
G Moran (Accounting Officer) *
A Greensitt (Finance Director) *
Rev M Whalen

* members of the Finance and General purposes committee

Senior management team

- Headteacher	G Moran
- Head of School	L Ledwith - Byron
- Deputy Headteacher	C Parker
- Leadership Team	M Dunn
- Director of Finance	A Greensitt
- Leadership Team	S MacDermott
- Leadership Team	J Mackenley
- Leadership Team	G McIntyre
- Leadership Team	C Pullen
- Leadership Team	P Watson

Company secretary

V Howard

Company registration number

07835950 (England and Wales)

Registered office

Woodhouse Lane
Bishop Auckland
County Durham
DL14 6JT

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Evolution Business and Tax Advisors LLP
10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
2nd Floor
Skinnergate
Darlington
County Durham
DL3 7ND

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

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

The trust operates an academy for students aged 11 to 19 serving a catchment area in Bishop Auckland County Durham and the surrounding areas. St John's School and Sixth Form College is an inclusive school serving the communities, including Catholic parishes, of South West Durham. There are 1332 students on roll of which 273 are in sixth form. (Y7 210, Y8 223, Y9 210, Y10 216, Y11 200, Y12 159, Y13 114). We have a teacher/student ratio of 1 to 13.18 (based on current figures). With a large and diverse catchment area, the intake covers the full spectrum of socio-economic backgrounds including some of the most deprived wards in the country. Currently 27.2% of students have been eligible for FSM in the last 6 years and 13.58% of the whole school are Pupil Premium.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of St John's School & Sixth Form College a Catholic Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as St John's School & Sixth Form College a Catholic Academy. Details of the trustees who served during the year are included in the Reference and Administration details on page 1.

Members' liability

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

Trustees' indemnities

Every Governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability of negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Method of recruitment and appointment or election of trustees

The Diocesan Bishop may appoint 12 Foundation Governors four of which will be eligible for election or appointment as Parent Governors. The Governing Body may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Headteacher shall be treated for all purposes as being the ex officio Governor.

The Parent Governors shall be elected by parents of registered students at the Academy. A Parent Governor must be a parent of a student at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered student at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The Staff Governors shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Staff Governors, any election of Staff Governors which is contested shall be held by secret ballot.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

The Governors shall each school year, at their first meeting in that year, elect a Chairperson and a Vice-Chairperson from among their number. A Governor who is employed (e.g. Staff Governor) by the Academy Trust shall not be eligible for election as chairperson or vice chairperson.

Policies and procedures adopted for the induction and training of trustees

The Academy Trust is provided with support from the School and Governor Support Service with the LA in the form of a Service Level Agreement. The provision of individual and full Governing Body training is provided through an annual LA course directory which is reviewed each year to reflect any changes in practice and legislation.

In addition internal training sessions are organised for Governors to keep them abreast of current educational issues.

1. New Appraisal System
2. Development of Post-16 education
3. Raise Online
4. New OFSTED Framework
5. Learning Improvement Priorities – Updates from Leadership Team
6. Subject Presentations by Heads of Department
7. Enrichment opportunities delivered by relevant staff
8. Leadership team Governor link meetings

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

Academy Trust Annual General Meeting must be held every year and be called as such, not more than 15 months shall elapse between the date of one AGM and that of the next. The Academy Trust members will also hold a termly meeting. The Academy's Senior Leadership Team controls the Academy and is responsible for implementing policy and reporting to Governors. Appropriate tasks such as budgetary control and certain spending are delegated in accordance with the establishment internal controls. The Head Teacher is the accounting officer for the Academy.

Connected organisations including related party relationships

The Academy does not work in federation with any other organisation. However, informal relationships with other schools, universities, ITT providers and businesses exist where these partnerships assist in the achievement of Academy objectives. The Hexham & Newcastle Catholic Partnership (HNCP) has provided services to St John's School and Sixth Form College in the year from 1 September 2013 to 31 August 2014. As an academy trust, St John's School and Sixth Form College must comply with the Academies Financial Handbook issued by the Education Funding Agency (EFA). There is no element of profit in the services that HNCP has provided to St John's School and Sixth Form College.

Objectives and activities

Objects and aims

The principal objectives and activity of the charitable trust is the operation of the Academy at Bishop Auckland to provide education for students between the ages of 11-19.

Objectives, strategies and activities

The Academy's admissions code has Governor approval. The Academy has a rolling programme of self-evaluation and this is summarised in the Academy SEF. St John's Academy aims to raise standards in this area of Durham by raising aspirations to engage in further and higher education courses, appropriate vocational and work related learning. We deliver a wide range of sixth form courses that deliver these aims and have solid progression routes from age 11 through to 19 regardless of at what point students join us. Since 2011 the Head Teacher, has been an NLE and St John's is a National Support School. 5 members of our staff are SLEs and we are currently supporting a significant number of schools with Leadership training, Teaching & Learning, Maths, English, ICT and MFL.

Public benefit

We have referred to the guidance contained in the Charity Commission's General Guidance on public benefit when reviewing our aims and objectives and in planning future activities. 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 students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

KS4

St John's has recorded sustained improvement in KS4 performance over a 10 year period. 2014's GCSE results continue to reflect significantly positive outcomes for students. With 72% 5ACEM, Year 11 have achieved results significantly above national average. Levels of progress in English and Maths were also significantly above national average. Attainment of disadvantaged students was significantly higher than similar students nationally and was in line with 'advantaged' students nationally. Capped point scores in 2014 are in line with 2013 (348 compared with 359 the year before). An increase in the English Baccalaureate grades means that nearly a third of students are now achieving it. This reflects a positive change in our curriculum provision for middle and high attaining students. With almost half of students now achieving a good modern language grade, the effort put into raising the profile and attainment in MFL is paying off in the results.

KS5

St John's Sixth Form has continued to deliver high standard of attainment in the 2014 results. Both academic and vocational students were well served, ensuring they were all able to move on to purposeful higher education, work based training or employment. With a quarter of all grades being A* or equivalent and over a half of all grades being A* to B, the sixth form continues to provide good value for money.

Key performance indicators

Students have excellent educational experiences as all staff have the highest expectations and aspirations for all. Creative approaches to teaching and learning with student focussed lessons are regularly observed and calendared work scrutinise checks that the students are challenged in their learning to ensure good or better than expected progress. Lessons are well planned, resourced and confidently delivered in all subject areas. Behaviour in lessons is never less than good and frequently outstanding.

In the vast majority of lessons students display high levels of engagement and commitment. The majority of students take pride in their work and in the best lessons students' are fully aware of staff expectations. Staff are responding to feedback and developing their own teaching via internal and external CPD to continually improve their everyday practice. Intervention for targeted groups is well planned and organised via progress data. This has resulted in students making at least expected progress, meeting or exceeding their target levels and grades.

Appropriate assessment methods are at the core of planning and the lesson plan pro-forma has been designed to encourage this. Teacher, self and peer assessment is commonly observed. Teaching strategies include activities for all styles of learners and this ensures all groups make appropriate progress. Questioning strategies and students acting on feedback have been development foci for the school and observations demonstrate that this is having an impact in all subject areas. Staff are following the whole school marking policy to offer feedback to students on a regular basis, progress is evident in students' books. There is a consistent approach to marking and students have a clear understanding of what is expected and how to address improvements in their work.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Leaders at all levels in the school are highly ambitious for our students and are excellent role models, leading by example. We have a 'relentless focus' on improving Teaching and Learning with regular lesson observations, calendared work scrutinies and weekly CPD which is tailored to support staff's development in line with their roles and career expectations. Areas for development are identified and addressed through the appraisal system with appropriate and focused support/training provided. The Leadership Team works closely with HODs and HOYs in their challenge and support of Teaching and Learning to quality-assure the process. Teaching is at least consistently good with an increasing number of lessons judged as outstanding. Since our last Ofsted, we have established a vibrant Teaching and Learning group which explores 'highly positive experiences and rich opportunities' for high quality learning, disseminating to other staff and sharing excellent practice during regular CPD sessions.

The school's curriculum covers a wide range of subjects and provides opportunities for academic, vocational, and sporting excellence, which have a very positive impact on our students' behaviour, well-being and SMSC development. Students have excellent educational experiences during their time at St John's and the support and guidance they receive ensure that they are well-equipped for the next stage of their education, training or employment. With a highly effective Student Welfare team we are skilled at identifying any child at risk and are able to engage with relevant specialist partners to respond efficiently and appropriately to the issue.

Going concern

After making appropriate enquiries, the board of trustees 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.

Financial review

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

- The Director of Finance (Principal Officer)
- The work of the Responsible Officer
- The work of the external auditor
- The work of the managers and finance team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework
- The support from AVEC

The majority of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown in restricted funds in the SOFA for the period 31 August 2014.

Our cash resources and budget for 2014/15 indicate that we expect our day-to-day activities to be adequately funded by income from all sources.

The Academies new Financial Manual was presented to Governors on 18th June 2014. This document sets out key financial responsibilities and policies including delegation of spending and virement limits, capitalisation limits, purchasing procedures including procurement regulations and systems of internal control.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Reserves policy

The Academy has held £260,000 in reserves for the purpose of;

- The risk of unforeseen emergency or other unexpected need for funds
- Capital investment programmes (3G football pitch to start work in September 2014)
- Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, maternity etc.
- It is intended that the Governors will review the reserve levels of the Academy annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.
- The level of unrestricted reserves at the end of the period ending 31st August 2014 was £499,040.

Investment policy and powers

The level of interest paid in the investment of £200,000 was 1.9%. Once the capital investment has been completed the remaining reserves will be re-invested after consideration and investigation by the Governing Body.

Principal risks and uncertainties

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.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The principal risks and uncertainties at the moment undoubtedly arise from the rapid pace of change in the educational landscapes arising from the change in government policies. In curricular terms we have adopted a working brief and are ensuring we respond quickly and flexibly. The largest concern arises from discussion of a national funding formula as all schools are unclear as to how this would impact financially. Some of the Principal Risks that are regularly monitored by the Academy are;

- Drop in student numbers key stage three and four
- Decrease in sixth form students (16-19 allocation)
- Any reduction in Academy funding such as pupil led factors, Minimum Funding Guarantee (MFG), Educational Services Grant
- Additional insurance costs
- Any other exceptional factors

Financial and Risk Management Objectives and Policies

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecast and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performances
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks
- Cash flow, bank balances and trade creditors are constantly monitored.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Plans for future periods

These are included in detail within the "Academy SEF and LIP plan", which is publically available.

The development plan includes;

- Fixed Curriculum to maximise learning opportunities during lunchtime enrichment
- Improved accessibility to learning outside of the classroom
- LT link meetings with HODs to discuss student progress of target groups (MAT, SEN, FM etc)
- LT and HODs' review of SOWs to monitor use and effectiveness of homework and independent learning strategies. Staff CPD to share best practice.
- Whole school approach to "Thinking Skills" curriculum through enrichment sessions.
- SENDCO leading in the implementation of SEND reforms to ensure the maximum benefit to identified students
- Aspiring Middle and Senior Leaders' development through bespoke programmes; staff to facilitate support programmes in other schools.
- Launch of Leadership Academy for students
- Introduction of PREP to focus students on organization for learning
- Key focus for lesson observations at all Key Stages - "stretch and challenge"
- Further investigate the link between Ever6 and Capernaum referrals
- Introduction of PREP to support students' organization and preparation for learning
- Delivery of day and residential retreats to support students' spiritual and emotional well being
- Review and revise the impact of thinking skills curriculum on social interaction and communication skills.
- Develop pastoral resources to be delivered through enrichment, including e-Safety and Alcohol Awareness.
- Implementation of the Haggrid Project for a targeted group of students with identified SEN/emotional needs
- Review effective T&L strategies across curriculum, disseminating best practice through CPD
- Students immersed in the life of the school through wider learning opportunities.
- Developing opportunities to develop students' attitudes to learning
- After-school enrichment to be monitored, evaluated by student voice
- Increased inter-house activities across subjects
- Implement a series of Masterclasses / External Speakers / Alumni across variety of subjects, expand concepts such as iPad usage in classrooms.
- Identify CPD needs for staff based on role and career point
- Prepare and disseminate a core and choice CPD programme tailored to staff needs
 1. Core based on role/career point/appraisal
 2. Choice based on interest/future career opportunities
- Deliver in-house CPD programme throughout the academic year, utilising our staff as our best resource and identifying future leaders to build on capacity to improve
- Monitoring and supporting students accessing alternative provision off site including GAP, Stepping Stones and the Green School.
- Staff training plus resources to ensure consistent delivery of numeracy across the curriculum (1 twilight session)
- Accelerated reading programme to continue for Year 7 and 8 students (3x per week - enrichment) plus 1 hour reading lesson per week for all Year 7 students. Reading programme for both year groups to begin October 2013
- Intensive support for targeted Year 9 students who have not achieved their chronological reading age
- Additional literacy staff training for all subjects to support staff with SPAG (spelling, punctuation and grammar) requirements in their specifications
- Recognise and share good practice in developing skills in reading, writing, communication and mathematics (staff development)
- Explore funding opportunities to continue utilising external speakers/artists/organisations for literacy and numeracy enhancement/enrichment.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Funds held as custodian trustee on behalf of others

The Academy and its Trustees act as Custodian for the Trustees of The Peru Mission Company, Registered Charity Number 7876043 registered Charity 1145812). All financial dealings are separate from that of the Academy Trust.

Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees 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.

After a presentation and tenders from five audit companies the current auditors (Evolution) were appointed for a further four years.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2014 and signed on its behalf by:



S McMullan

Chair of Trustees

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St John's School & Sixth Form College A Catholic 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 Trustees has delegated the day-to-day responsibility to the Headteacher, 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 School & Sixth Form College a Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors'/ 'Trustees' responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
R Bowron	0	4
W Brown	2	4
A Byrne	4	4
M Cantwell	1	4
M Dunn	3	4
P Giblin	0	4
R Hall	4	4
J Harwood	4	4
M Maguire	3	3
S McMullan (Chair of Trustees)	4	4
A Smith	4	4
A Stephenson	3	4
Rev D Tindall	2	4
M Weetman	2	4
M Wood	3	4
G Moran (Accounting Officer)	4	4
A Greensitt (Finance Director)	0	0
Rev M Whalen	1	1

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

There have been no key changes in the composition of the board of trustees.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. It has dealt with;

- All matters received relating to the financial aspects of the Academy, including approval of internal financial procedures, financial regulations manual, purchasing and procurement including limits for tendering
- Keeping under review and advising the Governing Body as necessary on the arrangements for efficient control and management of the Academy's financial affairs, and on the financial status of the Academy
- Considered annual estimates of income and expenditure, including the provisions for capital expenditure, prepared by the Assistant Headteacher with responsibility of finance, and make recommendations to the Governing Body.
- Liaised with the Community & Premises Committee on action to secure the future well-being and physical development of the Academy's assets
- Approved on behalf of the Governing Body the contractual arrangements for capital building projects and monitor the progress of these projects, in particular the process for the changing room alterations and the proposed new 3G football facilities.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
W Brown	2	4
M Cantwell	1	4
J Harwood	4	4
S McMullan (Chair of Trustees)	4	4
G Moran (Accounting Officer)	3	4
A Greensitt (Finance Director)	4	4

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St John's School & Sixth Form College a Catholic Academy Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and general purposes 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Evolution LLP, the external auditor, to perform additional checks.

The Auditor's and the Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor/R.O. reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The visit of the external auditor has not found any material control issues and the recommendations they have made have been implemented.

Review of effectiveness

The Accounting Officer's is responsible for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

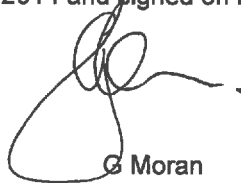
- The work of the external auditor;
- The work of the Director of Finance and the finance team within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- The Responsible Officer (from Evolution Accountants)
- The external auditors.

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

Approved by order of the board of trustees on 10 December 2014 and signed on its behalf by:



**S McMullan
Chair of Trustees**



**G Moran
Accounting Officer**

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

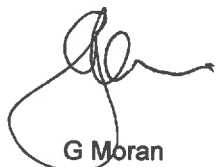
FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of St John's School & Sixth Form College a Catholic Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 10 December 2014 and signed by:



G Moran
Accounting Officer

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of St John's School & Sixth Form College a Catholic Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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 trustees are required to:

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 10 December 2014 and signed on its behalf by:



S McMullan
Chair of Trustees

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

We have audited the accounts of St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) for the year ended 31 August 2014 set out on pages 21 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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 its 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 Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A
CATHOLIC ACADEMY (BISHOP AUCKLAND)**


INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE MEMBERS OF ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE,
A CATHOLIC ACADEMY (BISHOP AUCKLAND)**

Matters on which we are required to report by exception

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

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



Ian Whitfield BA FCA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Dated: 10 December 2014

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) during the period 1 September 2013 to 31 August 2014 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 Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) 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 Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) 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 Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland)'s funding agreement with the Secretary of State for Education dated 28 November 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. 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 period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 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 trust's income and expenditure.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of termly Internal Assurance reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of payroll, purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases and other agreements
- review of register of business interests and consideration of related party transactions

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 period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 10 December 2014

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	169	-	-	169	433,316
- Activities for generating funds	3	656,989	-	-	656,989	567,227
- Investment income	4	5,004	-	-	5,004	1,193
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	56,453	7,295,286	27,186	7,378,925	8,226,845
Total incoming resources		718,615	7,295,286	27,186	8,041,087	9,228,581
Resources expended						
<i>Costs of generating funds</i>						
- Fundraising trading	6	609,802	-	-	609,802	697,727
<i>Charitable activities</i>						
- Educational operations	7	47,827	7,400,193	154,864	7,602,884	7,512,625
Governance costs	8	-	166,411	-	166,411	78,384
Total resources expended	6	657,629	7,566,604	154,864	8,379,097	8,288,736
Net incoming/(outgoing) resources before transfers		60,986	(271,318)	(127,678)	(338,010)	939,845
Gross transfers between funds		-	(42,930)	42,930	-	-
Net income/(expenditure) for the year		60,986	(314,248)	(84,748)	(338,010)	939,845
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	216,000	-	216,000	20,000
Net movement in funds		60,986	(98,248)	(84,748)	(122,010)	959,845
Fund balances at 1 September 2013		428,560	(1,189,207)	1,634,054	873,407	(86,438)
Fund balances at 31 August 2014		489,546	(1,287,455)	1,549,306	751,397	873,407

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	11		1,549,306		1,591,038
Current assets					
Stocks	12	7,894		-	
Debtors	13	121,035		247,934	
Cash at bank and in hand		785,518		850,808	
		914,447		1,098,742	
Creditors: amounts falling due within one year	14	(556,356)		(514,373)	
Net current assets			358,091		584,369
Total assets less current liabilities			1,907,397		2,175,407
Defined benefit pension liability	18		(1,156,000)		(1,302,000)
Net assets			751,397		873,407
Funds of the academy trust:					
Restricted income funds	16				
- Fixed asset funds			1,549,306		1,634,054
- General funds			(131,455)		112,793
- Pension reserve			(1,156,000)		(1,302,000)
Total restricted funds			261,851		444,847
Unrestricted funds	16		489,546		428,560
Total funds			751,397		873,407

The accounts were approved by order of the board of trustees and authorised for issue on 10 December 2014.

S McMullan
Chair of Trustees

Company Number 07835950



**ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A
CATHOLIC ACADEMY (BISHOP AUCKLAND)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	19	15,652	268,219
Returns on investments and servicing of finance			
Investment income	5,004	1,193	
Net cash inflow/(outflow) from returns on investments and servicing of finance		5,004	1,193
		20,656	269,412
Capital expenditure and financial investments			
Capital grants received	27,186	744,606	
Payments to acquire tangible fixed assets	(113,132)	(916,210)	
Net cash flow from capital activities		(85,946)	(171,604)
Increase/(decrease) in cash	20	(65,290)	97,808

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts 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.

1.2 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

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 is certainty of receipt and the value of the donation is measurable.

1.3 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.

All resources expended are inclusive of irrecoverable VAT.

1.4 Tangible fixed assets and depreciation

Assets costing £1,000 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 life, as follows:

Land and buildings	50 years straight line
Fixtures, fittings and equipment	7 years straight line
Motor vehicles	7 years straight line

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.6 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.

1.7 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 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 quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy 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 are recognised as they are paid each year.

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

**ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A
CATHOLIC ACADEMY (BISHOP AUCKLAND)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	169	-	169	433,316
	<u>169</u>	<u>-</u>	<u>169</u>	<u>433,316</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	12,302	-	12,302	6,532
Catering income	317,499	-	317,499	274,443
School trips	221,827	-	221,827	173,575
Other income	105,361	-	105,361	112,677
	<u>656,989</u>	<u>-</u>	<u>656,989</u>	<u>567,227</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	5,004	-	5,004	1,193
	<u>5,004</u>	<u>-</u>	<u>5,004</u>	<u>1,193</u>

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE / EFA grants				
General annual grant (GAG)	-	7,006,834	7,006,834	7,046,761
Capital grants	-	27,186	27,186	744,606
Other DfE / EFA grants	-	294,224	294,224	238,783
	-	7,328,244	7,328,244	8,030,150
Other government grants				
Local authority grants	-	(5,772)	(5,772)	64,340
Other funds				
Other incoming resources	56,453	-	56,453	132,355
Total funding	56,453	7,322,472	7,378,925	8,226,845

All resources expended are inclusive of irrecoverable VAT.

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
- Direct costs	5,249,724	-	489,570	5,739,294	5,601,130
- Allocated support costs	1,050,137	269,303	544,150	1,863,590	1,911,495
	6,299,861	269,303	1,033,720	7,602,884	7,512,625
Other expenditure					
Costs of activities for generating funds	52,403	-	557,399	609,802	697,727
Governance costs	-	-	166,411	166,411	78,384
	52,403	-	723,810	776,213	776,111
Total expenditure	6,352,264	269,303	1,757,530	8,379,097	8,288,736

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended		(Continued)		
Incoming/outgoing resources for the year include:		2014	2013	
		£	£	
Operating leases				
- Plant and machinery		45,846	28,270	
Fees payable to auditor				
- Audit		6,500	5,000	
- Other non-audit fees		7,598	6,850	
7 Charitable activities				
	Unrestricted funds	Restricted funds	Total	Total
	£	£	2014	2013
			£	£
Direct costs				
Teaching and educational support staff costs	16,166	5,222,117	5,238,283	5,091,672
Technology costs	-	34,953	34,953	62,257
Educational supplies and services	6,497	172,716	179,213	207,571
Examination fees	-	142,886	142,886	181,960
Staff development	-	11,441	11,441	22,542
Other direct costs	-	132,518	132,518	35,128
	22,663	5,716,631	5,739,294	5,601,130
Allocated support costs				
Support staff costs	25,164	1,024,973	1,050,137	768,726
Depreciation	-	154,864	154,864	126,733
Technology costs	-	19,877	19,877	-
Recruitment and support	-	15,740	15,740	11,427
Maintenance of premises and equipment	-	114,439	114,439	297,231
Cleaning	-	19,298	19,298	9,461
Energy costs	-	167,302	167,302	137,258
Rent and rates	-	63,050	63,050	68,424
Insurance	-	63,369	63,369	61,673
Security and transport	-	4,081	4,081	53,925
Catering	-	700	700	11,177
Interest and finance costs	-	43,000	43,000	45,000
Other support costs	-	147,733	147,733	320,460
	25,164	1,838,426	1,863,590	1,911,495
Total costs				
	47,827	7,555,057	7,602,884	7,512,625

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	152,313	152,313	66,534
Auditor's remuneration				
- Audit of financial statements	-	6,500	6,500	5,000
- Other non-audit fees	-	7,598	7,598	6,850
	-	166,411	166,411	78,384

9 Staff costs

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

	2014 Number	2013 Number
Teachers	95	86
Administration and support	59	74
Management	11	11
	165	171

Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	5,150,454	4,899,704
Social security costs	391,559	380,792
Other pension costs	747,630	687,249
	6,289,643	5,967,745
Supply teacher costs	51,180	73,169
Staff development and other staff costs	11,441	22,542
Total staff costs	6,352,264	6,063,456

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£110,001 - £120,000	1	1

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	6	4
	£	61,428	42,794
Local Government Pension Scheme	Numbers	-	-
	£	-	-

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were paid to trustees (2013: nil).

The value of trustees' remuneration was as follows:

G Moran (Headteacher and trustee) £105,001 - £110,000 (2013: £105,001 - £110,000)

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees 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 2014 was £2,500 (2013: £2,500).

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2013	923,246	841,812	42,665	1,807,723
Additions	47,632	65,500	-	113,132
At 31 August 2014	970,878	907,312	42,665	1,920,855
Depreciation				
At 1 September 2013	5,022	201,493	10,170	216,685
Charge for the year	18,854	129,914	6,096	154,864
At 31 August 2014	23,876	331,407	16,266	371,549
Net book value				
At 31 August 2014	947,002	575,905	26,399	1,549,306
At 31 August 2013	918,224	640,319	32,495	1,591,038

12 Stocks

	2014 £	2013 £
School uniform	3,006	-
Catering stock	4,888	-
	7,894	-

13 Debtors

	2014 £	2013 £
Trade debtors	8,696	12,847
VAT recoverable	22,010	92,007
Other debtors	6	-
Prepayments and accrued income	90,323	143,080
	121,035	247,934

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

14 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	114,855	108,229
Taxes and social security costs	116,806	115,116
Other creditors	97,815	93,779
Accruals	200,390	86,300
Deferred income	26,490	110,949
	<u>556,356</u>	<u>514,373</u>
15 Deferred income	2014	2013
	£	£
Deferred income is included within:		
Creditors due within one year	<u>26,490</u>	<u>110,949</u>
Total deferred income at 1 September 2013	110,949	87,000
Amounts credited to the statement of financial activities	(110,949)	(87,000)
Amounts deferred in the year	<u>26,490</u>	<u>110,949</u>
Total deferred income at 31 August 2014	<u>26,490</u>	<u>110,949</u>

At the balance sheet date the academy trust was holding funds received in advance for rates funding and trips taking place in the next financial year.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
Restricted general funds					
General Annual Grant	112,793	7,006,834	(7,219,548)	(42,930)	(142,851)
Other DfE / EFA grants	-	294,224	(277,056)	-	17,168
Other government grants	-	(5,772)	-	-	(5,772)
	<u>112,793</u>	<u>7,295,286</u>	<u>(7,496,604)</u>	<u>(42,930)</u>	<u>(131,455)</u>
Funds excluding pensions	112,793	7,295,286	(7,496,604)	(42,930)	(131,455)
Pension reserve	(1,302,000)	-	(70,000)	216,000	(1,156,000)
	<u>(1,189,207)</u>	<u>7,295,286</u>	<u>(7,566,604)</u>	<u>173,070</u>	<u>(1,287,455)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	644,237	27,186	(12,471)	(27,186)	631,766
Inherited fixed asset fund	600,750	-	(114,429)	-	486,321
Capital expenditure from GAG or other funds	389,067	-	(27,964)	70,116	431,219
	<u>1,634,054</u>	<u>27,186</u>	<u>(154,864)</u>	<u>42,930</u>	<u>1,549,306</u>
Total restricted funds	<u>444,847</u>	<u>7,322,472</u>	<u>(7,721,468)</u>	<u>216,000</u>	<u>261,851</u>
Unrestricted funds					
General funds	428,560	718,615	(657,629)	-	489,546
Total funds	<u>873,407</u>	<u>8,041,087</u>	<u>(8,379,097)</u>	<u>216,000</u>	<u>751,397</u>

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE/EFA grants include Pupil Premium targeted at disadvantaged pupils, Bursary income and year 7 catch up funding.

Other government grants include funding for pupils with special educational needs.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The transfers between funds represent capital expenditure from the GAG and unrestricted funds during the year and expenditure funded by capital grants that is classified as revenue expenditure for accounting purposes.

Devolved capital grant has been received for capital expenditure during the year. CONSIDER DFC B/ FWD.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

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

The academy's restricted general and unrestricted funds were £XXXXXX as at 31 August 2014.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	1,549,306	1,549,306
Current assets	504,363	410,084	-	914,447
Creditors: amounts falling due within one year	(14,817)	(541,539)	-	(556,356)
Defined benefit pension liability	-	(1,156,000)	-	(1,156,000)
	<u>489,546</u>	<u>(1,287,455)</u>	<u>1,549,306</u>	<u>751,397</u>

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £97,161 (2013: £92,349) were payable to the schemes at 31 August 2014 and are included within creditors.

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.

The Teachers' Pensions Regulations require an annual 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

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

The key provisions of the reformed scheme include: a pension based on career average earnings; an 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. 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 up to three and a half years 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 have been phased in since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken 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 trust 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 contributions are as noted below. The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £173,000.

As the LGPS is in deficit, the academy has agreed to make additional contributions over an year period. The additional amount payable in the year ended 31 August 2015 will be £31,700.

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.

	2014 £	2013 £
Employer's contributions	184,000	204,000
Employees' contributions	63,000	50,000
Total contributions	247,000	254,000

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.6	4.7
Rate of increase for pensions in payment	2.1	2.8
Discount rate for scheme liabilities	3.7	4.5
Inflation assumption (CPI)	2.1	2.8

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

	2014 Years	2013 Years
Retiring today		
- Males	22.5	22.1
- Females	25.0	24.3
Retiring in 20 years		
- Males	24.7	23.9
- Females	27.3	26.2

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7.5	837,094	7.9	606,021
Government bonds	2.9	392,860	3.4	318,360
Corporate bonds	3.3	129,946	4.1	106,878
Cash	1.1	51,374	0.9	26,151
Property	6.8	99,726	7.4	79,590
Other assets	7.5	-	7.9	-
Total market value of assets		1,511,000		1,137,000
Present value of scheme liabilities - funded		(2,667,000)		(2,439,000)
Net pension asset / (liability)		(1,156,000)		(1,302,000)

A building block approach is used to determine the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at the accounting date.

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(72,000)	(48,000)
Interest on pension liabilities	115,000	93,000
	<u>43,000</u>	<u>45,000</u>
Other expenditure/(income)		
Current service cost	211,000	181,000
Past service cost	-	-
	<u>211,000</u>	<u>181,000</u>
Total operating charge/(income)	<u>254,000</u>	<u>226,000</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	(80,000)	(37,000)
Experience (gains)/losses on liabilities	(136,000)	17,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	<u>(216,000)</u>	<u>(20,000)</u>
Cumulative (gains)/losses to date	<u>(236,000)</u>	<u>(20,000)</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(2,439,000)	(2,101,000)
Current service cost	(211,000)	(181,000)
Interest cost	(115,000)	(93,000)
Contributions by employees	(63,000)	(50,000)
Actuarial gains/(losses)	136,000	(17,000)
Benefits paid	25,000	3,000
	<u>(2,667,000)</u>	<u>(2,439,000)</u>

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

18 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	1,137,000	801,000
Expected return on assets	72,000	48,000
Actuarial gains/(losses)	80,000	37,000
Contributions by employers	184,000	204,000
Contributions by employees	63,000	50,000
Benefits paid	(25,000)	(3,000)
	<u>1,511,000</u>	<u>1,137,000</u>

History of experience gains and losses:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(2,667,000)	(2,439,000)	(2,101,000)
Fair value of share of scheme assets	<u>1,511,000</u>	<u>1,137,000</u>	<u>801,000</u>
Surplus / (deficit)	<u>(1,156,000)</u>	<u>(1,302,000)</u>	<u>(1,300,000)</u>
Experience adjustment on scheme liabilities	136,000	(17,000)	(267,000)
Experience adjustment on scheme assets	<u>80,000</u>	<u>37,000</u>	<u>12,000</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	(338,010)	939,845
Capital grants and similar income	(27,186)	(744,606)
Investment income	(5,004)	(1,193)
FRS17 pension costs less contributions payable	27,000	(23,000)
FRS17 pension finance income	43,000	45,000
Depreciation of tangible fixed assets	154,864	126,733
(Increase)/decrease in stocks	(7,894)	-
(Increase)/decrease in debtors	126,899	146,067
Increase/(decrease) in creditors	<u>41,983</u>	<u>(220,627)</u>
Net cash inflow/(outflow) from operating activities	<u>15,652</u>	<u>268,219</u>

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

20	Reconciliation of net cash flow to movement in net funds	2014 £	2013 £
	Increase/(decrease) in cash	(65,290)	97,808
	Net funds at 1 September 2013	850,808	753,000
	Net funds at 31 August 2014	785,518	850,808

21	Analysis of net funds	At 1 September 2013 £	Cash flows £	Non-cash changes £	At 31 August 2014 £
	Cash at bank and in hand	850,808	(65,290)	-	785,518

22 Commitments under operating leases

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

	2014 £	2013 £
Expiry date:		
- Between two and five years	45,846	28,270

23 Related parties

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

Hexham & Newcastle Partnership - a company in which G Moran (headteacher) is a director:

- The trust purchased student activities for pupils and continuous professional development events for teachers from Hexham & Newcastle Partnership totalling £16,730 during the year. There were no amounts outstanding at 31 August 2014.
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which G Moran neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

The trust made sales for private use of the minibus to G Moran (Headteacher) totalling £95 (2013: £nil) during the year. The amount of £95 was still outstanding at the year end (2013: £nil).

ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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