

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 2016

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Bishop	S Cunningham
- Diocesan Director of Education	J Hughes
- Chair (resigned 22 September 2016)	J McMullan
- Chair (from 22 September 2016)	A Byrne

Trustees

A Byrne (Chair of Trustees)
M Cantwell
P Giblin (Resigned 1 February 2016)
R Hall
J Harwood (Resigned 1 September 2015)
J McMullan
A Smith
Rev D Tindall
M Weetman
M Wood
Rev M Whalen
L Byron-Ledwith (Accounting Officer) (Appointed 1 September 2015)
A Gregory (Appointed 5 October 2016)
D Hart (Appointed 12 October 2016)
G O'Hehir (Appointed 1 April 2016)
J Thompson (Appointed 5 October 2016)
A Wake (Appointed 1 April 2016)

Senior management team

- Headteacher	L Byron-Ledwith
- Deputy Headteacher	C Parker
- Leadership Team	M Dunn
- Leadership Team	A Greensitt (Left 11/01/2016)
- Leadership Team	S MacDermott
- Leadership Team	J Mackenley
- Leadership Team	G McIntyre
- Leadership Team	C Pullen
- Leadership Team	P Watson
- Chief Financial Officer	A Hill

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

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
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 2016

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. 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 Catholic School and Sixth Form College – A Catholic Academy (Bishop Auckland) is an inclusive school serving the communities, including Catholic parishes, of South West Durham.

There are 1344 students on roll of which 252 are in sixth form. (Y7 235, Y8 219, Y9 216 Y10 211, Y11 211, Y12 130, Y13 122). The academy has a teacher/student ratio of 1 to 14.14 (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 21.97% of students have been eligible for FSM in the last 6 years (240 students) and 257 students (23.5%) of Years 7 – 11 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 Catholic School & Sixth Form College – A Catholic Academy (Bishop Auckland) are also the directors of the charitable company for the purposes of company law. The charitable company is known as St John's Catholic School & Sixth Form College - A Catholic Academy (Bishop Auckland). 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

The academy has joined the RPA (Risk Protection Arrangement) which protects trustees from claims arising from errors or omissions occurring while on academy business.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of trustees

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

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

The Staff Trustees are 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 Board of Trustees make all necessary arrangements for, and determine all other matters relating to, an election of Staff Trustees, any election of Staff Trustees which is contested shall be held by secret ballot.

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

At the first meeting of the academic year the Trustees elect a Chairperson and a Vice-Chairperson from among their number. Elections of the Chair and Vice Chair took place on 10 September 2015. A Trustee who is employed (e.g. Staff Trustee) by the Academy Trust is not 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 strategic governance support and training from Avec Partnership. Trustees are also able to access training sessions provided by Durham LA.

In addition, internal training sessions are organised by the Leadership Team to support Trustees in their role and to keep them abreast of current educational issues such as:

- Role of Trustee in a Multi-Academy Trust
- Development of Teaching & Learning and Work Scrutiny feedback
- Raise Online
- New OFSTED Framework
- Learning Improvement Priorities – Updates from Leadership Team at Trustees' sub-committees
- Development of Post-16 education
- Enrichment opportunities delivered by relevant staff
- Leadership team / Trustee 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 2016

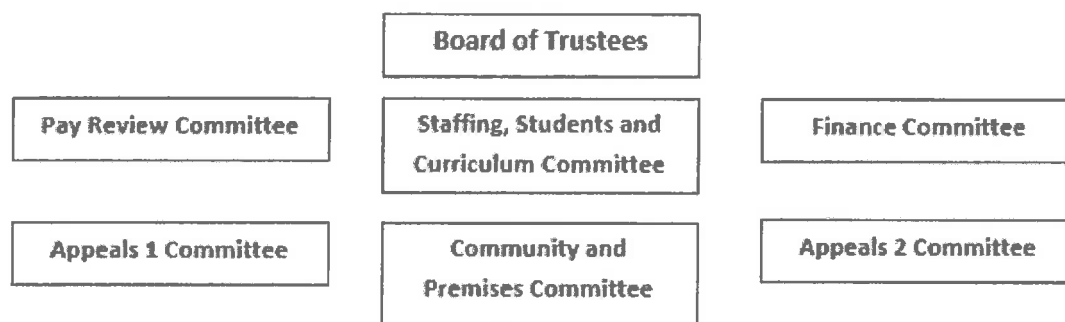
Organisational structure

The Academy Trust consists of:

- 12 Foundation Trustees appointed by the Diocesan Bishop
- 3 Staff Trustees
- 2 Trustees appointed by the Board of Trustees
- a minimum of 2 Parent Trustees
- the Headteacher
- any Additional Trustees appointed by the Secretary of State
- any Further Trustees appointed by the Secretary of State
- the Trust may also appoint Co-opted Trustees

The Board of Trustees may establish any committee – with membership and terms of reference reviewed annually. Non- Trustees can be members of committees as long as the majority of any committee are Trustees. Trustees are given 14 days clear notice of meetings. The quorum for meetings is any 3 Trustees.

The current governance structure is as follows:



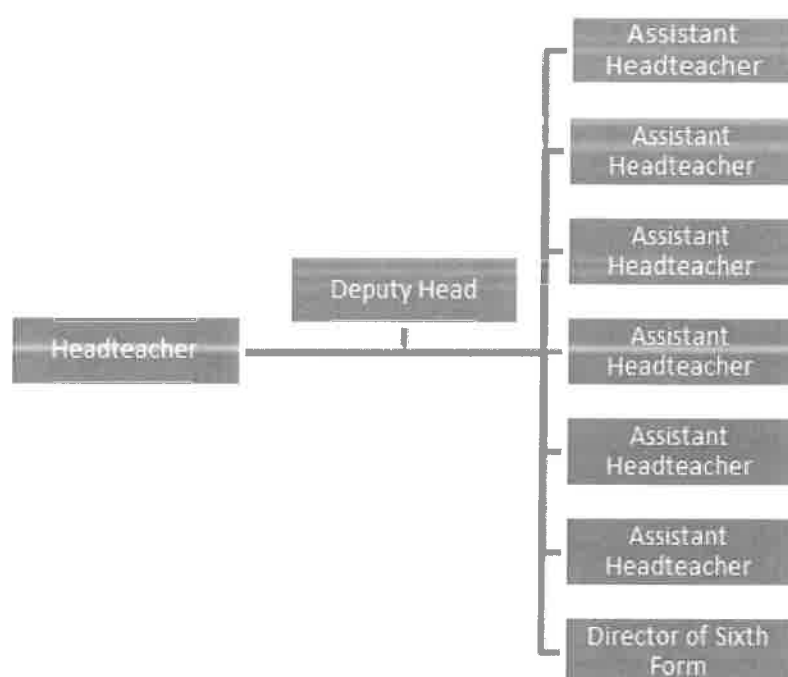
The Board of Trustees has retained authority to approve purchases with a value in excess of £50,000 and has delegated such authority for purchases with a value between £25,000 and £50,000 to the Finance Committee. The Leadership Team is responsible for the internal management of the Academy, and for implementing policy, and reporting to Trustees. Appropriate tasks such as budgetary and internal control are delegated to relevant staff in accordance with our finance handbook. The Head Teacher is the Accounting Officer for the Academy. The Academy Trust's Leadership Team consists of:

- 1 Headteacher
- 1 Deputy Headteacher
- 6 Assistant Headteachers (5 with effect from 12/1/16)
- 1 Director of Sixth Form

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016



Leadership Team: Responsibilities 2015 – 16

<i>Director of Sixth Form</i>	<i>Assistant Headteacher</i>	<i>Assistant Headteacher</i>
<ul style="list-style-type: none"> • UCAS • ALIS • KS5 retention & recruitment • Pastoral overview Monitoring Teaching & Learning at KS5 	<ul style="list-style-type: none"> • Child Protection Officer (1) • Safeguarding • Exams Officer • Student Welfare • SEND link • Primary Links • Student transfers • Chaplaincy link • BALE link 	<ul style="list-style-type: none"> • ICT HOD • Assessment, reporting & monitoring • Pastoral academic monitoring & mentoring • House system • Student Leadership • Whole school ICT • Website • Child Protection 3
Department Links	Department Links <ul style="list-style-type: none"> • SEND • Chaplaincy • Admin • Student Welfare 	Department Links <ul style="list-style-type: none"> • ICT • DT • PE • Business Studies
Year Links <ul style="list-style-type: none"> • Sixth Form 	Year Links <ul style="list-style-type: none"> • Year 10 	Year Links <ul style="list-style-type: none"> • Year 11

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Leadership Team: Responsibilities 2015 – 16

<i>Director of Sixth Form</i>	<i>Assistant Headteacher</i>	<i>Assistant Headteacher</i>
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ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

<u>Assistant Headteacher</u>	<u>Assistant Headteacher</u>	<u>Assistant Headteacher</u>
<ul style="list-style-type: none"> Teaching & Learning – all key stages Appraisal – teaching staff Pastoral: behaviour and expectations NQTs/ITT Cover 2 	<ul style="list-style-type: none"> Progress of groups: Yr 7 Pre level 4 PP KS4/5 English & Maths Transition link: Boosters Challenge days Induction KS4 options Timetable 1 	<ul style="list-style-type: none"> Staff CPD: teaching & support INSET Catholic Partnership Coordinator Educational visits Transport 2 ITT Link to Cover Supervisors
Department Links <ul style="list-style-type: none"> Science Art Media Studies 	Department Links <ul style="list-style-type: none"> Maths Music English Drama 	Department Links <ul style="list-style-type: none"> Psychology Sociology Economics Health & Social Care Careers
Year Links <ul style="list-style-type: none"> Year 11 	Year Links <ul style="list-style-type: none"> Year 8 	Year Links <ul style="list-style-type: none"> Year 9

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governing Body has adopted a pay policy in order to provide a clear framework for the management of pay and grading issues for all staff employed in the academy.

The policy is based on a whole academy approach to pay issues. Pay decisions take account of the resources available to the academy and The Governing Body exercises its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in academy pay decisions.

In this academy teachers are employed in accordance with the provisions of the School Teachers' Pay and Conditions (STP&C) Document. In reviewing pay scales in the future the Governing Body will have regard to any changes to national pay bands contained within the STP&C Document.

The governing body assign a seven-point Individual Academy pay range for the Headteacher based on the academy group size and any permanent additional relevant factors as determined within the framework of the STP&C document along with a five point pay range for all other leadership posts from within the indicative pay points for the leadership scale.

Other than in exceptional circumstances, the Individual School Range will not exceed 25% of the maximum of the academy group size. The Governing Body will ensure that other than in exceptional circumstances, there is no overlap of salary bands between the Headteacher and other leadership posts.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related Parties and other Connected Charities and Organisations

The Academy does not work in federation with any other organisation; however, informal relationships exist with a variety of organisations including: other schools, the Hexham and Newcastle Catholic Partnership, the Hexham and Newcastle Diocese, universities, ITT providers, Durham Local Authority and local businesses. Such partnerships assist in the achievement of the Academy's 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 2015 to 31 August 2016. 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 Academy Trust's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto.

To promote for the benefit of the inhabitants of Bishop Auckland and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or to the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

St John's Academy aims to raise standards in this area of Durham by raising aspirations of students so that they engage in further and higher education courses, appropriate vocational studies and work-related learning. The academy delivers a wide range of sixth form courses that fulfil these aims and has sound progression routes from age 11-19 years, regardless of a student's prior attainment on entry.

Leaders at all levels in the academy are highly ambitious for our students and are excellent role models, leading by example. We focus on improving Teaching and Learning with regular lesson observations, calendared work scrutinies and regular CPD which is tailored to support staff 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 empowered staff to lead CPD sessions to enhance teaching and learning, disseminating to other staff and sharing excellent practice.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

The academy's learning improvement priorities (LIP) for 2015-16 are as follows:

LIP Strand	Strategies/Actions
Catholic Life and SMSC	<ul style="list-style-type: none"> • Re-examine the School's Mission Statement in the context of our mission as a Catholic school led by Sr Judith Russi • Embed weekly tutor group/class mass programme at Key stages 3 and 4 leading to Year group masses • Establish in-house retreat programme to complement Residential retreats at the Emmaus village • Develop PREP Resources for tutors including drop in sessions for staff • The annual school Pilgrimage to Lourdes to be re-launched as an Easter pilgrimage • Establish Chaplaincy Leaders at Key Stage 3 & 4 and the John Paul 11 Awards scheme in the Sixth Form • Develop a 'Social Action' group in the Sixth Form to address social justice issues in the local and global community • <i>Address issues raised by the debate regarding British values and radicalization through our SMSC programme</i>
Raising achievement in English and Maths / Closing the gap	<ul style="list-style-type: none"> • Evaluate the effectiveness of English and Maths GCSE Entry Strategies • Evaluate the effectiveness of Year 11 Intervention strategies in all subjects, particularly with reference to closing the gap for disadvantaged students • Develop an action plan to improve achievement in Maths and English in the coming year • Monitor the progress of different groups following each data collection, particularly those who are disadvantaged • Put in place intervention strategies targeting disadvantaged students who are not make sufficient progress • Evaluate the impact of funding for catch up English and Maths in Year 7 • Evaluate the impact of pupil premium funding in improving the progress of disadvantaged students • Ensure appropriate and effective provision for all students in Key Stage 5 who have not yet achieved a C Grade in English or Maths
Monitor the quality of teaching and learning to ensure student progress	<ul style="list-style-type: none"> • Effective strategies to ensure significant student progress: <ul style="list-style-type: none"> • High expectations of all learners • Engaging students from the start of the lesson to ensure all active learners • Use of appropriate assessment methods to challenge all learners in the lesson • Development of students' independent study skills: <ul style="list-style-type: none"> • Targeted and relevant homework • Increase literacy skills across the curriculum • Targeted CPD – individual staff, departments, year teams

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

<p>Rigorous use and monitoring of data and assessment</p>	<ul style="list-style-type: none"> • Develop effective and meaningful tracking system across all key stages. <ul style="list-style-type: none"> • Meaningful and robust 'Assessment without Levels' at Key Stage 3 • Challenging and realistic student targets to raise expectations of all learners • All staff trained to be competent users of data to track progress and intervene accordingly • Use of assessments, data collection, accountability <ul style="list-style-type: none"> • Use of formative and summative assessment strategies • Timely and efficient data collection
<p>Developing high quality leadership at all levels (Governors, staff and students)</p>	<ul style="list-style-type: none"> • Explore the further skill development of tutor and HOY: <ul style="list-style-type: none"> • High expectations of all learners • PREP • Focused academic monitoring • Develop the role of subject teacher and HOD: <ul style="list-style-type: none"> • High expectations of all learners • Embed thinking skills and problem solving skills in curriculum • Focused intervention • Develop the role of Heads of Lower/Upper School and LT: <ul style="list-style-type: none"> • Focused academic monitoring through 4 Matrix • Focused behaviour tracking through ClassCharts • Develop the roles and responsibilities of Student Leaders across the curriculum, both within and beyond St John's: <ul style="list-style-type: none"> • Growth of the Student Leaders model across subject and whole school areas including sports, maths, literacy and digital leaders. • Development of a Student Forum and Student Council • House Points System <ul style="list-style-type: none"> • Development of House Points through ClassCharts in pastoral and subject time. • Celebration of student achievements. • Support governors through training in their developing role as trustees of a MAT

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Developing the effectiveness of the Sixth Form (Teaching and learning, provision and monitoring)	<ul style="list-style-type: none">• Effective strategies to ensure significant student progress• Development of students' independent study skills• Develop effective and meaningful tracking system• All staff trained to be competent users of data to track progress and intervene accordingly; 4matrix training, use of assessments, data collection, accountability
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Public benefit

The academy's aims and objectives referred to within this report have been undertaken to further its charitable purposes for public benefit. The Trustees have complied with their duty under the Charities' Act 2011 to have due regard to the public benefit guidance published by the Charity Commission (SORP 2015 and 'Charities and Public Benefit') and the Trustees have considered this guidance in deciding which activities the academy should undertake.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

KS4 – Summer 2016

	2014 - 2015	2015 - 2016
5A* - C	78.89%	77.25%
5A* - C including English and Maths	59.3%	58%
A* - C including English and Maths	-	61%
Attainment 8	5.14 (C)	5.2 (C+)
Progress 8	-0.29	-0.11
English 3 LOP	65.48%	69.38%
English 4 LOP	35.03%	34.93%
English 5 LOP	8.12%	9.57%
Maths 3 LOP	63.96%	72.60%
Maths 4 LOP	21.32%	27.88%
Maths 5 LOP	7.11%	7.69%

St John's has improved Attainment8 and Progress8 scores when compared with 2015 results. With a 62% 5 +A*C including English and Maths three-year average, KS4 cohorts have consistently achieved results that are above national averages (national average over 3 years approximately 53%).

From a subject point of view at KS4, the following subjects were significantly above national figures for average point scores: English Literature, Drama, Engineering, Computer Science, Physical Education, Health and Social Care, Applied Science and Applied IT.

KS5 – Summer 2016

- A* - A grades for A Level courses 25%
- A* - B grades for A Level courses 56%
- A* - E grades for all Level 3 courses 100%

Results at KS5 have improved in 2016 when compared with 2015 results. The value added scores for A Level, Academic, Applied General (vocational) and Technical level courses are all positive and have improved on 2015 results: A Level value added score is 0.15; Academic value added score is 0.14; average point score for Applied General is Distinction+ and the average point score for Technical Level is Distinction.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

The following sections reference our objectives for 2015-16 and provide details as to how they have been addressed:

Developing the Effectiveness of the Sixth Form / 16-19 Programmes

Last year 94.2% of students applying to university accepted either their firm or insurance choices (85.7% firm choice); this is an increase of 2% on last year's figure, reflecting effective IAG. There is an increasing number of students attending Russell and 1994 Groups over the last 4 years (38.57% in 2016). Over 3/4 of the year group applied to university in 2015 and 76.4% have applied in 2016. The work of our pastoral team and Careers Adviser has ensured that our students secure highly competitive Level 3 and Level 4 Apprenticeships including 4 students at Glaxo and 1 at Gestamp.

Results from 2016 show positive value added in both A Level and Vocational Courses. VA scores in 2016: A level = +0.15 (-0.21 in 2015); Academic = +0.14 (-0.21 in 2015); Applied General = +0.12 (vocational VA = +0.09 in 2015). Average point score per A level and per Academic entry expressed as a grade is C (compared with C- in 2015). Average point score per Applied General entry expressed as a grade remains at Distinction+ with Health & Social Care and BTEC Sport L3 being consistently strong vocational courses over time. A level VA was particularly strong in: at A Level came from Physics, English Lang/Lit, French, Further Maths, Maths, Sociology, Media Studies, PE and Biology.

The spiritual life of the Sixth Form continues to flourish with 10 students trained as Cafod Leaders and others who are following the John Paul II Award (12 students in Year 12 following the JPPII Award). 31 students in Year 12 have enrolled on the National Citizen Service Programme this Autumn (30 students enrolled in Autumn 2015). The programme has proved to be incredibly successful for our students with 1 Year 13 student, CT, invited to speak with Lords and MPs at the House of Lords about how the programme has helped her (19 October 2016). The introduction of the Bridge Project and Work experience for Year 12 students will aim to enrich students' learning whilst developing their personal, social, spiritual and leadership skills.

St John's Sixth Form has continued to deliver high standards of attainment with A Level, academic and applied general cohorts served well, ensuring that they were all able to move on to purposeful higher education, work based training or employment. With this in mind, the sixth form continues to provide good value for money.

The success of Wider Key Skills at Key Stage 5 contributed to the rise of the average point score per student. The introduction of the Extended Project and National Citizen Service programmes have provided further opportunities for students to increase their average point scores whilst developing their skills for research, independent study and community work.

Developing High Quality Leadership

St John's continues to provide training and support to empower individuals to become effective leaders. Working with Avec, we have: provided training for our Trustees regarding the roles of a MAT director and a Local Governing Body member; carried out a skills audit to establish the strengths of the board and where we need to develop.

Staff are encouraged and guided to participate in relevant in-house and external CPD to develop their leadership skills. In addition to the in-house CPD menu, all Heads of Department access the HNCP and Durham LA network meetings and exam training to share good practice. 1 member of the Leadership Team is continuing her training as an Ofsted inspector; 1 member of the Leadership Team has completed his NPQH training; 1 member of the Leadership Team has completed the Diocesan course for "Aspiring Deputy Headteachers;" 2 middle leaders have completed the Diocesan course for "Aspiring Assistant Headteachers" and 5 members of staff have participated in the Durham LA course "Leadership Ready" for aspiring middle leaders.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Rigorous Use and Monitoring of Data and Assessment

All teaching staff have been trained to use 4matrix and class-charts software to track student progress and monitor attitudes to learning. Data clinics and INSET training have been provided on a regular basis to ensure that staff are using data effectively to monitor progress and plan accordingly. All departments have reviewed and adapted their assessments across the key stages to address stages of learning within their programmes of study.

Monitoring Quality of Teaching and Learning

All departments are able to deliver consistently good or better lessons in all key stages. Our judgement of the quality of teaching is based on typicality and includes lesson observations, achievement and students' progress 'over time'

More rigorous and regular work scrutinies carried out by HODs and LT links to check student progress. Increased focus on KS4 lesson observations in response to 2015 results. All observations have included work scrutiny and the judgements also reflect the quality of student progress in books.

Teaching, Learning and Assessment are monitored further through internal and externally judged departmental reviews. Following data collection, identification of target groups for intervention - focus of LT link meetings and work scrutiny. CPD and INSET have been tailored to the teaching and learning priorities and the impact reviewed. Learning Expectations for teachers set out clear guidelines to raise standards in the classroom. Lesson observations demonstrate that staff plan for student progress but more work needs to be done on planning for differentiation to ensure that all groups are catered for. Students are more confident and informed acting on staff feedback as a result of the consistent implementation of the whole school marking policy. Clear communication with parents/carers regarding their child's progress has been supported by the introduction of Information Evenings.

CPD has a clear link to school improvement priorities and appraisal objectives and is driven by a 'menu':

- 'core' offer (all staff), which is directly related to career stage
- a range of optional choices / guided choice linked to appraisal objectives, linked to teaching & learning, including creative approaches e.g. the use of I-Pads (targeting higher grades)
- new software: 4matrix and Class-Charts

St John's has a clear commitment to further improve the quality of teaching and is building leadership capacity via:

- empowering staff to be facilitators to develop teaching & learning
- dissemination of good practice
- moving from good > outstanding
- action research projects
- 'Teach Meets' for teachers to present teaching ideas

Appraisal system is well established and is linked to Teachers' Standards, career expectations and school improvement priorities.

Raising Achievement in English and Maths

At KS4 there has been an increase in the percentage of students achieving 3, 4 and 5 levels of progress in English and Maths.

At KS5 the average progress made in English (GCSE) is 0.47.

At KS5 the average progress made in Maths (GCSE) is 0.38.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Catholic Life and SMSC

St John's was inspected by the Hexham and Newcastle Diocesan team on 15 and 16 June 2015 and received outstanding judgements in all categories (see inspection report):

Overall effectiveness	Previous inspection (2010)	1 - Outstanding
	This inspection (June 2015)	1 - Outstanding
Catholic Life		1 - Outstanding
Collective worship		1 - Outstanding
Religious Education		1 - Outstanding

Behaviour and Safety

- Pupil admission number (PAN) for 2014-2015 = 209
- Pupil admission number (PAN) for 2015 – 2016 = 220
- Year 7 intake 2015-2016 = 247 (first choice applications). Actual numbers who attended in September 2015 = 235
- Year 11 outgoing in 2016 = 211
- St John's continues to be oversubscribed. Following a request from Durham County Council to accept all of our Year 7 first choice applications for September 2016 (260), we have increased our PAN.
- Numbers entering Year 12 in September 2015 = 147. We continue to offer a wide range of subjects and courses for all students which cover A Level and vocational areas.

Exclusions

- There has been 1 permanent exclusion during the academic year 2015-2016 (well below national averages).
- For all students the percentages of fixed term exclusions are below national averages.
- The table below indicates how many students per year group were referred to our inclusion centre (Capernaum Centre) and how many students were fixed term excluded for the academic year 2015 2016:

Year	Number of students referred to the Capernaum Centre (on-site inclusion centre)	Number of students on Fixed Term exclusion	Number of students on Permanent exclusion
7	20	6	0
8	11	2	0
9	6	4	0
10	13	4	0
11	13	8	1

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Attendance

- Attendance for 2015-2016 academic year is 95.2% (National 94.9%)
- Attendance of FSM students is 93.58% (National 92.7%)

NEETs

- The proportion of NEETs in 2015 – 2016 is 0% well below both LA and national averages

Safeguarding

- Child Protection Training - All staff have completed Level 1 training, including all new staff (on-line). There is a continual rolling programme of renewal which involves both online training and sessions delivered by Durham LA CP adviser.
- Bullying and racist incidents are rare; if they do occur, they are dealt with quickly and appropriately. Students are made aware of different types of bullying, including homophobic bullying, and how to keep themselves safe via the school's pastoral programme which includes:
 - external speakers
 - assemblies e.g. diversity
 - anti-bullying week
 - a Student Welfare Team
 - a Student Leadership programme
- Student leadership is flourishing and St John's was awarded Leadership Academy status in 2015, having developed the roles of student leaders in Sport, Basic Expedition, Literacy and Numeracy. Students achieve level 2 or level 3 leadership qualifications achieve through volunteering work within St John's, feeder primary schools and the local community. For 2015-16 MFL leaders and Digital Leaders in ICT were established and the aim is to introduce Student Leaders' programme across the rest of the curriculum for 2016-2017.
- Parent surveys support the school's judgement regarding behaviour & safety. Parents complete a feedback/evaluation questionnaire at the end of each Progress Evening and any negative feedback is addressed through discussions between parents and Leadership Team/Subject/Pastoral Leaders.

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.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

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 2016. Our cash resources and budget for 2016/17 indicate that we expect our day-to-day activities to be adequately funded by income from all sources.

Total income for the year was £8,283,904 and expenditure amounted to £7,664,744. After including the FRS102 adjustments of £74,000 for the Local Government Pension Scheme, this resulted in an inflow of funds for the year of £619,160.

Total funds at 31 August 2016 are in surplus by £403,905, made up of £223,498 within restricted funds and £180,407 of unrestricted general funds. The restricted fixed asset fund totalled £2,481,798, and the Local Government Pension Scheme reserve fund totalled £2,539,000 (deficit).

Of the total income for the year, £7,458,382 was obtained as EFA grants, with £11,554 of income as government grants via local authorities. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The £7,458,382 received from the EFA was a combination of the General Annual Grant of £6,442,840, Pupil Premium of £231,970, capital grants of £633,022 and other grants of £150,550.

Almost all expenditure relates to the Trust's educational activities, with a small amount of £166,716 identified as governance costs. £4,804,221 of expenditure was for teaching and educational support staff and £308,114 of other direct costs. The remaining costs cover support staff, maintenance, cleaning, catering, and insurance and other occupancy and support.

At 31 August 2016, the net book value of fixed assets was £2,003,212.

Reserves policy

The academy holds restricted and unrestricted reserves (as detailed in the attached financial statements) for the purposes of:

- The risk of unforeseen emergency or other unexpected need for funds
- Covering costs of unplanned repairs and maintenance
- Covering the cost of a replacement 3G pitch carpet after 10 years
- Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence, maternity etc.

The level of reserves at the end of the period ending 31 August 2016 was £403,905, made up of £180,407 of unrestricted reserves, and £223,498 of restricted general funds.

The level of reserves is within the limits of the current policy which requires the level of reserve to be minimum of 2.5% of income.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Investment policy and powers

The academy maintains all funds within the school current account, which are interest bearing. Trustees acknowledge that where it is possible to generate better returns than provided in the current accounts, it may undertake other investments.

The current Treasury Management Policy dictates that monies surplus to the working requirements shall be invested in term deposits with the current banker or with another UK institution regulated by the FCA. The Academy will not take out long-term deposits until a reliable cash flow pattern is established, monies will only be paid into term deposits not exceeding six months.

The Governing Body reserves the powers to give approval to the opening of new bank current accounts, amend the approved institutions with who the Academy Trust will invest, and give approval to any bank deposit with a maturity date exceeding six months. The Governing Body delegates authority to the Finance Manager to place deposits in the Academy Trust's name, at approved institutions, subject to the agreed limits in the Treasury Management Policy and with approval from the Headteacher.

Principal risks and uncertainties

The academy has in place sound risk management and assurance processes. Trustees believe that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and good governance. The academy's risk management policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

The process of risk identification involves both Trustees and staff. Consideration is given to the following factors:

- The vision, beliefs, values and strategic goals of the academy
- The nature and scale of current and planned activities
- External factors that may affect the academy such as legislation and regulation
- The trust's reputation with its key stakeholders
- The operating structure of the academy

Principal Risks identified by Trustees and staff during 2015-16 are:

- A reduction in funding as a result of the national funding formula
- A drop in student numbers
- Overspend on capital projects
- Local Government pension scheme deficit

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

St John's plans to convert from a Single Academy Trust to a Multi Academy Trust during the academic year 2016-2017. The name of the MAT will be Romero Catholic Education Trust. Deep-rooted Gospel values are very much at the heart of our Trust which will serve the Catholic and wider communities of South-West Durham in its desire to provide the best education and opportunities for the young people of the area.

Our aim is to offer outstanding pastoral care and education provision so that every child's needs and abilities are recognised within our caring, learning community. Within the Trust we are committed to prioritising the welfare and well-being of each individual, nurturing, valuing and encouraging each and every one to develop their God-given talents and flourish.

By working in partnership, we are stronger together, providing greater access to further opportunities and support for the benefit of students, staff and the individual schools involved.

The academy plans to direct reserves towards the successful conversion of the SAT > MAT. In addition, reserves will also be directed towards the Learning Improvement Priorities for 2016-17 which are detailed below:

<i>LIP Strand</i>	<i>Strategies/Actions</i>
To achieve Multi Academy Trust status for St John's (Romero Catholic Education Trust)	<ul style="list-style-type: none"> • Review the effectiveness of the existing governance structure • Identify and shape our vision for the MAT • Carry out skills audit • Establish new structure for the MAT and provide relevant training for our Trustees
Leadership and Management	Effective coordination and monitoring of teaching, progress and assessment of groups and cohorts, using the evidence of lesson observations, student voice, work scrutiny and accuracy of data/predictions.
	Focus the role of the senior leadership on developing the experience of the leadership, especially at middle leader level, in driving school improvement particularly by developing the curriculum leaders' capacity and ability to monitor and lead on developing teaching and learning effectively in their individual subject areas. Particular focus would likely need to be in those areas of subject leadership which are known to the senior leadership not to yet have the full impact needed, for example, across the range of provision in English, Additional Science, design and technology, media, business, French and German.
	Consider what may need to be changed in the academy's process of target setting and checking on the accuracy of predictions, in order that there is the desired rigour in both of these processes and that they link very well into the academy's proposed development of assessment without levels.
	Consider whether changes will need to be made as to how governors evaluate the outcomes of the leadership's monitoring, given that the approaches to monitoring by the leaders may likely change.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Teaching, Learning and Assessment	Ensure that the focus of all senior leaders, curriculum leaders and their teachers is on making sure that good and better learning and progress results from the teaching the students receive.
	Improve how effectively teachers are communicating learning to students which sticks with them and gives the students the confidence to apply this at a later stage.
	Strengthen the academy's approaches to catching-up students with their learning, when they are not at the stage of development they should be at, be this because the student has missed lessons or has found the learning too challenging. Similarly, consideration to be given to the timeliness of such intervention or catch-up.
	Develop the academy's approach to assessment without levels, aligned with effective recording, reporting and accountability arrangements. Ensure that there is a very effective target setting process linked to ongoing assessment, built into the curriculum, to enable the effective catch-up of students' learning where needs be. Similarly, consideration to be given to the timeliness of intervention or catch-up
	Ensure that effective approaches are in place that enable teachers to plan well for and target the learning to be made by their students, both in the long- and short-term and that this is adjusted well in light of ongoing assessment, so that the level of challenge and support provided, is well matched to the students' needs and enables the students to know how and what it is they need to learn and have mastered.
Teaching, Learning and Assessment	Strengthen the impact of the marking and feedback that students receive, by drawing on the best practice that already exists in the academy, in order for example, that the students are clear what it is they need to improve upon, how to do so and that they have the support from their teacher and resources, including time, to do so
	Strengthen how effectively teachers check on the learning and understanding made by their students in order that they can address any misconceptions, especially with those students who may not be progressing well enough (eg. Disadvantaged and those with middle to low attainment)
	Mitigate the learning losses which may have accrued in some of the students' learning, for example, in key stage 3, as a result of the staffing inconsistencies experienced over time in the academy and/or from any known weaker teaching that has taken place.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Outcomes for Students	Ensure there are effective and coordinated mechanisms in place to help students catch-up to the stage of development they should be at, in order they can achieve the targets set for them. Particular consideration may well need to be on those students where learning has been interrupted in key stage 3 and in English due to the staffing issues experienced in the academy.
	Ensure that tutors and the pastoral system support students in their academic progress.
	Consider how effectively the leadership can correlate the accuracy of students' performance data in terms of what their sampled monitoring of the students' learning shows.
	Ensure that the teaching, learning and assessment provision is very effective in all of the individual subject departments in fully meeting the needs of the pupil premium funded disadvantaged students across the year groups, particularly for the boys and the lower ability currently in key stage 4 and in Year 8.
	Ensure that the teaching, learning and assessment provision is very effective in all of the individual subject departments in fully meeting the needs of those most able students who are not achieving well enough, for example in design technology and in languages.
Personal Development	Consider the changes potentially needed in the academy's provision in order to develop the students' learning behaviours, in particular, that they know what role they have to play in their learning and how to learn and that they have the resilience to do so.
Personal Development	Consider what more needs to be done to improve the attendance of the hard to reach students who are often the disadvantaged, middle to lower ability students.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 – 19 Study Programmes	Ensure the effectiveness of teachers' contact time with students is maximised and that this results in good opportunities for students to consolidate and apply their learning; the students having, for example, prepared in advance of their lessons and being clear as to the role they have to play in their own learning.
	Strengthen the arrangements for the transition of students between Year 11 and Year 12, in order that this builds as early as possible, the students' ability and resilience to meet the demands of learning in the sixth form.
	Develop of the academy's approach to the targeting and tracking of the progress made by students in their individual subjects, for example, in terms of the value being added and hence whether the students are making expected or better than expected progress in respect of their starting points and targets set. In addition, that this process then enables comparison to be made between the actual and predicted performance at key points throughout the students' courses.
	Review and restructure, if necessary, the courses offered to students, in order that there remains viable and effective study programmes which take very much into account the students' starting points and potential and are very well designed, so that all experiences provided fully meet the students' needs and enables them to achieve well.

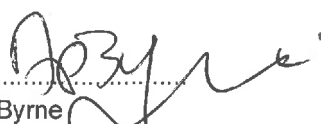
Furthermore, the academy plans to submit an application to the EFA 'Condition Improvement Fund' for expansion funds, in order to meet the increasing demand for school places in the area.

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. The current auditors, Baldwins Audit Services Limited (formerly Evolution), are contracted for a further 12 months to 31/08/17.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15/11/16 and signed on its behalf by:


A Byrne
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 2016

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St John's Catholic School & Sixth Form College - A Catholic Academy (Bishop Auckland) 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 that 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 Catholic School & Sixth Form College - A Catholic Academy (Bishop Auckland) 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 Trustees' Report and in the Statement of Trustees' responsibilities.

The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
A Byrne (Chair of Trustees)	8	9
M Cantwell	3	9
P Giblin (Resigned 1 February 2016)	1	5
R Hall	7	9
J Harwood (Resigned 1 September 2015)	1	1
J McMullan	9	9
A Smith	8	9
Rev D Tindall	4	9
M Weetman	7	9
M Wood	8	9
Rev M Whalen	8	9
L Byron-Ledwith (Accounting Officer) (Appointed 1 September 2015)	9	9
A Gregory (Appointed 5 October 2016)	0	0
D Hart (Appointed 12 October 2016)	0	0
G O'Hehir (Appointed 1 April 2016)	0	0
J Thompson (Appointed 5 October 2016)	0	0
A Wake (Appointed 1 April 2016)	0	0

Trustees understand the need to keep the effectiveness of their governance work under regular review. As the academy moves towards achieving MAT status in 2016/17, Trustees have already started to review the effectiveness of the existing governance structure and its capability to support effective governance across more than one academy. Trustees are in the early stages of identifying their vision for the new MAT and this vision will then help to shape the structure put in place to support the MAT's future governance arrangements. Trustees have undertaken a skills audit to support the deployment of existing trustees and to support the identification of new trustees. Trustees are aware that the DfE will require strong governance before the academy is allowed to convert to a MAT and this will generate ongoing governance review activity during the autumn and spring terms of the academic year 2016/17.

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

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The purpose of the finance committee is:

- To keep under review and advise the Board of Trustees as necessary on the arrangements for efficient control and management of the Academy's financial affairs, and on the financial status of the Academy
- To consider annual estimates of income and expenditure, including the provisions for capital expenditure, prepared by the Finance Team, and make recommendations to the Board of Trustees
- To liaise with the Community & Premises Committee on action to secure the future well-being and physical development of the Academy's assets
- To approve on behalf of the Board of Trustees the contractual arrangements for capital building projects and monitor the progress of these projects
- To advise the Board of Trustees on the establishment of trusts or companies for trading.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A Byrne (Chair of Trustees)	3	3
M Cantwell	0	3
J McMullan	3	3
L Byron-Ledwith (Accounting Officer) (Appointed 1 September 2015)	3	3

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Ensuring tighter controls are in place as part of the budget management process to ensure overspending is managed.
- Review of photocopier and printer leases resulting in new more cost effective agreements and up to date, fit for purpose equipment.
- Change of payroll provider following a tender process, resulting in improved service and a reduced cost.
- Review of mobile phone contract, resulting in a rationalisation of the number of phones in use, and a reduced service cost.
- Review of staffing structure, resulting in more efficient delivery of teaching and learning objectives.

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 Catholic School & Sixth Form College - A Catholic Academy (Bishop Auckland) Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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 committee of management accounts which illustrate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes;
- 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 Baldwins Audit Services Limited (formerly Evolution), the external auditor, to perform internal assurance checks three times per year.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Accounts and Reconciliations; review of bank reconciliations, creditors/debtors, and finance handbook
- Risk Management; review of risk register and insurance cover
- Purchasing; review of high value purchases and contracts and payment processing
- Payroll; review of payment processing, sample of payroll entries and expense claims
- Corporate Governance; review of terms of reference, register of interests and minutes
- Income; sample and test banking procedures
- Bank Accounts; review of controls and signatories
- Management of Data; review of fixed asset register and testing depreciation

On a termly basis, internal assurance reports are presented to the board of Trustees through the Finance Committee on the operation of the systems of control, and on the discharge of the board of Trustees' financial responsibilities. The external auditor has not found any material control issues arising as a result of the internal assurance programme and the recommendations they have made have been implemented.

The areas that have been investigated during the internal assurance visits in the 2014-15 year are as follows:

Accounts and Reconciliations; Risk Management; Purchasing (review of high value purchases only); Payroll; Corporate Governance; Income; Bank Accounts and Management of Data.

Some elements of the purchasing work programme were excluded at the request of the Finance Committee, to allow dedicated time to focus on fixed assets.

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

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of effectiveness

As Accounting Officer the Headteacher 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 Chief Financial Officer and the finance team within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- Internal Assurance Reports (Baldwins Audit Services Limited (formerly Evolution) Accountants)
- The work of the external auditor (Baldwins Audit Services Limited (formerly Evolution) Accountants)

The Academy's internal control policy and procedures ensure a robust control framework is in place. This includes: timely budget planning and monitoring, management and oversight of assets, banking, and investment and cash flow practices with appropriate segregation of duties. This framework drives the principles of best value, enabling the priorities in the learning improvement plan to be met in an efficient manner.

The Academy's updated Finance Handbook was presented to Trustees on 13th April 2016. 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.

The Accounting Officer is fully aware of all systems of review, both internal and external, and the Finance Committee reviews the Trust's Finance Improvement Plan on a quarterly basis in order to ensure a system of continuous improvement is in place.

Approved by order of the board of trustees on 15/12/16 and signed on its behalf by:


A Byrne
Chair of Trustees


L Byron-Ledwith
Accounting Officer

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

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of St John's Catholic School & Sixth Form College - A Catholic Academy Trust (Bishop Auckland), 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 2015.

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 2015.

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.



L Byron-Ledwith
Accounting Officer



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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as Trustees of St John's Catholic School & Sixth Form College - A Catholic Academy Trust Limited (Bishop Auckland) 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 15/12/16 and signed on its behalf by:


A Byrne
Chair of Trustees

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

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS 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 2016 set out on pages 34 to 59. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 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 29, 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' Report including the incorporated strategic 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 2016 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic 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 ON THE ACCOUNTS TO THE MEMBERS OF ST JOHN'S CATHOLIC SCHOOL AND SIXTH FORM COLLEGE, A CATHOLIC ACADEMY (BISHOP AUCKLAND) (CONTINUED)

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.

Baldwins Audit Services Limited

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated:16/12/16.....

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 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) and 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 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 St John's Catholic School and Sixth Form College, A Catholic Academy (Bishop Auckland) and 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by 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 Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under EFA delegated authority rules
- consideration of value for money and appropriateness of 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins Audit Services Limited

Baldwins Audit Services Limited
Reporting Accountant

Dated: 16/12/16

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 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	3	-	-	674,310	674,310	407,400
Charitable activities:						
- Funding for educational operations	4	424,695	6,850,546	-	7,275,241	7,559,288
Other trading activities	5	333,292	-	-	333,292	284,446
Investments	6	1,061	-	-	1,061	996
Total income and endowments		759,048	6,850,546	674,310	8,283,904	8,252,130
Expenditure on:						
Raising funds	7	515,949	-	-	515,949	578,150
Charitable activities:						
- Educational operations	8	212,444	6,705,129	231,222	7,148,795	7,469,834
Total expenditure	7	728,393	6,705,129	231,222	7,664,744	8,047,984
Net income/(expenditure)						
		30,655	145,417	443,088	619,160	204,146
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(1,236,000)	-	(1,236,000)	8,000
Net movement in funds						
		30,655	(1,090,583)	443,088	(616,840)	212,146
Reconciliation of funds						
Total funds brought forward		149,752	(1,224,919)	2,038,710	963,543	751,397
Total funds carried forward		180,407	(2,315,502)	2,481,798	346,703	963,543

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	3	-	-	407,400	407,400
Charitable activities:					
- Funding for educational operations	4	483,782	7,075,506	-	7,559,288
Other trading activities	5	284,446	-	-	284,446
Investments	6	996	-	-	996
Total income and endowments		<u>769,224</u>	<u>7,075,506</u>	<u>407,400</u>	<u>8,252,130</u>
Expenditure on:					
Raising funds	7	578,150	-	-	578,150
Charitable activities:					
- Educational operations	8	280,293	7,020,970	168,571	7,469,834
Total expenditure	7	<u>858,443</u>	<u>7,020,970</u>	<u>168,571</u>	<u>8,047,984</u>
Net income/(expenditure)		(89,219)	54,536	238,829	204,146
Transfers between funds		(250,574)	-	250,574	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	8,000	-	8,000
Net movement in funds		<u>(339,793)</u>	<u>62,536</u>	<u>489,403</u>	<u>212,146</u>
Reconciliation of funds					
Total funds brought forward		489,545	(1,287,455)	1,549,307	751,397
Total funds carried forward		<u>149,752</u>	<u>(1,224,919)</u>	<u>2,038,710</u>	<u>963,543</u>

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

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12		2,003,212		2,038,710
Current assets					
Stocks	13	8,062		9,787	
Debtors	14	601,535		344,999	
Cash at bank and in hand		782,833		526,268	
		1,392,430		881,054	
Current liabilities					
Creditors: amounts falling due within one year	15	(509,939)		(727,221)	
Net current assets			882,491		153,833
Net assets excluding pension liability			2,885,703		2,192,543
Defined benefit pension liability	19		(2,539,000)		(1,229,000)
Net assets			346,703		963,543
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			2,481,798		2,038,710
- Restricted income funds			223,498		4,081
- Pension reserve			(2,539,000)		(1,229,000)
Total restricted funds			166,296		813,791
Unrestricted income funds	17		180,407		149,752
Total funds			346,703		963,543

The accounts set out on pages 34 to 59 were approved by the board of trustees and authorised for issue on 15/11/16 and are signed on its behalf by:


A Byrne
Chair of Trustees

Company Number 07835950

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(223,082)		(9,671)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,061		996	
Capital grants from DfE and EFA		633,022		28,874	
Capital funding from sponsors and others		41,288		378,526	
Payments to acquire tangible fixed assets		(195,724)		(657,975)	
			479,647		(249,579)
Change in cash and cash equivalents in the reporting period			256,565		(259,250)
Cash and cash equivalents at 1 September 2015			526,268		785,518
Cash and cash equivalents at 31 August 2016			782,833		526,268

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 2016

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

These financial statements are the first financial statements of St John's Catholic School and Sixth Form College, A Catholic Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St John's Catholic School and Sixth Form College, A Catholic Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Going concern

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

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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 2016

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

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 2016

1 Accounting policies

(Continued)

Governance costs

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

1.5 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:

Property improvements	50 years straight line
Plant and machinery	7 years straight line
Fixtures, fittings and equipment	7 years straight line
Motor vehicles	7 years straight line

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the land and buildings on the same basis as when the academy was a maintained school. The academy trust occupies the land and buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy. Subsequent expenditure funded by the academy has been capitalised.

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.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

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 2016

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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.

1.9 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.

1.10 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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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 2016

1 Accounting policies

(Continued)

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders 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/Department for Education.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in the notes to the accounts.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2016 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 2016.

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 2016

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	633,022	633,022	28,874
Other donations	-	41,288	41,288	378,526
	-	674,310	674,310	407,400

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	6,442,840	6,442,840	6,782,837
Other DfE / EFA grants	-	382,520	382,520	282,480
	-	6,825,360	6,825,360	7,065,317
Other government grants				
Local authority grants	-	5,554	5,554	10,189
Special educational projects	-	6,000	6,000	-
	-	11,554	11,554	10,189
Other funds				
Catering income	385,982	-	385,982	345,182
Other incoming resources	38,713	13,632	52,345	138,600
	424,695	13,632	438,327	483,782
Total funding	424,695	6,850,546	7,275,241	7,559,288

All resources expended are inclusive of irrecoverable VAT.

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 2016

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	54,070	-	54,070	20,410
Catering income	15,658	-	15,658	13,459
School trips	89,009	-	89,009	119,310
Other income	174,555	-	174,555	131,267
	<u>333,292</u>	<u>-</u>	<u>333,292</u>	<u>284,446</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>1,061</u>	<u>-</u>	<u>1,061</u>	<u>996</u>

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	4,804,221	-	308,114	5,112,335	5,401,887
- Allocated support costs	<u>834,121</u>	<u>318,529</u>	<u>883,810</u>	<u>2,036,460</u>	<u>2,067,947</u>
	<u>5,638,342</u>	<u>318,529</u>	<u>1,191,924</u>	<u>7,148,795</u>	<u>7,469,834</u>
Other expenditure					
Raising funds	<u>306,084</u>	<u>-</u>	<u>209,865</u>	<u>515,949</u>	<u>578,150</u>
Total expenditure	<u>5,944,426</u>	<u>318,529</u>	<u>1,401,789</u>	<u>7,664,744</u>	<u>8,047,984</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	6,500	6,500
- Other services	6,104	5,760
Operating lease rentals	36,387	55,146
Depreciation of tangible fixed assets	<u>231,222</u>	<u>168,571</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 2016

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	5,112,335	5,112,335	5,401,887
Support costs - educational operations	212,444	1,824,016	2,036,460	2,067,947
	<u>212,444</u>	<u>6,936,351</u>	<u>7,148,795</u>	<u>7,469,834</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 2016

8 Charitable activities

(Continued)

	2016 £	2015 £
Analysis of support costs		
Support staff costs	834,121	960,972
Depreciation and amortisation	231,222	168,571
Technology costs	15,958	18,993
Premises costs	389,584	322,165
Other support costs	398,859	425,951
Governance costs	166,716	171,295
	<u>2,036,460</u>	<u>2,067,947</u>

9 Staff costs

	2016 £	2015 £
Wages and salaries	4,632,321	4,970,565
Social security costs	392,612	379,609
Operating costs of defined benefit pension schemes	754,142	731,447
Staff costs	<u>5,779,075</u>	<u>6,081,621</u>
Supply staff costs	67,436	44,196
Staff restructuring costs	60,560	9,364
Staff development and other staff costs	37,355	184,772
Total staff expenditure	<u>5,944,426</u>	<u>6,319,953</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	94	97
Administration and support	70	87
Management	9	10
	<u>173</u>	<u>194</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 2016

9 Staff costs

(Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
	<u> </u>	<u> </u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60,559 (2015: £9,364). Individually, the payments were: £22,000, £19,410 and £19,149.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £604,470 (2015: £775,124).

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 2016

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 (2015: nil).

The value of trustees' remuneration was as follows:

L Byron (Headteacher and trustee):	
Remuneration	£80,001 - £85,000 (2015: £120,001 - £125,000)
Employer's pension contributions	£10,001 - £15,000 (2015: £15,001 - £20,000)
G Moran (Headteacher and trustee):	- Resigned during prior period
Remuneration	£nil (2015: £120,001 - £125,000)
Employer's pension contributions	£nil (2015: £15,001 - £20,000)
A Smith (Trustee):	
Remuneration	£25,001 - £30,000 (2015: £25,001 - £30,000)
Employer's pension contributions	£1 - £5,000 (2015: £1 - £5,000)
M Dunn (Trustee):	- Resigned during prior period
Remuneration	£nil (2015: £50,001 - £55,000)
Employer's pension contributions	£nil (2015: £5,001 - £10,000)
A-M Stephenson (Trustee):	- Resigned during prior period
Remuneration	£nil (2015: £45,001 - £50,000)
Employer's pension contributions	£nil (2015: £5,001 - £10,000)

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

11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

For part of the current year and in the previous year, the academy purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provided cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £518 (2015: £1,250), covering the period up to and including January 2016.

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 2016

12 Tangible fixed assets

	Property improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2015	1,628,853	-	907,312	42,665	2,578,830
Additions	177,808	3,127	14,789	-	195,724
At 31 August 2016	1,806,661	3,127	922,101	42,665	2,774,554
Depreciation					
At 1 September 2015	48,893	-	468,865	22,362	540,120
Charge for the year	83,091	119	141,919	6,093	231,222
At 31 August 2016	131,984	119	610,784	28,455	771,342
Net book value					
At 31 August 2016	1,674,677	3,008	311,317	14,210	2,003,212
At 31 August 2015	1,579,960	-	438,447	20,303	2,038,710

13 Stocks

	2016 £	2015 £
School uniform	3,899	3,144
Catering stock	4,163	6,643
	8,062	9,787

14 Debtors

	2016 £	2015 £
Trade debtors	18,384	97,026
VAT recoverable	9,285	34,540
Prepayments and accrued income	573,866	213,433
	601,535	344,999

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 2016

15 Creditors: amounts falling due within one year	2016 £	2015 £
Trade creditors	174,829	277,755
Other taxation and social security	112,669	114,961
Other creditors	94,599	94,440
Accruals and deferred income	127,842	240,065
	<u>509,939</u>	<u>727,221</u>
 16 Deferred income	 2016 £	 2015 £
Deferred income is included within:		
Creditors due within one year	64,656	26,429
	<u>64,656</u>	<u>26,429</u>
 Deferred income at 1 September 2015	 26,429	 26,490
Released from previous years	(26,490)	(26,490)
Amounts deferred in the year	64,717	26,429
	<u>64,656</u>	<u>26,429</u>
 Deferred income at 31 August 2016	 64,656	 26,429

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

17 Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	4,081	6,442,840	(6,272,264)	-	174,657
Other DfE / EFA grants	-	382,520	(333,679)	-	48,841
Other government grants	-	11,554	(11,554)	-	-
Other restricted funds	-	13,632	(13,632)	-	-
	<u>4,081</u>	<u>6,850,546</u>	<u>(6,631,129)</u>	<u>-</u>	<u>223,498</u>
Funds excluding pensions	4,081	6,850,546	(6,631,129)	-	223,498
Pension reserve	(1,229,000)	-	(74,000)	(1,236,000)	(2,539,000)
	<u>(1,224,919)</u>	<u>6,850,546</u>	<u>(6,705,129)</u>	<u>(1,236,000)</u>	<u>(2,315,502)</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 2016

17 Funds (Continued)

Restricted fixed asset funds

DfE / EFA capital grants	645,866	633,022	(17,884)	-	1,261,004
Inherited funds	371,893	-	(114,429)	-	257,464
Capital expenditure from GAG	643,016	-	(40,580)	-	602,436
Other capital grants	377,935	41,288	(58,329)	-	360,894
	<u>2,038,710</u>	<u>674,310</u>	<u>(231,222)</u>	<u>-</u>	<u>2,481,798</u>
Total restricted funds	<u>813,791</u>	<u>7,524,856</u>	<u>(6,936,351)</u>	<u>(1,236,000)</u>	<u>166,296</u>

Unrestricted funds

General funds	<u>149,752</u>	<u>759,048</u>	<u>(728,393)</u>	<u>-</u>	<u>180,407</u>
Total funds	<u>963,543</u>	<u>8,283,904</u>	<u>(7,664,744)</u>	<u>(1,236,000)</u>	<u>346,703</u>

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 2016.

Other DfE/EFA grants include Pupil Premium targeted at disadvantaged pupils.

Other government grants include funding for pupils with special educational needs and other local authority grants.

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.

Devolved capital grant has been received and utilised against asset purchases in the year. The trust is also in receipt of CIF funding, which has been carried forward into 2016/17 and will be spent on a capital project in that year.

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 £403,905 as at 31 August 2016.

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 2016

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,003,212	2,003,212
Current assets	226,892	686,952	478,586	1,392,430
Creditors falling due within one year	(46,485)	(463,454)	-	(509,939)
Defined benefit pension liability	-	(2,539,000)	-	(2,539,000)
	<u>180,407</u>	<u>(2,315,502)</u>	<u>2,481,798</u>	<u>346,703</u>

19 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 multi-employer defined benefit schemes.

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

Contributions amounting to £89,845 (2015: £93,831) were payable to the schemes at 31 August 2016 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.

Valuation of the Teachers' Pension Scheme

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

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 2016

19 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £555,574 (2015: £514,306).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 14.6% for employers and 5.5 - 12.5% for employees. The estimated value of future employer contributions is £171,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	166,000	176,000
Employees' contributions	60,000	67,000
Total contributions	226,000	243,000

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 2016

19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.6
Rate of increase for pensions in payment	1.9	2.1
Discount rate	2.0	3.8
Inflation assumption (CPI)	1.9	2.1

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

	2016 Years	2015 Years
Retiring today		
- Males	22.7	22.6
- Females	25.2	25.1
Retiring in 20 years		
- Males	24.9	24.8
- Females	27.5	27.4

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	969,266	843,538
Government bonds	718,632	486,194
Corporate bonds	188,530	152,902
Cash	164,132	130,568
Property	177,440	104,798
Total market value of assets	2,218,000	1,718,000
Actual return on scheme assets - gain/(loss)	310,000	-

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	196,000	218,000
Net interest cost	44,000	39,000

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 2016

19 Pensions and similar obligations		(Continued)
Changes in the present value of defined benefit obligations	2016 £	2015 £
Obligations at 1 September 2015	2,947,000	2,667,000
Current service cost	196,000	218,000
Interest cost	113,000	99,000
Employee contributions	60,000	67,000
Actuarial loss/(gain)	1,477,000	(68,000)
Benefits paid	(36,000)	(36,000)
At 31 August 2016	4,757,000	2,947,000
Changes in the fair value of the academy trust's share of scheme assets	2016 £	2015 £
Assets at 1 September 2015	1,718,000	1,511,000
Interest income	69,000	60,000
Actuarial gain/(loss)	241,000	(60,000)
Employer contributions	166,000	176,000
Employee contributions	60,000	67,000
Benefits paid	(36,000)	(36,000)
At 31 August 2016	2,218,000	1,718,000
20 Reconciliation of net income to net cash flows from operating activities		
	2016 £	2015 £
Net income for the reporting period	619,160	204,146
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(674,310)	(407,400)
Investment income	(1,061)	(996)
Defined benefit pension costs less contributions payable	30,000	42,000
Defined benefit pension net finance cost/(income)	44,000	39,000
Depreciation of tangible fixed assets	231,222	168,571
(Increase)/decrease in stocks	1,725	(1,893)
(Increase)/decrease in debtors	(256,536)	(223,964)
Increase/(decrease) in creditors	(217,282)	170,865
Net cash used in operating activities	(223,082)	(9,671)

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 2016

21 Contingent liabilities

The academy secured funding from the Football Foundation and Sport England in connection with the provision of new sports facilities at the academy, which have been capitalised on assets. Conditions are attached to the grants, which may have to be repaid in the event of breaches. The total amount of funding received was £385,000.

22 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£	£
Amounts due within one year	24,313	37,524
Amounts due in two and five years	31,623	9,210
	<u>55,936</u>	<u>46,734</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 2016

23 Related party transactions

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 L Byron (headteacher) is a director:

- The trust purchased student activities for pupils and continuous professional development events for teachers from Hexham & Newcastle Partnership totalling £18,934 (2015: £20,580) during the year.
- The trust received income for a research project funded by the partnership to Hexham & Newcastle Partnership totalling £959 (2015: £887) during the year. The amounts owed to the trust at 31 August 2016 was £nil (2015: £850).
- The trust made the purchase at arms' length in accordance with its financial regulations, which L Byron neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

Eleven Arches - a charitable company in which D Tindale (trustee) is a trustee:

- The trust received income for hire of facilities from Eleven Arches totalling £4,796 during the year. The amounts owed to the trust was £4,318 at 31 August 2016.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

St Mary's RCVA Primary School - a school in which M Whalen (trustee) is a governor:

- The trust received income for sharing an ICT technician and reimbursement of costs from St Mary's RCVA Primary School totalling £3,698 during the year. The amounts owed to the trust was £6 at 31 August 2016.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

St Joseph's RCVA Primary School - a school in which M Whalen (trustee) is a governor:

- The trust received income for swimming lessons and free school meals from St Joseph's RCVA Primary School totalling £502 during the year. The amounts owed to the trust was £20 at 31 August 2016.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

Mrs B Giblin - Wife of Mr P Giblin (Trustee - resigned 30/11/2015)

- Mr P Giblin's wife is employed by the Academy Trust as a Administrative and Clerical Assistant. Mrs B Giblin works S John's Catholic Academy and was appointed prior to conversion. Mrs B Giblin is paid in line with the standard local government support staff payscale for apprentices and reports directly to the Headteacher Mrs L Byron. The trust has complied with the requirement of the EFA's Academies Financial Handbook.

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 2016

23 Related party transactions

(Continued)

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the land and buildings on the same basis as when the academy was a maintained school. The academy trust occupies the land and buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

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.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust brought forward £4,493 from previous years and received £25,157 and disbursed £20,664 from the fund. An amount of £4,493 is included in other creditors relating to undistributed funds that are repayable to the EFA.

26 Reconciliations on adoption of FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP	751,397	963,543
Change in recognition of LGPS interest cost	1	-
Funds reported under FRS 102	751,397	963,543

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 2016

26 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income previously reported under UK GAAP		236,146
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(32,000)
Net income reported under FRS 102		204,146

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £32,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

No other material changes were identified.