

Company Registration No. 07772278 (England and Wales)

THE JOSEPH WHITAKER SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

THE JOSEPH WHITAKER SCHOOL

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THE JOSEPH WHITAKER SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Cllr C P Barnfather (Chair) *
D Wakelin (Vice Chair) *
J A Eden (Academy Trust)
R Evans (Academy Trust) (Resigned 20 January 2016) *
K Turner (Academy Trust)
W Bates (Parent)
A Hancock (Parent) (Resigned 27 November 2016) *
S Linnell (Staff) (Resigned 27 November 2016) *
D Bell (Headteacher) (Appointed 1 September 2015)
M Smith (Academy Trust)
C Morgan (Academy trust) (Appointed 3 November 2015) *
J Staton (Academy Trust) (Appointed 3 November 2015)
C Arthur (Parent) *
D Brennan (Parent) (Appointed 3 November 2015 and resigned 2 July 2016)
R Corder (Parent) (Appointed 3 November 2015) *
K Johnson (Parent)
P Whitlam (Parent) (Appointed 3 November 2015) *
H Maiden (Staff) (Resigned 4 September 2016)
D O'Connor (Staff) *

* members of the personnel and finance committee

Members

D Wakelin
Rev C J Rattenberry
D Bell (Appointed 1 September 2015)

Senior management team

- Headteacher	D Bell
- Vice Principal	M Croft
- Vice Principal	H Darnbrough
- Vice Principal	F Derrick
- Associate Leader	M Beastall
- Associate Leader	G Brookes
- Associate Leader	J Gomersall
- Associate Leader	V Hasnip
- Associate Leader	R Souter

Company secretary

H Darnbrough

Company registration number 07772278 (England and Wales)

THE JOSEPH WHITAKER SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office	Warsop Lane Rainworth Mansfield Nottingham NG21 0AG
Independent auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
Bankers	Lloyds Bank 1-3 Church Street Mansfield NG18 1AF
Solicitors	Stone King 13 Queen Street Bath BA1 2HJ

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (FRS102).

The Academy Trust took over the operation of The Joseph Whitaker School on the school's conversion to academy status on 1 November 2011. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 11 and 18.

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 The Joseph Whitaker School are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Joseph Whitaker School.

Details of the trustees who served during the year are included in the Reference and Administrative 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 he/she are a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 10 to the financial statements.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of trustees

Any Trustee elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the Governing Body's business is conducted with the right balance of Governorships so that there is a good range of skills, representation and experience. Any vacancies will be advertised on the school website and through letters to the parent body.

We have delegated to the Company Secretary the overall responsibility for organising the election and to also undertake the role of the Returning Officer. At any one time the structure of the Governing Body must be:

- The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:
 - i. Up to 10 Trustees, appointed under Article 50; A minimum of 2 and up to 7 Parent Trustees appointed under Articles 53-58;
 - ii. Up to 3 Staff Trustees, (and, where there are 2 or more Staff Trustees in office, at least 1 of these shall be a teacher and at least 1 shall be support staff), subject to Article 50A;
 - iii. The Principal;
 - iv. Any Additional Trustees, if appointed under Article 62, 62A or 68A; and
 - v. Any Further Trustees, if appointed under Article 63 or Article 68A.
- The Academy Trust may also have any Co-opted Trustee appointed under Article 59.

Policies and procedures adopted for the induction and training of trustees

During the year under review the Full Governing Body met 6 times and there were 12 committee meetings. The training and induction provided for new Trustees depends on their previous experience. All new Trustees are given a tour of the school and the chance to meet with the Headteacher, staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. New Trustees are encouraged to attend an Induction course provided by the Nottinghamshire County Council and have access to a full programme of courses which they will choose to attend, based on their role and experience.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The organisational structure consists: the Trustees, the Senior Leadership Team and Middle Management. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Governing Body has delegated areas of its work, and in specific cases decision-making responsibilities to a number of committees. All of these:

- Meet at least once a term, elect a Chair and Vice Chair at the first meeting of the year, and have a quorum of two thirds of the membership of each committee
- Receive reports from the Headteacher or Vice Principal (Support Services) at each meeting. These can contain key issues for the attention of the committee
- Perform a largely strategic role (for example, setting aims and objectives, agreeing policies, targets and priorities and monitoring and reviewing aims, objectives and progress), act as a 'critical friend', delegate responsibilities to the Headteacher as appropriate, and make necessary decisions/recommendations
- Work within the bounds of school policies and practices, LA Regulations and Statutory Instruments

The Senior Leadership Team comprises the Headteacher, 3 Vice Principals and 5 Associate Leaders. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Trustee. Some spending control is devolved to members of the Middle Management Team, with limits above which a member of the Senior Leadership Team must countersign.

The Middle Management Team includes Faculty Leaders, Progress Leaders, Subject Leaders and Heads of House. Along with the Senior Management Team these managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the Academies HR provider in line with relevant professional pay review bodies. Naturally the Headteacher was not involved in setting his own remuneration package.

Only staff trustees, including the Headteacher, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 9.

The day to day running of the pay policy is delegated to the Headteacher and monitored by the Personnel and Finance Committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 8.

Related parties and other connected charities and organisations

We connect with Stubbing's Court Adventure Services, APE alternative provision, Studio School West Notts, First Class Solutions and Real Education who all support students on a part-time or full time basis. Funding for this is devolved to the academy from the Local Authority and the organisations are used by the Academy to provide education to pupils with behavioural, emotional and social needs.

The academy belongs to the Minster Teaching Alliance and George Spencer Teaching Alliance where good practice is shared at network meetings and approved CPD events.

The academy operates a PTA which supports school's functions and works with the School Council to raise funds for student related projects. This is in its infancy and therefore minimal funds have been raised. However, all positions of responsibility are now in place on the JWPTA. The strap line is Parents and Pupils Working Together.

THE JOSEPH WHITAKER SCHOOL
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The Academy Trust's principle 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 school offering a broad and balanced curriculum ("the Academy")

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

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

- Offering the widest possible range of academic and vocational educational opportunities to match every student's need and ambitions thus enabling them to achieve economic well-being
- Fostering attitudes that will help them grow into tolerant, responsible citizens who will make a positive contribution in the community
- Providing emotional and pastoral support to help individual pupils meet the challenges they face in a safe, happy and caring environment
- Nurturing positive attitudes towards personal safety and a healthy lifestyle
- Exploiting the benefits of our specialist school status to create a distinctive character for the school to further raise individual levels of achievement and standards of performance
- Working in close partnership with parents, outside agencies, business, civic and voluntary bodies to motivate students, broaden their experience, develop enterprise and help them to see the relevance of education to their prospects in life
- Working with schools and colleges in the locality
- Providing an attractive and stimulating working environment regarding buildings, facilities, equipment and furniture
- Make teaching and learning more productive and efficient by harnessing modern technology and promoting independent learning

THE JOSEPH WHITAKER SCHOOL
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

Our vision for The Joseph Whitaker School is that we will be outstanding through:

- Outstanding leadership and management
- Outstanding teaching and learning
- Outstanding personal development of students

We have high expectations, a no excuses culture towards achieving and excellent attitudes to learning.

The Academy's Development Plan describes our objectives and aims

Our vision for The Joseph Whitaker School is that we will be outstanding through:

- Outstanding leadership and management
- Outstanding teaching and learning
- Outstanding personal development of students

We have high expectations, a no excuses culture towards achieving and excellent attitudes to learning.

The Academy's Development Plan describes our objectives and aims

Leadership and Management

- Outstanding progress and attainment through effective and consistent leadership and management at all levels including Governance.
- Further development of leadership and management via 2.3, the central development programme and by internal mentoring of new middle managers
- Implement support staff appraisal system
- Increase collaboration with other schools both locally, nationally and globally to ensure best educational practice is followed
- Further improve the quality of the school facilities and ICT infra-structure
- Undertake a 3-year review of the School Day with all stakeholders.
- Maintain the financial stability of the School by developing new income streams.

Teaching and Learning

- Embed and review the impact of Target Driven Learning
- Embed the feedback for progress systems in all faculties
- Increase the provision and quality of the central teaching and learning development programme
- Implement robust Faculty teaching and learning plans to achieve outstanding outcomes for all pupils.
- Maintain the teaching improvement model including coaching
- Implement new KS3 Assessment policy
- Review school reporting systems following implementation of Insight.
- Implement new KS4 / KS5 specifications in Sept 2015.
- Prepare for new KS4 and KS5 specifications in September 2016.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Personal Development, Behaviour and Welfare

- Implement recommendations from Pastoral Review 2015.
- Whole school drive to facilitate a cultural shift amongst all students and staff, on the importance of ATL.
- Further strengthen Behaviour systems and structures
- Further strengthen attendance and punctuality systems
- Further develop the mentoring of students in KS3 via Tutors and Team You project.
- Maintain and develop student leadership programmes from Year 6 to Post 16
- Maintain and develop healthy lifestyles and understanding of safety in relation to social media
- Implement statutory recommendations from Prevent Strategy.

Outcomes for Pupils and Effectiveness of 6th Form

- Implement recommendations from Pupil Premium Review 2015.
- Implement new staffing structure to maximise pupil progress
- Faculty Development Plans to focus upon vulnerable groups, the most able and boys.
- Develop further intervention systems across ALL year groups including the use of national programmes. eg Living for Sport
- Continue to review KS3 and KS4 Curriculum with a focus upon EBAAC national guidance
- Review KS5 Curriculum to maximise progress and to develop enrichment programmes

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

The Joseph Whitaker School is an Academy converter catering for children aged 11 to 18 and strives to promote and support the advancement of education within the local area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example the school works with:

- The Youth Sport Trust to develop sport and leadership locally, regionally and nationally.
- Newark Sports Partnership led by the School Games Organiser (SGO) at JWS.
- JWS is a hub for excellence in leadership and volunteering in Nottinghamshire.
- The Duke of Edinburgh award organisation to promote engagement in outdoor pursuits, independence and volunteering with 115 students participating in 2015-16.
- The Young Engineers Club works across the family of schools and is supported by County and District Councillors. They have achieved national success.
- Numerous partnerships with sporting clubs who use the sporting facilities.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- 3G football pitch
- Squash courts and gym facilities
- Sports Hall and Dance Studio
- 6th Form Centre for function and training events
- Letting the Main School Hall and Sixth Form Centre for local community events
- Fund raising for House Charities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

The Joseph Whitaker School was graded Ofsted Good in December 2015. The Standards Committee of East Midlands Education Trust (EMET) viewed 2015 results as close to Outstanding

A Level Outcomes

A LEVEL	2012	2013	2014	2015	2016
A*-A	39%	52%	56%	68.6%	58%
A*-B	59%	72%	82%	83.5%	72.8%
A*-C	89%	92%	93%	93.4%	92.6%
APS per entry	210=C	219	212	229	220
Pass Rate	100%	100%	100%	100%	100%

A Level Summary

- APS per entry remains very strong at 220 points.
- The new Progress measure is 0.2 which is positive and a fifth of a grade better than expected.
- A/A* at A Level was 25%, in line with national averages.
- These results would be judged as solidly Good if not close to Outstanding.

GCSE Outcomes

Key Outcome	Target	Actual	Achieved
Progress 8	0.2	0.33	YES
Attainment 8	50	54.1	YES
Basics (A-C in EM)	70%	70%	YES
EBACC	25%	24.6%	YES

GCSE Summary

- A Progress 8 score of 0.33 means that students on average achieved a third of a grade higher than national averages
- FFT indicate that this places the school in the top 18th percentile rank
- Attainment 8 score indicates a grade C+ on average.
- Basics result of 70% places the school in the 33rd percentile nationally
- Ofsted would judge the school as strongly Good with elements of Outstanding.

Staffing

- Recruitment and retention is a strong feature of the school. Two teachers retired at the end of the 2015-16 academic year, all others remained.
- Specialists teach in all key areas including maths, English and science.
- The Schools Direct and ITT programme have contributed significantly to recruitment in the core subjects. Eg Physics and Mathematics for 2016-17.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Curriculum, teaching and extra-curricular

- The curriculum offer at all Key Stages is broad and balanced, and meets the needs, aptitudes and interests of pupils well. Whilst the curriculum offer is designed to maximise academic performance, an appropriate range of vocational courses are offered at both level 2 and 3
- 95% of students' study 8 qualifying subjects for Progress 8.
- Provision for SMSC, including the promotion of British Values, is a very strong feature of the school
- Pupils are exceptionally well-prepared for their next steps, resulting in 0% NEET figures in 2013, 2014 and 2015. Figures for 2016 not released at time of writing.
- The school has invested in very good CEIAG support through a dedicated careers advisor employed by the school. Previously the school used Futures.
- The school offers a good range of extra-curricular opportunities including sport, performing arts, Young Engineers, Duke of Edinburgh, leadership awards and international links.

Key performance indicators

A balanced budget was set for 2016-17 and the school has a healthy carry forward which is being used to support the CIF refurbishment and other renovation projects.

Where staffing circumstances arise that afford an opportunity for staffing cost reductions these are taken. e.g Health and Social teacher not replaced, music teacher allowed to reduce teaching hours to 0.6, etc.

Additionally, group sizes in KS3 have increased and economically unviable courses in KS4 and KS5 have been removed.

A successful CIF bid to the EFA has resulted in £670k approximately for replacement windows, doors, facias and roofing in the lower school block. This has a 25 year guarantee and will result in reduced heating and repair costs.

A £50,000 grant from Badminton England was secured for a total refurbishment of the Sports Hall which includes a new floor.

The Governors consider that the following are key performance indicators for the Academy Trust:

- General financial stability - aim for income to match expenditure each year
- Staff costs as a percentage of revenue income
- Pupil/Teacher Ratio

The Governors are pleased that expectations for all key performance indicators have been met during the period.

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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

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

During the period ended 31 August 2016, total expenditure of £7,294,599 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £50,956.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

At 31 August 2016, the net book value of fixed assets was £18,616,641 and movements in tangible fixed assets are shown in notes 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The funds held at the balance sheet date were £16,012,046, including £15,438,901 on restricted funds and £573,145 on unrestricted funds.

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

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's salary cost, approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The balance of unrestricted funds at 31 August 2016 was £573,145 so the trust is operating in accordance with its reserves policy

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

The pension reserve held within restricted funds was in deficit by £4,119,000 at 31 August 2016. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

Investment policy and powers

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the Trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

The Academy has no investments.

THE JOSEPH WHITAKER SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - The Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

THE JOSEPH WHITAKER SCHOOL
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

During the 2016-17 academic year we will:

- Improve the quality of leadership and management using external courses and networking with other schools.
- Implement a revised system of Governance.
- Ensure that target driven learning and high quality feedback are central to all lessons.
- Further improve ATL and develop greater resilience amongst the students.
- Review the current pastoral structure
- Maintain our focus upon the progress of DP students especially boys
- Develop the enrichment opportunities in the 6th form.

Multi-Academy Trust

During 2015-16 the school researched and had dialogue with a number of multi-academy trusts. A consultation was undertaken between April and May 2016 with all stakeholders to consider joining an established Multi Academy Trust. Due diligence was carried out by the chosen trust and by the Governors of The Joseph Whitaker School. In July 2016 the decision was approved by Governors to work towards joining the East Midlands Education Trust (EMET). This was duly completed for 1 September 2016. Currently a 0.5% top slice is paid which will rise to 1% in September 2017. The school has become fully involved in the networking opportunities and the school improvement aspects of the trust. The Governors of The Joseph Whitaker School have a Director's position on the EMET Board.

Auditor

In so far 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 trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2016 and signed on its behalf by:

Clr C P Barnfather
Chair

D Bell
Headteacher

THE JOSEPH WHITAKER SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Joseph Whitaker School 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Cllr C P Barnfather (Chair)	6	6
D Wakelin (Vice Chair)	4	6
J A Eden (Academy Trust)	4	4
R Evans (Academy Trust) (Resigned 20 January 2016)	2	2
K Turner (Academy Trust)	3	3
W Bates (Parent)	5	6
A Hancock (Parent) (Resigned 27 November 2016)	3	6
S Linnell (Staff) (Resigned 27 November 2016)	3	6
D Bell (Headteacher) (Appointed 1 September 2015)	6	6
M Smith (Academy Trust)	4	6
C Morgan (Academy trust) (Appointed 3 November 2015)	3	6
J Staton (Academy Trust) (Appointed 3 November 2015)	5	6
C Arthur (Parent)	4	6
D Brennan (Parent) (Appointed 3 November 2015 and resigned 2 July 2016)	1	5
R Corder (Parent) (Appointed 3 November 2015)	4	6
K Johnson (Parent)	4	6
P Whitlam (Parent) (Appointed 3 November 2015)	5	6
H Maiden (Staff) (Resigned 4 September 2016)	4	5
D O'Connor (Staff)	6	6

The governors undertook a review of the composition of the governing body at the end of the academic year 2014/15 following resignations and governors terms of office coming to an end. The Academy was successful in recruiting 6 new governors with a background and wealth of knowledge and experience in the Finance, IT and commercial field further strengthening the Governing Body. The Vice-Chair of Finance and Personnel was appointed Chair of the committee following the illness of the Chair.

THE JOSEPH WHITAKER SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The personnel and finance committee is a sub-committee of the main board of trustees.

Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Cllr C P Barnfather (Chair)	4	4
D Wakelin (Vice Chair)	3	4
R Evans (Academy Trust) (Resigned 20 January 2016)	1	2
A Hancock (Parent) (Resigned 27 November 2016)	3	4
S Linnell (Staff) (Resigned 27 November 2016)	4	4
C Morgan (Academy trust) (Appointed 3 November 2015)	2	3
C Arthur (Parent)	4	4
R Corder (Parent) (Appointed 3 November 2015)	2	3
P Whitlam (Parent) (Appointed 3 November 2015)	2	3
D O'Connor (Staff)	3	4

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 academy 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:

- securing Badminton England bid to provide excellent facilities for students and the community in the newly refurbished Sports Hall
- Refurbishment of fallow area in the former Leisure Centre to create a Learning Inclusion Centre as an alternative to off-site provision.
- Maximising CIF funding to replace roof, windows, doors and cladding to the Lower School to achieve future energy savings.
- Maintaining a broad and balanced curriculum whilst ensuring that staffing levels are reduced. Thereby future proofing potential budget shortfalls from 2016 to 2020

THE JOSEPH WHITAKER SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 The Joseph Whitaker School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

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 ongoing 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 accounts. 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 personnel and finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mark Astill of Astill School Business Services as Responsible Officer.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Four reviews are to be completed in a financial year and a report to be produced on a quarterly basis to the Personnel and Finance Committee.

The Responsible Officers 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

THE JOSEPH WHITAKER SCHOOL

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Personnel & Finance Committee and confirms continuous improvement of the system is in place.

Approved by order of the board of trustees on 15 December 2016 and signed on its behalf by:

Cllr C P Barnfather
Chair

D Bell
Headteacher

THE JOSEPH WHITAKER SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Joseph Whitaker School 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 for Education. 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's 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 EFA.

D Bell
Accounting Officer

15 December 2016

THE JOSEPH WHITAKER SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for The Joseph Whitaker School and are also the directors of The Joseph Whitaker School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make 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 accounts; and
- prepare the accounts 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 accounts 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 15 December 2016 and signed on its behalf by:

Cllr C P Barnfather
Chair

D Bell
Headteacher

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE JOSEPH WHITAKER SCHOOL

We have audited the accounts of The Joseph Whitaker School for the year ended 31 August 2016 set out on pages 26 to 49. 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 21, the trustees, who are also the directors of The Joseph Whitaker School 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscope/private.

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.

**INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF
THE JOSEPH WHITAKER SCHOOL (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.

**Elizabeth Searby BSc FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

Chartered Accountants

Statutory Auditor

14 Park Row

Nottingham

NG1 6GR

Dated: 15 December 2016

THE JOSEPH WHITAKER SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE JOSEPH WHITAKER SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 October 2011 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 The Joseph Whitaker School 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 The Joseph Whitaker School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Joseph Whitaker School 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 The Joseph Whitaker School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Joseph Whitaker School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Joseph Whitaker School's funding agreement with the Secretary of State for Education dated 31 October 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.

THE JOSEPH WHITAKER SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE JOSEPH WHITAKER SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

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.

Elizabeth Searby BSc FCA

Reporting Accountant

UHY Hacker Young

Dated: 15 December 2016

THE JOSEPH WHITAKER SCHOOL

**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	2	-	-	474,573	474,573	230,726
Charitable activities:						
- Funding for educational operations	4	-	6,516,715	-	6,516,715	6,575,023
Other trading activities	3	404,985	40,900	-	445,885	412,429
Investments	5	1,611	-	-	1,611	1,541
Total income and endowments		<u>406,596</u>	<u>6,557,615</u>	<u>474,573</u>	<u>7,438,784</u>	<u>7,219,719</u>
Expenditure on:						
Raising funds	6	406,596	-	-	406,596	376,985
Charitable activities:						
- Educational operations	7	-	6,506,659	381,344	6,888,003	7,018,665
Total expenditure	6	<u>406,596</u>	<u>6,506,659</u>	<u>381,344</u>	<u>7,294,599</u>	<u>7,395,650</u>
Net income/(expenditure)		-	50,956	93,229	144,185	(175,931)
Transfers between funds		-	(102,202)	102,202	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,577,000)	-	(1,577,000)	25,000
Net movement in funds		-	(1,628,246)	195,431	(1,432,815)	(150,931)
Reconciliation of funds						
Total funds brought forward		573,145	(1,942,571)	18,814,287	17,444,861	17,595,792
Total funds carried forward		<u>573,145</u>	<u>(3,570,817)</u>	<u>19,009,718</u>	<u>16,012,046</u>	<u>17,444,861</u>

THE JOSEPH WHITAKER SCHOOL

**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 £	Restricted funds: General £	Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	-	-	230,726	230,726
Charitable activities:					
- Funding for educational operations	4	-	6,575,023	-	6,575,023
Other trading activities	3	376,984	35,445	-	412,429
Investments	5	1,541	-	-	1,541
Total income and endowments		378,525	6,610,468	230,726	7,219,719
Expenditure on:					
Raising funds	6	376,985	-	-	376,985
Charitable activities:					
- Educational operations	7	-	6,625,439	393,226	7,018,665
Total expenditure	6	376,985	6,625,439	393,226	7,395,650
Net income/(expenditure)		1,540	(14,971)	(162,500)	(175,931)
Transfers between funds		-	(26,003)	26,003	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	25,000	-	25,000
Net movement in funds		1,540	(15,974)	(136,497)	(150,931)
Reconciliation of funds					
Total funds brought forward		571,605	(1,926,597)	18,950,784	17,595,792
Total funds carried forward		573,145	(1,942,571)	18,814,287	17,444,861

THE JOSEPH WHITAKER SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11	18,616,641		18,814,287	
Current assets					
Stocks	12	13,948		12,045	
Debtors	13	261,094		126,805	
Cash at bank and in hand		1,634,109		1,343,769	
		<u>1,909,151</u>		<u>1,482,619</u>	
Creditors: amounts falling due within one year	14	(355,235)		(432,585)	
Net current assets		<u>1,553,916</u>		<u>1,050,034</u>	
Total assets less current liabilities		<u>20,170,557</u>		<u>19,864,321</u>	
Creditors: amounts falling due after more than one year	15	(39,511)		(67,460)	
Net assets excluding pension liability		<u>20,131,046</u>		<u>19,796,861</u>	
Defined benefit pension liability	18	(4,119,000)		(2,352,000)	
Net assets		<u><u>16,012,046</u></u>		<u><u>17,444,861</u></u>	
Funds of the academy trust:					
Restricted income funds	17				
- Fixed asset funds		19,009,718		18,814,287	
- General funds		548,183		409,429	
- Pension reserve		(4,119,000)		(2,352,000)	
Total restricted funds		<u>15,438,901</u>		<u>16,871,716</u>	
Unrestricted funds	17	<u>573,145</u>		<u>573,145</u>	
Total funds		<u><u>16,012,046</u></u>		<u><u>17,444,861</u></u>	

The accounts were approved by order of the board of trustees and authorised for issue on 15 December 2016.

.....
Cllr C P Barnfather
Chair

.....
D Bell
Accounting Officer

Company Number
07772278

THE JOSEPH WHITAKER SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	20		(2,146)		6,338
Cash flows from investing activities					
Dividends, interest and rents from investments		1,611		1,541	
Capital grants from DfE and EFA		474,573		39,408	
Capital funding from sponsors and others		-		191,318	
Payments to acquire tangible fixed assets		(183,698)		(256,729)	
			292,486		(24,462)
Change in cash and cash equivalents in the reporting period					
			290,340		(18,124)
Cash and cash equivalents at 1 September 2015			1,343,769		1,361,893
Cash and cash equivalents at 31 August 2016			<u>1,634,109</u>		<u>1,343,769</u>

THE JOSEPH WHITAKER SCHOOL

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

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

The Joseph Whitaker School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Joseph Whitaker School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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.

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.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

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.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

The land and buildings are included in the financial statements at valuation which is calculated using the depreciated replacement cost method.

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

Freehold land and buildings	50 years (buildings only)
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

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

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

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.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 18, 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.

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 or other funders where the asset acquired or created is held for a specific purpose.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

1.12 Intangible fixed assets and amortisation

Software licences are amortised at an annual rate of 10% after its first accounting period in order to write off the asset over its estimated useful life of 10 years.

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 18, 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 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	474,573	474,573	230,726

The income from donations and capital grants was £474,573 (2015: £230,726) of which £474,573 was restricted fixed assets (2015: £230,726).

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Other income	76,632	-	76,632	66,277
Catering income	227,234	-	227,234	221,353
Hire of facilities income	101,119	-	101,119	89,354
Trip income	-	40,900	40,900	35,445
	<u>404,985</u>	<u>40,900</u>	<u>445,885</u>	<u>412,429</u>

The income from other trading activities was £445,885 (2015: £412,429) of which £404,985 was unrestricted (2015: £376,984) and £40,900 was restricted (2015: £35,445).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	5,969,949	5,969,949	6,018,218
Other DfE / EFA grants	-	265,162	265,162	304,301
	<u>-</u>	<u>6,235,111</u>	<u>6,235,111</u>	<u>6,322,519</u>
Other government grants				
Local authority grants	-	221,570	221,570	189,346
Special educational projects	-	60,034	60,034	63,158
	<u>-</u>	<u>281,604</u>	<u>281,604</u>	<u>252,504</u>
Total funding	<u>-</u>	<u>6,516,715</u>	<u>6,516,715</u>	<u>6,575,023</u>

The income from funding for educational operations was £6,516,715 (2015: £6,575,023) of which £6,516,715 was restricted (2015: £6,575,023).

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	1,611	-	1,611	1,541
	<u>1,611</u>	<u>-</u>	<u>1,611</u>	<u>1,541</u>

The income from funding for investment income was £1,611 (2015: £1,541) of which £1,611 was unrestricted (2015: £1,541).

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	3,675,393	-	375,102	4,050,495	4,517,788
- Allocated support costs	1,751,866	555,868	529,774	2,837,508	2,500,877
	<u>5,427,259</u>	<u>555,868</u>	<u>904,876</u>	<u>6,888,003</u>	<u>7,018,665</u>
Other expenditure					
Raising funds	228,844	-	177,752	406,596	376,985
	<u>228,844</u>	<u>-</u>	<u>177,752</u>	<u>406,596</u>	<u>376,985</u>
Total expenditure	<u>5,656,103</u>	<u>555,868</u>	<u>1,082,628</u>	<u>7,294,599</u>	<u>7,395,650</u>

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	8,300	7,000
- Other services	1,891	1,600
Operating lease rentals	3,342	3,664
Depreciation of tangible fixed assets	381,344	393,226
	<u>394,877</u>	<u>395,500</u>

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	2016	2015
	£	£
All from restricted funds:		
Direct costs - educational operations	4,050,495	4,517,788
Support costs - educational operations	2,837,508	2,500,877
	<u>6,888,003</u>	<u>7,018,665</u>
	<u><u>6,888,003</u></u>	<u><u>7,018,665</u></u>

The expenditure on educational operations was £6,888,003 (2015: £7,018,665) of which £6,506,659 was restricted (2015: £6,625,439) and £381,344 was restricted fixed assets (2015: £393,226).

	2016	2015
	£	£
Analysis of support costs		
Support staff costs	1,751,866	1,420,460
Depreciation and amortisation	381,344	393,226
Technology costs	49,376	54,011
Premises costs	366,057	360,892
Other support costs	258,714	239,424
Governance costs	30,151	32,864
	<u>2,837,508</u>	<u>2,500,877</u>
	<u><u>2,837,508</u></u>	<u><u>2,500,877</u></u>

8 Staff costs

	2016	2015
	£	£
Wages and salaries	4,363,468	4,513,240
Social security costs	343,000	315,668
Operating costs of defined benefit pension schemes	818,587	763,803
	<u>5,525,055</u>	<u>5,592,711</u>
Staff costs	5,525,055	5,592,711
Supply staff costs	114,733	100,191
Staff development and other staff costs	16,315	23,056
	<u>5,656,103</u>	<u>5,715,958</u>
Total staff expenditure	<u><u>5,656,103</u></u>	<u><u>5,715,958</u></u>

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Staff numbers

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

	2016	2015
	Number	Number
Teachers	91	97
Administration and support	143	163
	<u>234</u>	<u>260</u>

Higher paid staff

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

	2016	2015
	Number	Number
£80,000 - £90,000	1	-
£90,000 - £100,000	-	1
	<u>1</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,609 (2015: Nil).

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 £603,528.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 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 from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

D Bell Headteacher £80,000 - £90,000 (2015: Not a trustee)
R Martlew Headteacher - No longer a trustee (2015: £110,000 - £115,000)
S Linnell Personnel Manager £25,000 - £30,000 (2015: £25,000-£30,000)
D Cook Teacher - No longer a trustee (2015: £45,000-£50,000)
A Naslas Teacher - No longer a trustee (2015: £25,000-£30,000)
H L Maiden Teacher £30,000 - £35,000 (2015: £5,000 - £10,000)
D O'Connor Teacher £25,000 - £30,000 (2015: £5,000 - £10,000)

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

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £4,504 (2015: £4,504).

11 Tangible fixed assets

	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	19,250,261	185,228	334,481	19,769,970
Additions	149,052	19,340	15,306	183,698
At 31 August 2016	19,399,313	204,568	349,787	19,953,668
Depreciation				
At 1 September 2015	740,351	128,649	86,683	955,683
Charge for the year	314,893	32,009	34,442	381,344
At 31 August 2016	1,055,244	160,658	121,125	1,337,027
Net book value				
At 31 August 2016	18,344,069	43,910	228,662	18,616,641
At 31 August 2015	18,509,910	56,579	247,798	18,814,287

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets **(Continued)**

Included within Freehold Land and Buildings is land of £3,630,000 which has not been depreciated.

12 Stocks **2016** **2015**
£ **£**

Stock 13,948 12,045

13 Debtors **2016** **2015**
£ **£**

Trade debtors 11,216 15,259
VAT recoverable 33,281 35,258
Prepayments and accrued income 216,597 76,288
261,094 126,805

14 Creditors: amounts falling due within one year **2016** **2015**
£ **£**

Trade creditors 61,760 79,542
Other taxation and social security 95,227 95,841
Other creditors 116,462 117,539
Accruals and deferred income 81,786 139,663
355,235 432,585

15 Creditors: amounts falling due after more than one year **2016** **2015**
£ **£**

Other creditors 39,511 67,460

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	73,082	84,991
Deferred income at 1 September 2015	84,991	161,807
Released from previous years	(84,991)	(161,807)
Amounts deferred in the year	73,082	84,991
Deferred income at 31 August 2016	73,082	84,991

At the balance sheet date the academy trust was holding funds received in advance for behaviour funding, sports kits and music tuition for the autumn term 2016.

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	409,429	5,969,949	(5,728,993)	(102,202)	548,183
Other DfE / EFA grants	-	265,162	(265,162)	-	-
Other government grants	-	281,604	(281,604)	-	-
Other restricted funds	-	40,900	(40,900)	-	-
Funds excluding pensions	409,429	6,557,615	(6,316,659)	(102,202)	548,183
Pension reserve	(2,352,000)	-	(190,000)	(1,577,000)	(4,119,000)
	(1,942,571)	6,557,615	(6,506,659)	(1,679,202)	(3,570,817)
Restricted fixed asset funds					
DfE / EFA capital grants	18,814,287	474,573	(381,344)	102,202	19,009,718
Total restricted funds	16,871,716	7,032,188	(6,888,003)	(1,577,000)	15,438,901
Unrestricted funds					
General funds	573,145	406,596	(406,596)	-	573,145
Total funds	17,444,861	7,438,784	(7,294,599)	(1,577,000)	16,012,046

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds

(Continued)

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

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.

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

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

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

The difference between the net book value of fixed assets and the closing balance on the restricted fixed asset fund is due to unspent capital grants received during the year amounting to £393,077. These funds are recognised in the period in which they are received, although the majority of the costs will be incurred next year. The transfer between GAG and the restricted fixed asset fund is to cover the capital additions in the year not covered by specific capital grants.

The pension reserve held within restricted funds was in deficit by £4,119,000 at 31 August 2016. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire 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 £88,399 (2015: £88,960) were payable to the schemes at 31 August 2016 and are included within creditors.

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £509,044 (2015: £455,398).

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

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 between 18% and 22.8% for employers and 8.5% for employees. The estimated value of employer contributions for the forthcoming year is £209,000.

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	209,000	212,000
Employees' contributions	69,000	71,000
	<u> </u>	<u> </u>
Total contributions	278,000	283,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	4.1	4.5
Rate of increase for pensions in payment	2.3	2.7
Discount rate	2.2	4.0
Commutation of pensions to lump sums	50.0	50.0
	<u> </u>	<u> </u>

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

	2016	2015
	Years	Years
Retiring today		
- Males	22	22
- Females	25	25
Retiring in 20 years		
- Males	24	24
- Females	28	28
	<u> </u>	<u> </u>

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations	(Continued)	
The academy trust's share of the assets in the scheme	2016	2015
	Fair value	Fair value
	£	£
Equities	2,157,000	1,773,000
Bonds	213,000	173,000
Cash	133,000	86,000
Gilts	117,000	67,000
Property	379,000	313,000
Other assets	135,000	81,000
	<u>3,134,000</u>	<u>2,493,000</u>
Actual return on scheme assets - gain/(loss)	<u>380,000</u>	<u>(41,000)</u>
Amounts recognised in the statement of financial activities	2016	2015
	£	£
Current service cost (net of employee contributions)	309,000	308,000
Net interest cost	90,000	45,000
	<u>399,000</u>	<u>353,000</u>
Changes in the present value of defined benefit obligations	2016	2015
	£	£
Obligations at 1 September	4,845,000	4,425,000
Current service cost	309,000	308,000
Interest cost	195,000	180,000
Employee contributions	69,000	71,000
Actuarial loss	1,852,000	(119,000)
Benefits paid	(17,000)	(20,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
	<u>7,253,000</u>	<u>4,845,000</u>
At 31 August	<u>7,253,000</u>	<u>4,845,000</u>

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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

	2016	2015
	£	£
Assets at 1 September	2,493,000	2,189,000
Interest income	105,000	135,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	275,000	(94,000)
Employer contributions	209,000	212,000
Employee contributions	69,000	71,000
Benefits paid	(17,000)	(20,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
	<u>3,134,000</u>	<u>2,493,000</u>
At 31 August	<u><u>3,134,000</u></u>	<u><u>2,493,000</u></u>

19 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	18,616,641	18,616,641
Current assets	573,145	942,929	393,077	1,909,151
Creditors falling due within one year	-	(355,235)	-	(355,235)
Creditors falling due after one year	-	(39,511)	-	(39,511)
Defined benefit pension liability	-	(4,119,000)	-	(4,119,000)
	<u>573,145</u>	<u>(3,570,817)</u>	<u>19,009,718</u>	<u>16,012,046</u>
	<u><u>573,145</u></u>	<u><u>(3,570,817)</u></u>	<u><u>19,009,718</u></u>	<u><u>16,012,046</u></u>

THE JOSEPH WHITAKER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	144,185	(175,931)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(474,573)	(230,726)
Investment income	(1,611)	(1,541)
Defined benefit pension costs less contributions payable	100,000	96,000
Defined benefit pension net finance cost/(income)	90,000	45,000
Depreciation of tangible fixed assets	381,344	393,226
(Increase)/decrease in stocks	(1,903)	2,293
(Increase)/decrease in debtors	(134,289)	(28,734)
Increase/(decrease) in creditors	(105,299)	(93,249)
Net cash used in operating activities	<u>(2,146)</u>	<u>6,338</u>

21 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	10,758	9,020
Amounts due in two and five years	7,778	6,934
	<u>18,536</u>	<u>15,954</u>

22 Capital commitments

	2016	2015
	£	£
Expenditure contracted for but not provided in the accounts	<u>320,322</u>	<u>-</u>

THE JOSEPH WHITAKER SCHOOL

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 transactions took place in the period of account:

Nottinghamshire Fire & Rescue - a company in which Cllr C Barnfather (the Chair) is a director. Cllr C Barnfather receives no remuneration in his position as director.

The academy purchased fire safety checks and services totalling £1,320 (2015: £1,233) during the year.

24 Post balance sheet events

In July 2016 the decision was approved by Governors to work towards joining the East Midlands Education Trust (EMET). This was duly completed for 1 September 2016.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.