

Company Registration No. 07950949 (England and Wales)

JOSEPH SWAN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

JOSEPH SWAN ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D M Jones
J M Robson
L Roberts
C R Cooney

Governors

D M Jones (Chair)
C R Cooney (Resigned from Finance
Committee 9 March 2016)
J M Robson
H E Scott (Accounting Officer)
D Haygarth
H M Harold
V J Whalen
L Houston
A Kinsey
A Cable
A Atkinson
P De Vere
J Morrow (Appointed 8 January 2016)
J Robson (Appointed 19 February 2016)

Senior management team

- Head Teacher
- Deputy Head Teacher
- Deputy Head Teacher
- Director of Literacy and Numeracy
- Business Development Manager

H E Scott
J Punshon
J Maylin
A Warr
M Mitchell

Company secretary

M Mitchell

Company registration number

07950949 (England and Wales)

Principal address

Saltwell Road South
Gateshead
Tyne & Wear
NE9 6LE

Independent auditor

RSM UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds Bank Plc
15 West Street
Gateshead
Tyne and Wear
NE8 1DP

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and 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 governors' report, and a directors' report under company law.

The academy trust operates an academy for students aged 11 to 18 serving a catchment area in Gateshead. It has a student capacity of 1230 and had a roll of 1009 in the school census on 6 October 2016.

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 governors are the trustees of Joseph Swan Academy and are also the directors of the charitable company for the purposes of company law. Details of the governors 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance with the Department for Education RPA has been taken out to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Governors.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

Method of recruitment and appointment or election of governors

Governors are recruited based upon the skills that they will bring to the Governing Body or by a democratic process in the case of Parent or Staff Governors.

Appointment of Governors

The Members of the Academy are:-

D M Jones
C R Cooney
J M Robson
L Roberts

Co-opted Governors:

D M Jones
C R Cooney
H M Harold

Appointment of additional Governors

Parent Governors:

A Kinsey
A Cable
J Morrow
J Robson

Member appointed Governors:

D Haygarth
J M Robson

Staff Governors:

V J Whalen
L Houston
A Atkinson

L A Governor:

P De Vere

Head Teacher:

H E Scott

The Secretary of State may also appoint such additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy receives an Ofsted grading (being a grade referred to in The Framework for Academy Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 period, of two Ofsted grades. For the purposes of the foregoing the grade received by Joseph Swan Academy be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62, 62A or 63, any Governors appointed under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of governors

Governors are recruited based on the skills that they will bring to the governing body or based on a proposal to the governing body by representatives. On appointment governors receive a welcome pack containing extensive information relating to the Academy and are advised on the roles and responsibilities of Governors. During the year governors are offered a variety of training.

Training is integrated within the Academy and Governor Support Service SLA and specialist training determined by the role and skill level on appointment.

Organisational structure

The Academy's Head Teacher is the Accounting Officer. The Head Teacher's main task is to execute the policies agreed by the Academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Academy's students. The Head Teacher has personal responsibility to the Governing Body for financial and administrative matters including:

- Ensuring regularity and propriety
- Prudent and economical administration
- Efficient and effective use of available resources
- Day to Day organisation, staffing and management of the Academy

The Academy Governing Body has delegated the Head Teacher extensive powers to make decisions quickly and efficiently in respect of the Head Teacher's responsibilities. The Academy Leadership Team consists of the Head Teacher, two Deputy Head Teachers, two Senior Directors a Business Development Manager and four Directors.

The Governing Body ensure good governance of the Academy and set policy. It can also question implementation of policy where relevant. The Governing Body has the following Committees with specific duties relating to their function:

- Curriculum and Standards Committee
- Finance Committee
- Premises, Health & Safety Committee
- Staffing Committee
- Student Matters Committee

The Committees have delegated powers so that action can be taken quickly whenever necessary. Further ad hoc committees are set up from time to time to advise the Governing Body on very specific matters. These have advisory powers only.

An independent person with financial expertise is the Internal Reviewer.

Arrangements for setting pay and remuneration of key management personnel

Appraisal/Performance Management is used to ascertain whether members of the Leadership Team have met key performance targets. The Head Teacher's performance management objectives are set with input from external consultants. These consultants are present at the HTPM review. The Deputy Head Teachers and the Business Development Manager objectives/targets are reviewed by the Head Teacher and members of the staffing committee

The Head Teacher recommends pay progression to the Staffing Committee as a result of appraisal/Threshold and UPS progression interviews. The Staffing Committee accepts or rejects these recommendations after detailed discussion. recommend to the whole Governing Body for approval, the Academy group size and appropriate pay ranges for members of the Academy Leadership Team.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The Academy exists to ensure that standards of education provision at the Academy are high and that the leadership and management of the Academy develop them still further. There is an obligation on the Academy to support Academy improvement elsewhere across the Local Authority providing there is no detrimental effect on the quality of education provision in the Academy.

The Governing Body meets termly and has committees supporting the detail of its work.

Objects and aims

In furtherance of the "Object" identified on of this document (Principal Activities) the Academy exercises the following powers:-

The characteristics of the Academy set down in Section 1(6) of the Academies Act 2010, are that:

- a. the Academy has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum);
- b. if the Academy provides secondary education, its curriculum for the secondary education has an emphasis on a particular subject area, or particular subject areas, specified in the Agreement;
- c. the Academy provides education for students of different abilities; and
- d. the Academy provides education for students who are wholly or mainly drawn from the area in which the Academy is situated.

Other conditions and requirements in respect of the Academy are that:

1. the Academy will be at the heart of its community, promoting community cohesion and sharing facilities with other Schools and the wider community;
2. there will be assessments of students progress as they apply to maintained Academy's and the opportunity to study for external qualifications in accordance with clause 29 (d);
3. the admissions policy and arrangements for the Academy will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained Academy's;
4. teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust;
5. there will be an emphasis on the needs of the individual students including students with special education needs (SEN), both those with and without statements of SEN;
6. there will be no charge in respect of admission to the Academy and the Academy will only charge students where the law allows maintained Academy's to charge; and

Objectives, strategies and activities

The key objectives, strategies and actions for the Academy are in the Academy's Advancement Plan. These are:

- To further embed our 'Shine Charter' and to promote our ethos of 'Where Everyone Can Shine' throughout our Academy and local community
- To increase attainment and achievement across the curriculum for all students
- To continue to focus on raising the quality of teaching, learning and assessment across the Academy
- To improve the behaviour / attitudes to learning of our students
- To promote SMSC in everything we do

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievements and performance

There are many positives this academic year including; ever improving the attainment grades and progress levels at Key Stage 3,4 and 5, an increased understanding in the world around us through our Social, Moral, Spiritual and Cultural provision and further improving attitudes and love of learning amongst our students.

The Academy continues to focus on improving the quality of teaching and learning to ensure every student achieves their full potential.

Record numbers of Year 13 students progressed to University level education throughout Britain including in Edinburgh . Former Year 13 students started their University studies in September at Universities such as Loughborough, Leeds, Edinburgh, Sheffield, Bristol, Aberdeen, Manchester, Herriott Watt, Liverpool, Reading, Derby, Northumbria, Teesside and Newcastle. Students are studying a variety of subjects including Law, English Literature, English Language, Archaeology, Biomedical Science, Chemistry, Civil Engineering, Primary Education, Interior Design, Economics, Maths, Business, Geography and History. We also had a number of students who were accepted on very prestigious training courses

We have also won many awards this year including the International School Award and the Eco Schools Award. We also achieved recognition of our work from the Royal British Legion regarding our 'Remembrance Respect Days' and the collections we have made for the Poppy appeal. We have also had over 125 very successful trips and visits take place throughout the year including our very successful ski trip in February with record numbers of students participating.

We have three students who were successful in being awarded the Komatsu Scholarship programme who visited Japan at the end of July and two students who attended the National Schools Visit to the Battlefields programme in France. Seventeen of our Sixth Form students flew to Belfast to visit the Queen's University in Belfast as part of our University applications process.

Our Year 11 students have had their Masquerade Ball at the Centre for Life in Newcastle and our Year 13 students celebrated seven years attendance and hard work at their Leavers' Ball at the Royal Station Hotel in Newcastle.

We continue to work very closely with our feeder primary schools regarding our outstanding transition programme. Our mathematical and science mornings, project and reward days, our promotion of young musicians, the Archbishops Trust Young Leaders' Award and our Summer School are all adding to the seamless transition between primary and secondary school. The impact of this is that we are on PAN for Year 7 in September 2016.

Other successes of the year include our Durham ACF Band Concerts, the immense success of our Sports Teams including our Academy reaching the National Dance Off Finals – a wonderful experience for our students. As always our Spiritual, Moral, Social and Cultural days including our Remembrance Commemoration Day and the Holocaust Memorial Day made us all stop and think about what has happened in the world in the past and what is still happening today. During our 'Heart to Heart Day' in February we were presented with a heart defibrillator by Olleco, Chester Le Street. We are very grateful for this but do hope we never need to use this with our student body or staff. As always we are very proud of the work our students and staff do in regard to charities with over £5,000 raised for a number of different charities during the year including the Royal British Legion, the British Heart Foundation and Macmillan Cancer Care.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

Financial review

The financial statements show the income and expenditure during the period. Income has primarily been government funded through the EFA. 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 £6,666,256 exceeded grant funding received from the EFA together with other incoming resources. The excess of total expenditure over total income for the year (prior to other gains/losses) was £215,670.

Excluding the restricted fixed asset funds there is a total deficit of £1,955,982 of which £2,036,000 relates to the pension deficit. The closing funds excluding the fixed asset fund and the pension deficit are therefore £80,018.

At 31 August 2016 the net book value of fixed assets was £14,081,615 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy has a sound budget setting process operating throughout the year to build a needs based budget each year. Initial budgets are prepared by the Business Development Manager and the Head Teacher prior to approval by the Finance Committee and final ratification by the Full Governing Body.

Management accounts are reviewed on a monthly basis and significant variances are reported. Historical Academy expenditure has not varied significantly from the approved budget, other than fixed assets identified in retrospect.

Financial and risk management objectives and policies

The Academy has further developed a system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation. On an annual basis a full financial review of policies and procedures takes place. Governors formally review the process and sign off an Internal Controls Assurance Statement. The latest annual review was carried out in August 2016.

The Finance Committee undertakes a comprehensive review of the risks to which the Academy is exposed. The risk register identifies and prioritises the key risks, the likelihood of those risks occurring, their potential impact and the actions in place to reduce and mitigate the risks.

The risk register outlines a number of key factors which the Academy addresses however, not all the factors are within the Academy's control. The principal risks which may affect the Academy are the demographic dip with birth rates in the region. The impact of this dip is the reduction in funding and the ability to operate efficiently and effectively. In order to minimise this risk the Academy has very strong transition links and teaching programs with our feeder primary schools.

Reserves policy

The Academy has a Reserves Capital & Revenue policy in place. Due to the current financial position funds are held as cash at bank.

Funds to carry forward at the period end are:

Unrestricted	£80,018
Restricted fixed assets	£14,225,396
Pension deficit	(£2,036,000)

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

In the current financial position the Academy plans to build up resources through strategic financial management. In the short term we continue to manage financial resources in order to maintain cash flow whilst maintaining bank balances in line with known funding implications.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

Investment policy

Apart from the cash held for the operation of the Academy there are no realisable investments.

Key performance indicators

Due to continued changes in Key Stage 4 in 2015 including the embedding of 'Progress Ladders' the Academy is pleased to report both the maintenance and in many areas increase of standards in KS4, an increase in attainment and achievement in Key Stage 5 especially in vocational qualifications. There has also been a revision of the curriculum at Key Stage 3 working with our primary feeder schools to eradicate any repetition.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its financial statements.

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

Plans for future periods

- All costs and budgets have been reviewed, contracts renegotiated and activities altered to support cost reductions. Staffing costs are very tightly managed and posts have been strategically reviewed. This is also linked to student numbers and a revised curriculum. Some posts which were teaching posts are now open to teaching or associate staff posts. Some posts have been cut from the staffing structure.
- During the next Academic year the Academy will be submitting further capital bids to the Condition Improvement Fund (CIF). The first bid will be for window and cladding replacement to the old part of the Academy. The second a Health and Safety bid regarding the glass atrium in the new part of the campus.

Principal risks and uncertainties

The principal risks the Academy currently faces are the continued recruitment of students into both Year 7 (which is however, looking very healthy for 2017-2018) and the Sixth Form. The Sixth Form is a greater concern due to students wanting to go on apprenticeships and not following traditional academic routes. We continue to work very closely with our feeder primary schools regarding our outstanding transition programme and work closely with the local community promoting our values, activities and successes.

The impact of reduced student numbers in the Sixth Form results in reduced Academy budgets. This together with the Local Government Pension Scheme liability uncertainty and pay awards and progression increase pressure on budgets.

The age of our building is a concern regarding repairs and maintenance which at times can cause very specific health and safety issues.

The principal risk of flooding is always present and although defences remain in place this will continue to be a risk until funding is available for permanent solutions. Insurance is provided via the EFA Risk Protection Arrangement.

The Academy's location to the main North East railway line and the maturity of the existing tree line currently pose an increased risk.

JOSEPH SWAN ACADEMY

GOVERNORS' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The governors' report is approved by order of the board of governors and the strategic report (included therein) is approved by the board of governors in their capacity as the directors at a meeting on 12/12/16 and signed on its behalf by:



D M Jones

Chair

JOSEPH SWAN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Joseph Swan Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The board of governors has formally met 19 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
D M Jones (Chair)	14	19
C R Cooney (Resigned 9 March 2016)		
J M Robson	16	19
H E Scott (Accounting Officer)	18	19
D Haygarth	17	19
H M Harold	12	13
V J Whalen	5	12
L Houston	6	8
A Kinsey	4	9
A Cable	5	7
A Atkinson	7	9
P De Vere	10	15
J Morrow (Appointed 8 January 2016)	1	3
J Robson (Appointed 19 February 2016)	3	4

Governance review

This took place in November 2016 and will be discussed at the first Full Governing Body meeting in 2017.

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to oversee the management of the Academy's Budget ensuring financial propriety at all times.

During the period the committee has:

- Established sound financial policies and procedures in line with the Financial Management and Governance Evaluation.
- Considered and evaluated Capital projects in line with the Academy's Advancement Plan.

JOSEPH SWAN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
D M Jones (Chair)	3	4
C R Cooney (Resigned 9 March 2016)		
J M Robson	3	4
H E Scott (Accounting Officer)	4	4
D Haygarth	4	4
V J Whalen	2	4
L Houston	2	4
A Atkinson	2	4
P De Vere	3	4

Review of value for money

As accounting officer the Head Teacher 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 governors 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:

- The Academy was successful in being awarded a Capital Improvement Grant. The Grant was to enable the continuation of the roll out of energy efficient lighting by the safe removal / encapsulation of asbestos. This will ensure the Academy will operate with greater efficiency providing better working and learning environments
- A full staffing and curriculum review has taken place during the period under review. All staffing was reviewed to ensure the Academy maximised resources in order to achieve our aims and objectives. Some staffing positions were cut from the staffing structure and some staff were redeployed in different roles to support our Key Academy Objectives.
- Due to the age of the older part of the campus the fabric of the building proves to be a major issue. The skills of the Facilities Team have been developed in order to support the Academy with the delivery of projects outside of the usual remit of general facilities staff. The Academy benefits from this both financially and availability wise

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 Joseph Swan Academy for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

JOSEPH SWAN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of governors 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 governors 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 financial statements. This process is regularly reviewed by the board of governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed Mrs Janet Jacques as Internal Reviewer. The Internal Reviewer role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The internal reviewer reports regularly to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The internal review function has been fully delivered in line with the EFA's requirements and no material control issues have arisen.

Review of effectiveness

As accounting officer the principal 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.

JOSEPH SWAN ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

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

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



D M Jones
Chair



H E Scott
Accounting Officer

JOSEPH SWAN ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Joseph Swan Academy I have considered my responsibility to notify the academy trust board of governors 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 governors 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 governors and EFA.

HE Scott

Accounting Officer

A handwritten signature in black ink, appearing to be 'HE Scott', written over a dotted line. The signature is stylized and extends to the right.

12 December 2016

JOSEPH SWAN ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for Joseph Swan Academy and are also the directors of Joseph Swan Academy for the purposes of company law) are responsible for preparing the Governors' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Joseph Swan Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

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

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

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/EFA have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on12/12/16..... and signed on its behalf by:



D M Jones
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOSEPH SWAN ACADEMY

YEAR ENDED 31 AUGUST 2016

We have audited the financial statements of Joseph Swan Academy for the year ended 31 August 2016 set out on pages 18 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the statement of governors' responsibilities set out on page 15, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/6 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the governors' report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOSEPH SWAN
ACADEMY (CONTINUED)**
YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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



Claire Leece BA (Hons) ACA CA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Dated: 14/12/16

JOSEPH SWAN ACADEMY


STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	3	-	22,444	490,518	512,962	23,029
Charitable activities:						
- Funding for educational operations	4	-	5,917,442	-	5,917,442	6,310,734
Other trading activities	5	19,348	-	-	19,348	54,521
Investments	6	834	-	-	834	1,008
Total income and endowments		<u>20,182</u>	<u>5,939,886</u>	<u>490,518</u>	<u>6,450,586</u>	<u>6,389,292</u>
Expenditure on:						
Raising funds	7	19,797	-	-	19,797	31,629
Charitable activities:						
- Educational operations	8	-	6,360,573	285,886	6,646,459	6,866,326
Total expenditure	7	<u>19,797</u>	<u>6,360,573</u>	<u>285,886</u>	<u>6,666,256</u>	<u>6,897,955</u>
Net income/(expenditure)		385	(420,687)	204,632	(215,670)	(508,663)
Transfers between funds	17	(222,403)	222,403	-	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	24	-	(1,368,000)	-	(1,368,000)	66,000
Net movement in funds		<u>(222,018)</u>	<u>(1,566,284)</u>	<u>204,632</u>	<u>(1,583,670)</u>	<u>(442,663)</u>
Reconciliation of funds						
Total funds brought forward		<u>302,036</u>	<u>(469,716)</u>	<u>14,020,764</u>	<u>13,853,084</u>	<u>14,295,747</u>
Total funds carried forward		<u>80,018</u>	<u>(2,036,000)</u>	<u>14,225,396</u>	<u>12,269,414</u>	<u>13,853,084</u>

JOSEPH SWAN ACADEMY**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12		14,081,615		14,020,764
Current assets					
Debtors	13	122,682		120,757	
Cash at bank and in hand		830,643		873,000	
			953,325		993,757
Current liabilities					
Creditors: amounts falling due within one year	14	(360,280)		(373,792)	
Net current assets			593,045		619,965
Total assets less current liabilities			14,674,660		14,640,729
Creditors: amounts falling due after more than one year	15		(369,246)		(193,645)
Net assets excluding pension liability			14,305,414		14,447,084
Defined benefit pension liability	24		(2,036,000)		(594,000)
Net assets			12,269,414		13,853,084
Funds of the academy trust:					
Restricted funds	17				
- Restricted fixed asset funds			14,225,396		14,020,764
- Restricted general funds			-		124,284
- Pension reserve			(2,036,000)		(594,000)
Total restricted funds			12,189,396		13,551,048
Unrestricted income funds	17		80,018		302,036
Total funds			12,269,414		13,853,084

The financial statements set out on pages 18 to 39 were approved by the board of governors and authorised for issue on 12/10/16 and are signed on its behalf by:



 D M Jones
 Chair

JOSEPH SWAN ACADEMY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(386,437)		(117,368)
Cash flows from investing activities					
Interest received		834		1,008	
Capital grants from DfE and EFA		488,436		23,029	
Payments to acquire tangible fixed assets		<u>(346,737)</u>		<u>(95,726)</u>	
			142,533		(71,689)
Cash flows from financing activities					
New other loan		207,561		207,562	
Repayment of other loan		<u>(6,014)</u>		<u>(6,014)</u>	
			201,547		201,548
Change in cash and cash equivalents in the reporting period					
			(42,357)		12,491
Cash and cash equivalents at beginning of the year					
			<u>873,000</u>		<u>860,509</u>
Cash and cash equivalents at end of the year					
			<u><u>830,643</u></u>		<u><u>873,000</u></u>

JOSEPH SWAN ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Joseph Swan Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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.

Basis of preparation

The financial statements of the academy trust 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 financial statements 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.

Joseph Swan Academy meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy trust. Monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated.

Transition to FRS 102

These financial statements are the first financial statements of Joseph Swan Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Joseph Swan Academy for the year ended 31 August 2015 were prepared in accordance with previous General Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

Going concern

The governors 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 governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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.