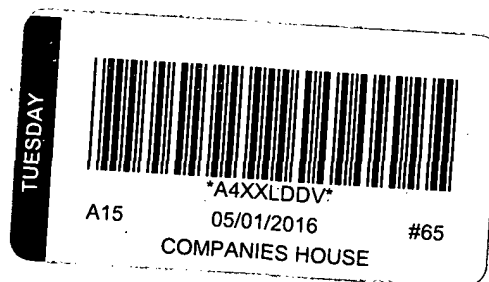


**JOHN SPENDLUFFE
TECHNOLOGY COLLEGE**

Annual Report and Financial Statements

Year ended 31 August 2015



**Company Registration
Number:
07683660 (England and Wales)**

John Spendluffe Technology College

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered company number

07683660 (England and Wales)

Principal and registered office address

Mr Steven Beverley
John Spendluffe Technology College
Hanby Lane
Alford
Lincolnshire
LN13 9BL

Trustees

Mr Steven Beverley *
Mr Peter Milson *
Mrs Linda Brockett
Mr George Willoughby *
Mr Giles Crust *
Mrs Nichola Rutter
Mrs Deborah Forster *
Mrs Julie Houlsby
Mr Andrew Leaston *
Ms Sandra Kirk
Mr Mark Bishell *
Mr Robert Follett
Mrs Teri Chatterton
Mrs Anne Collingwood

* Members of the finance committee

During the period under review the Trustees held five meetings.

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Senior management

Mr Steven Beverley

Head Teacher

Mrs Joyce Shorrock

Deputy Head

Mr Jonathan Treasure

Finance Manager

Company Secretary

Mr Jonathan Treasure

Auditors

Duncan & Toplis Ltd
Chartered Accountants and
Statutory Auditors
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Bankers

Lloyds Bank
24 Mercer Row
Louth
Lincolnshire
LN11 9JH

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the financial statements of the charity for the year ended 31 August 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee, with no share capital and is an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The articles of association require the members of the Charitable Company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

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 is 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' Indemnity

A full trustees' indemnity insurance is taken out with the Department for Education's Risk Protection Arrangement (RPA). Each member has cover of £2,000,000. This is reviewed annually to protect against potential risk. The cost of this insurance is deducted from the General Annual Grant (GAG) issued to the Academy and is deducted on a monthly basis at source.

Principal activity

The principal activity of the Academy 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.

Method of recruitment and selection of governors

Governors are subject to retirement by annual rotation, but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the Charitable Company, election of the Chair and Vice Chair for the coming twelve months takes place by method of majority voting.

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Induction and training of new governors

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of relevant policies, procedures, minutes, meeting schedules, plans and other documents that they will need to undertake their role as Trustees. An Induction Guide for new Trustees has been created to ensure that they are fully engaged with the Academy and understand the role they are committing to. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The Academy is overseen by one Head teacher and they are supported in delivering the educational, behavioural and financial requirements by the Senior Leadership Team. This consists of one Deputy Head Teacher, two Assistant Head teachers, one Special Educational Needs Co-ordinator, one Lead Professional for Teaching & Learning and the College Business Manager.

Related parties

John Spendluffe Technology College is not part of a federation with other schools and does not operate within a 'Trust' with any other schools, colleges or higher education organisations.

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

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees have implemented a number of systems to assess risks that the Academy 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 in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

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OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy objects are specifically restricted to the following:

a) 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) and

b) to promote for the benefit of individuals living in the Alford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

Objectives

The main objectives of the Trust during the year ending 31 August 2015 were as follows:

Teaching and Learning

- Develop the curriculum to respond to changing government floor targets, particularly the Progress 8 measure
- Developing intervention strategies and monitoring the effects of the intervention
- To develop Continuing Professional Development (CPD) performance in the Academy
- Develop the system of target setting and its use to raise standards

Care and Guidance

- Develop advice and support for careers in the Academy
- Further improve attendance at the Academy to ensure students benefit from the good education on offer.
- Enhance and further develop the already positive attitudes to learning

Staff Development

- Developing coaching and mentoring through the Academy's appraisal process;
- Developing leadership at all levels, including support staff
- Quality assurance of teaching;
- Continue to develop the Teaching & Learning group
- Further develop networking links to support staff development

Environmental

- Maintaining a safe warm environment suitable for learning;
- Ensuring health and safety issues are kept at the forefront of the maintenance team priorities;
- Upholding legal requirements for fire and electrical safety;
- Ensuring the site and accommodation is suitable to meet the needs of the curriculum;
- Developing an on-going planned maintenance regime and refurbishment programme;
- Upgrading and replacing susceptible elements of site equipment;
- Providing required enhancements for students to enable them to have access to the full curriculum;
- Developing the catering facility, allowing greater uptake in school and in primary schools the academy supplies;
- Pursuing funding for additional accommodation and facilities.

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Strategies

The Academy Trust's main strategy is encompassed in its vision statement:

'John Spendluffe Technology College aims to provide the highest quality of education whereby everyone is encouraged to strive for excellence in all that they do and each student is known, valued and achieves as an individual.

We will know that we have achieved our vision when:

- Every student has the opportunity to develop their knowledge and understanding through a broad and balanced curriculum.

Everyone knows they are valued.'

Strategic activities and achievements of the Academy during the year included:

- Development of the Key Stage four curriculum to respond to student need and new performance measures
- Effective use of tracking, monitoring and support leading to successful attainment in the 2015 exam results
- Refined procedures for the monitoring of Teaching and Learning to support the appraisal process
- A personalised programme of professional development offered to staff to develop teaching and learning even further
- Effective tracking, support and intervention to help focus groups, such as Pupil Premium students, make significant progress.
- Effective primary liaison has significantly enhanced the Academy's popularity
- Timeline established and work has begun on key curriculum issues such as 'life after levels'

Activities

The principal activity of the Academy 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.

Equal opportunities policy

The Governing Body of the Academy aims to provide an appropriate learning experience for all students, whatever their colour, origin, culture, gender, religion or ability. The Academy has high expectations of all students.

The Governing Body of the Academy aims to support the creation of an environment that will eliminate unlawful, direct and indirect discrimination and promote equality of opportunity.

Disabled persons

The Academy buildings have been modified to have provision and accessibility for people with disabilities so that they may be integrated fully into Academy life. The curriculum will be designed so that it may be delivered to provide flexible and equal access to all students whether able or disabled as far as is practicable within a mainstream educational establishment.

Public benefit

In line with the requirements of the SORP and the Charities Commission the Trustees can confirm that they have had due regard to the definitions of "public benefit".

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ACHIEVEMENT AND PERFORMANCE

Achievement and performance

With reference to the aims and objectives the Academy has a number of achievements to report.

The Academy has continued to successfully develop a personalised approach to learning for both staff and students. This has included developing the academies curriculum to suit the needs of the student body, particularly at Key Stage four, and tailored professional development for staff.

Support and intervention structures have continued to be developed in the school, with tracking of student progress used to ensure support for students has been deployed appropriately. This has ensured continued success in examination performance.

Developments in the monitoring of teaching and learning and appraisal ensured good and outstanding teaching at the academy.

The Academy is a non-selective school with a grammar school in the town. Consequently attainment on entry in year 7 is significantly below the national average. However, effective teaching and learning have resulted in students making strong progress once again. Results in Summer 2015 are listed below: –

- 50.4% 5A*- C including English and Maths at GCSE and equivalent
- 78% three levels of progress in English
- 66% three levels of progress in Maths

The Academy continues to work in the community, with the Astro-turf used by local sporting groups along with Alford Sports Hall Association and is also the school meal provider to four neighbouring primary schools.

Key Performance Indicators – see above

Going concern

After making appropriate enquiries, the Trustees have 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.

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FINANCIAL REVIEW

Financial and risk management objectives and policies

The Academy's long term future is at the centre of every decision that is taken by the Headteacher and Trustee's. Any monies allocated for enhancing the site have been carefully considered with best value for money being exercised on each occasion. Projects have been considered wisely, making best use of the existing space available with renovation of existing areas taking precedence over 'new build'.

When allocating the annual budget, this centres around providing the best resources and environment to enhance the learning of our pupils. Ensuring they are given as much support as possible to reach their full potential is paramount to any decisions that are made. This is evident in the quality of classroom teacher and support staff we recruit, the contractors we engage with to maintain the site right down to the computers, materials and stationery they use when in their lessons.

Principal risks and uncertainties

The Academy's financial risk is not immediately at stake as prudent budget setting and good financial management have allowed healthy reserves to be put in place to deal with factors that are beyond the Academy's control. I.e. alterations to the national funding formula which provides John Spendluffe Technology College with its annual budget or reductions in certain streams of funding e.g. Higher Needs for SEN students

Financial report for the year

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2015, total expenditure was £3,850,176, which shows a carry forward of £96,904 expenditure in excess of income.

At 31 August 2015, the net book value of fixed assets was £7,741,210. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held fund balances at 31 August 2015 of £7,420,347 comprising £681,173 of restricted funds; £7,741,210 of restricted fixed asset funds; a pension reserve deficit of £1,277,000 and £274,964 of unrestricted general funds.

Reserves policy

The Trustees of John Spendluffe Technology College have been notified of the amount the Academy holds in reserve. Discussion has also taken place on why reserves have been built up and what the long term plans for these reserves will be.

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and

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expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to two months' expenditure, which is approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £274,964.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £681,173.

Funds in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £1,277,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

Investment policy

Due to the uncertainty from year to year surrounding educational budgets, the Trustee's do not feel that they could commit funds to a long term investment with a financial institution. Instead, the Trustee's delegate the responsibility for obtaining the best interest rate possible, with no risk to the capital involved, on a short term deposit account basis. I.e. no longer than one year. The College Business Manager is responsible for sourcing these rates and will arrange for this to be made.

PLANS FOR FUTURE PERIODS

The Academy was unsuccessful in securing funding from the EFA Conditions Improvement Fund (CIF) from the bid lodged in 2014 to enable the replacement and installation of new windows through the main school building. We were also unsuccessful with our proposed refurbishment and construction of a new building for our under sized, aging technology wing.

Future aspirations are for another brick built four classroom block to be constructed and for the technology wing of the school to be overhauled but this will not happen in the short term due to uncertainty about funding streams.

The Academy will, however, be resubmitting a bid through CIF for the windows throughout the main body of the school which was declined last time. The windows are single glazed and wooden and have reached the end of life. In addition to this, a smaller bid for the renovation and modernisation of the Art & Music block will be submitted with improved lighting, flooring, heating being the main proportion of the funds requested. Bids will be placed for these two projects when the Conditions Improvement Fund (CIF) opens in December 2015.

Smaller projects will continue to be funded, where possible, from the Devolved Capital funding that we receive from the EFA each year in order to maintain the Academy site to the best of our ability. Funds were spent on new equipment during from the previous allocation but will be spent on buildings or site for the next tranche in 2016.

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STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

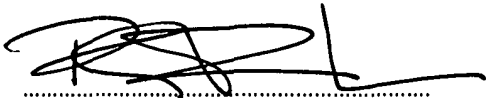
In so far as the trustees are aware:

- There is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Duncan & Toplis Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the trustees and signed on their behalf by:



.....
Mr Peter Milson
Chair of Governors / Trustees

08 December 2015
Date

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Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that John Spendluffe Technology College 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 Governing Body 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 John Spendluffe Technology College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The John Spendluffe Technology College Full Governing Body meet five times per year and delegate responsibilities to three sub committees to cover the main areas of governance. These sub committee's are: Finance & Buildings, Personnel and Strategic, Standards, Student and Curriculum Matters. Finance, Buildings & General Purpose and Strategic, Standards, Students and Curriculum Matters committees meet three times per year with Personnel meetings being held twice per year.

The information on governance included here supplements that described in the governors' Report and in the Statement of Trustees responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr S Beverley (Headteacher)	5	5
Mr P Milson (Chair)	5	5
Mrs L Brockett (Vice Chair)	1	5
Mr G Crust	4	5
Mr G Willoughby	5	5
Mrs D Forster	4	5
Mrs N Rutter	5	5
Mrs J Houlsby	4	5
Mr P Stupple	4	5
Mr A Leaston	3	5
Mr M Bishell	4	5
Mrs S Kirk	5	5
Mr R Follett	3	5
Mrs T Chatterton	3	5
Mrs A Collingwood	2	2

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Review of Value for Money

Improving Educational Results

We have ensured that resources and funding have been directed where most needed to meet the educational needs of our pupils. The Academy has shown success again in overall educational results in summer 2015. 50.4% of our students achieved 5 A*-C grades including English and Maths in their GCSE's with 66% making expected (3 levels of progress) in Maths and 78% making expected (3 levels of progress) in English.

John Spendluffe Technology College has in place a strong system for tracking student progress and their achievement which provides the basis for early, effective and appropriate intervention in key subject areas. The Academy also provides additional targeted support for students by running weekend, half term and Easter revision sessions to ensure they are reaching their full potential.

The Senior Leadership team at the Academy monitors the performance of staff under their line management control to ensure that appropriate training, support and actions are taken to address any weaknesses.

Financial Governance

Our governance arrangements include regular monitoring from the Governing Body through termly meetings of the Finance & Buildings committee. Held three times per year, committee members are given current and relevant financial information to ensure they are fully informed of the procedures the Academy has gone through when making decisions on the day to day running of the school. Topics discussed at these meetings include decisions on recruitment, the supply of services, purchasing of IT equipment and site maintenance work needing to be carried out.

The work of the Committee is further informed by the work of the Responsible Officer which is fulfilled by the Academy's external auditors. They undertake three visits per year and review financial controls in key areas of expenditure. A report is issued to the Academy after each visit and is shared with the Finance Committee prior to the meeting so it can be analysed and brought for discussion when the meeting is held. John Spendluffe Technology College received support throughout the financial year from its external auditors on compliance and accounting procedures.

Effective Purchasing

The limits and processes for department and budget heads are clearly defined within the Academy's Finance & Purchasing & Tendering Policies and therefore responsibility is delegated to budget holders for ensuring that value for money is sought within their area of responsibility.

Longer term contracts (e.g. two or three years) have been entered into to deliver value for money and to safeguard against potential rises within that time period. E.g. Energy supplies, Grounds Maintenance and IT educational software such as GCSE Pod

Examples of actions the school has taken to ensure value for money when undertaking purchases are:

- Consider different suppliers, even for small purchases, using the internet, sales representatives and supplier catalogues. E.g. for text book orders we use Amazon, Waterstones and Umbrella Education to find the best price for each item.
- Annual contracts are reviewed to ensure they are still fit for purpose and that the resource is still required. E.g. Renegotiation of the Grounds Maintenance contract which despite being satisfied with the quality of service the Academy receives was reviewed to keep pricing competitive and the present contractor focused on the service they deliver.

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- The school tendering policy ensures that tenders / quotations are obtained where appropriate to ensure value for money on all major expenditure. An example of this can be found within the tendering process when deciding which IT manufacturer to deal with when purchasing a number of new laptops for the Academy. Quotations were obtained from three separate organisations to ensure the right specifications and prices were achieved.

Income Generation

The Academy looks to generate income from letting out the school premises where possible. The floodlit astroturf pitch is used by the local community during weekday evenings. JSTC hires out its open air swimming pool during the summer months to neighbouring primary schools. They use the swimming pool for swimming tuition during the school day.

From September 2014, JSTC became the catering provider for three neighbouring primary schools in addition to the existing provision provided to our neighbours, Alford Primary School. The new 'Universal Free School Meal Programme' saw an unprecedented uptake from all parties and income increased greatly as a result. The level of income has dictated the necessity for the academy to become VAT registered as the income generated has exceeded the threshold specified by HMRC.

Any surplus monies that are at the Academy's disposal are actively managed by the College Business Manager and are invested in suitable interest bearing accounts with no risk to the capital.

Reviewing controls and Managing Risk

Monthly management reports are prepared by the Finance department to be reviewed and signed by the Head Teacher and are shared at Finance committee meetings.

Budget holders are issued with a departmental summary of expenditure on a half termly basis so they can ascertain whether their proposed expenditure is affordable within that financial year.

The Academy's Risk Register is reviewed on an annual basis and considers social, financial and managerial risks to the organisation. John Spendluffe Technology College also engages the professional advice where necessary to reduce financial risks which may impact on the school. E.g. legal, human resources.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Spendluffe Technology College for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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:

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- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors continue to rely on the termly reports provided by Duncan & Toplis who undertake the statutory audit for the Academy. These reports give them reassurance that the academy is continuing to meet the requirements of delivering robust internal controls. This is a slight alteration to the system used in previous years but as the Responsible Officer Role is no longer referred to in the Financial Handbook, still gives them peace of mind over the operations within the academy despite regulations being more relaxed than those seen in previous years.

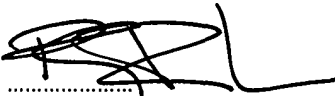
Review of Effectiveness

As Accounting Officer, Mr Steven Beverley has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

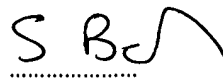
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Buildings 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 members of the Governing Body on 08 December 2015 and signed on its behalf by:



Mr Peter Milson
Chair of Governors / Trustees



Mr Steven Beverley
Accounting Officer / Headteacher

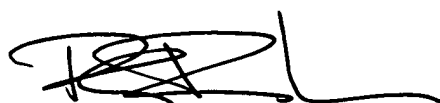
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Statement on Regularity, Propriety and Compliance

As accounting officer of John Spendluffe Technology College, I have considered my responsibility to notify the Academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mr Peter Milson
Chair of Governors / Trustees

08 December 2015

S B J
STEVEN BEVERLEY
ACCOUNTING OFFICER

John Spendluffe Technology College

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Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of John Spendluffe Technology College also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

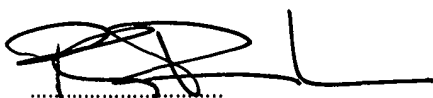
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The 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 governing body on 08 December 2015 and signed on its behalf by:



Mr Peter Milson
Chair of Governors / Trustees

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE

We have audited the financial statements of John Spendluffe Technology College for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' 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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE

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 financial statements 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.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

14 December 2015

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO JOHN SPENDLUFFE TECHNOLOGY COLLEGE AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Spendluffe Technology College during the year 1 September 2014 to 31 August 2015 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 John Spendluffe Technology College and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Spendluffe Technology College 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 John Spendluffe Technology College and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of John Spendluffe Technology College's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 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's income and expenditure.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO JOHN SPENDLUFFE TECHNOLOGY COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)

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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA

Duncan & Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date:

11th December 2015

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	23,509	-	-	23,509	59,894
Activities for generating funds	3	300,332	-	-	300,332	219,025
Investment income	5	5,568	-	-	5,568	9,962
Incoming resources from charitable activities	6	-	3,410,379	13,484	3,423,863	3,625,507
TOTAL INCOMING RESOURCES		329,409	3,410,379	13,484	3,753,272	3,914,388
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	26,620	75,439	-	102,059	47,322
Charitable activities	7	240,358	3,261,120	222,300	3,723,778	3,639,249
Governance costs	8	-	24,339	-	24,339	24,394
TOTAL RESOURCES EXPENDED	11	266,978	3,360,898	222,300	3,850,176	3,710,965
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		62,431	49,481	(208,816)	(96,904)	203,423

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		62,431	49,481	(208,816)	(96,904)	203,423
Transfers between Funds	21	-	(156,682)	156,682	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		62,431	(107,201)	(52,134)	(96,904)	203,423
Actuarial gains and losses on defined benefit pension schemes		-	(4,000)	-	(4,000)	(369,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		62,431	(111,201)	(52,134)	(100,904)	(165,577)
<i>Total funds at 1 September 2014</i>		<i>212,533</i>	<i>(484,626)</i>	<i>7,793,344</i>	<i>7,521,251</i>	<i>7,686,828</i>
TOTAL FUNDS AT 31 AUGUST 2015		274,964	(595,827)	7,741,210	7,420,347	7,521,251

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 47 form part of these financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 7683660

**BALANCE SHEET
AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	18		7,741,210		7,793,344
CURRENT ASSETS					
Debtors	19	69,144		185,293	
Cash at bank and in hand		1,056,320		965,254	
		<u>1,125,464</u>		<u>1,150,547</u>	
CREDITORS: amounts falling due within one year	20	(169,327)		(203,640)	
NET CURRENT ASSETS			956,137		946,907
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,697,347</u>		<u>8,740,251</u>
Defined benefit pension scheme liability	27		(1,277,000)		(1,219,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>7,420,347</u></u>		<u><u>7,521,251</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	681,173		734,374	
Restricted fixed asset funds	21	7,741,210		7,793,344	
		<u>8,422,383</u>		<u>8,527,718</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,277,000)		(1,219,000)	
				<u></u>	
Total restricted funds			7,145,383		7,308,718
Unrestricted funds	21		274,964		212,533
TOTAL FUNDS			<u><u>7,420,347</u></u>		<u><u>7,521,251</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:



Mr P Milson
Chair of Trustees

The notes on pages 25 to 47 form part of these financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	242,180	841,702
Returns on investments and servicing of finance	24	5,568	9,962
Capital expenditure and financial investment	24	(156,682)	(750,857)
INCREASE IN CASH IN THE YEAR		<u>91,066</u>	<u>100,807</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	<u>91,066</u>	<u>100,807</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>91,066</u>	<u>100,807</u>
Net funds at 1 September 2014	<u>965,254</u>	<u>864,447</u>
NET FUNDS AT 31 AUGUST 2015	<u>1,056,320</u>	<u>965,254</u>

The notes on pages 25 to 47 form part of these financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.5 Resources expended

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

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

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.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Fixtures and fittings	-	25% on cost
Computer equipment	-	20% on cost

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

The Academy 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 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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

Retirement benefits to employees of the Academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Realignment of comparatives

Following revisions to the EFA Accounts Direction, certain expenses in 2014/15 have been classified on a different basis to 2013/14. Where such differences arise, comparatives have been realigned to accord with 2014/15 classifications.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other voluntary income	23,509	-	23,509	59,894

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings income	4,730	-	4,730	3,323
Catering income	266,632	-	266,632	177,072
Sale of goods	23,596	-	23,596	27,630
Other income	5,374	-	5,374	11,000
	<u>300,332</u>	<u>-</u>	<u>300,332</u>	<u>219,025</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fundraising trading expenses				
Catering costs - external sales	-	75,439	75,439	19,362
Cost of lettings	4,615	-	4,615	54
Goods for resale	22,005	-	22,005	27,906
	<u>26,620</u>	<u>75,439</u>	<u>102,059</u>	<u>47,322</u>
Net expenditure from trading activities	<u>(26,620)</u>	<u>(75,439)</u>	<u>(102,059)</u>	<u>(47,322)</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank account interest	<u>5,568</u>	<u>-</u>	<u>5,568</u>	<u>9,962</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for the Academy's educational operations	<u>-</u>	<u>3,423,863</u>	<u>3,423,863</u>	<u>3,625,507</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,114,071	3,114,071	3,215,050
Pupil Premium	-	179,275	179,275	169,358
Other DfE/EFA Revenue grants	-	13,250	13,250	13,125
Devolved Formula Capital grant	-	13,484	13,484	13,956
Capital Maintenance grant	-	-	-	123,000
	-	3,320,080	3,320,080	3,534,489
Other government grants				
Other government revenue grants	-	2,126	2,126	3,788
SEN 1-1 Funding	-	83,899	83,899	76,204
Other Local Authority revenue grants	-	17,758	17,758	11,025
	-	103,783	103,783	91,017
Other funding				
	-	-	-	-
	-	3,423,863	3,423,863	3,625,506

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for the Academy's educational operations	240,358	3,483,420	3,723,778	3,639,249

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Funding for the Academy's educational operations	<u>2,915,234</u>	<u>222,300</u>	<u>586,244</u>	<u>3,723,778</u>	<u>3,639,249</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	6,250	6,250	6,250
Auditors' non audit costs	-	4,700	4,700	4,625
Legal and professional fees	-	847	847	994
Personnel fees	-	12,542	12,542	12,525
	<u>-</u>	<u>24,339</u>	<u>24,339</u>	<u>24,394</u>

9. DIRECT COSTS

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	87,407	87,407	116,758
Technology costs	21,037	21,037	23,216
Examination fees	45,746	45,746	42,132
Staff development	18,412	18,412	7,658
Other costs	39,173	39,173	35,979
Wages and salaries	1,931,763	1,931,763	1,936,516
National insurance	143,009	143,009	146,861
Pension cost	289,245	289,245	274,944
Depreciation	222,300	222,300	188,133
	<u>2,798,092</u>	<u>2,798,092</u>	<u>2,772,197</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. SUPPORT COSTS

	Educational operations £	Total 2015 £	Total 2014 £
Other finance income less expense	17,000	17,000	22,000
Technology costs	18,249	18,249	17,520
Pupil recruitment and support	35,302	35,302	35,118
Maintenance of premises and equipment	85,689	85,689	61,257
Cleaning	8,282	8,282	10,441
Rent and rates	16,688	16,688	20,079
Energy costs	57,629	57,629	62,028
Insurance	14,150	14,150	25,074
Telephone, postage and stationery	26,027	26,027	19,770
Catering	83,863	83,863	101,749
Other costs	6,432	6,432	9,730
Operating leases - other	5,158	5,158	823
Wages and salaries	429,221	429,221	388,981
National insurance	17,289	17,289	16,357
Pension cost	104,707	104,707	76,126
	<u>925,686</u>	<u>925,686</u>	<u>867,053</u>

11. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Catering and goods for resale	-	102,059	102,059	47,322
Costs of generating funds	<u>-</u>	<u>102,059</u>	<u>102,059</u>	<u>47,322</u>
Direct costs	2,364,017	434,075	2,798,092	2,772,196
Support costs	551,217	374,469	925,686	867,053
Charitable activities	<u>2,915,234</u>	<u>808,544</u>	<u>3,723,778</u>	<u>3,639,249</u>
Governance	<u>-</u>	<u>24,339</u>	<u>24,339</u>	<u>24,394</u>
	<u>2,915,234</u>	<u>934,942</u>	<u>3,850,176</u>	<u>3,710,965</u>

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12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Funding for the Academy's educational operations	2,798,092	925,686	3,723,778	3,639,249

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the Academy	222,300	188,133
Auditors' remuneration	6,250	6,250
Auditors' remuneration - non-audit	4,700	4,625
Operating lease rentals	989	823

14. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,319,641	2,308,640
Social security costs	160,298	163,217
Other pension costs (Note 27)	393,952	351,070
	2,873,891	2,822,927
Supply teacher costs	41,343	16,857
	2,915,234	2,839,784

b. Staff severance payments

During the year ended 31 August 2015, there were 3 (2014- Nil) severance payments made to 3 (2014- Nil) recipients. The amounts paid were £5,400, £10,588 and £16,200 (2014- £Nil).

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14. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	35	38
Management	1	1
Administration and support staff	35	36
	<u>71</u>	<u>75</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
	<u>2</u>	<u>1</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these employees amounted to £20,858 (2014: £11,150)

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15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2015	2014
	£'000	£'000
Mr S Beverley - Head teacher		
Remuneration	80-85	75-80
Pension	10-15	0-10
Mr M Bishell- Staff governor		
Remuneration	30-35	25-30
Pension	5-10	0-5
Mr R Follett- Staff governor		
Remuneration	35-40	35-40
Pension	5-10	0-5
Ms S Kirk- Staff governor		
Remuneration	35-40	35-40
Pension	5-10	0-5
Mrs T Chatterton- Staff governor		
Remuneration	20-25	Nil
Pension	5-10	Nil

During the year, no Trustees received any benefits in kind (2014- £Nil).

During the year ended 31 August 2015, expenses totalling £1,095 were reimbursed to 5 Trustees (2014-4).

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,500 (2014 - £1,400). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME LESS EXPENSE

	2015	2014
	£	£
Expected return on pension scheme assets	80,000	68,000
Interest on pension scheme liabilities	(97,000)	(90,000)
	(17,000)	(22,000)

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18. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	7,967,017	149,019	135,279	8,251,315
Additions	81,767	41,595	46,804	170,166
At 31 August 2015	<u>8,048,784</u>	<u>190,614</u>	<u>182,083</u>	<u>8,421,481</u>
Depreciation				
At 1 September 2014	405,334	21,930	30,707	457,971
Charge for the year	147,329	45,236	29,735	222,300
At 31 August 2015	<u>552,663</u>	<u>67,166</u>	<u>60,442</u>	<u>680,271</u>
Net book value				
At 31 August 2015	<u>7,496,121</u>	<u>123,448</u>	<u>121,641</u>	<u>7,741,210</u>
At 31 August 2014	<u>7,561,683</u>	<u>127,089</u>	<u>104,572</u>	<u>7,793,344</u>

All of the tangible fixed assets are used for educational purposes.

Included in land and buildings is freehold land at valuation of £670,617 (2014 - £670,617) which is not depreciated.

19. DEBTORS

	2015 £	2014 £
Trade debtors	7,027	2,070
Other debtors	31,520	92,900
Prepayments and accrued income	30,597	28,823
Grants Receivable	-	61,500
	<u>69,144</u>	<u>185,293</u>

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20. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	57,398	153,853
Other taxation and social security	46,162	-
Other creditors	42,626	-
Accruals and deferred income	23,141	49,787
	<u>169,327</u>	<u>203,640</u>

Deferred income

	£
Deferred income at 1 September 2014	6,130
Amounts released from previous years	<u>(6,130)</u>
Deferred income at 31 August 2015	<u>-</u>

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21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
School fund	9,504	30,023	(26,340)	-	-	13,187
General funds						
Other income not for capital purposes	203,029	299,386	(240,638)	-	-	261,777
Total Unrestricted funds	212,533	329,409	(266,978)	-	-	274,964
Restricted funds						
General Annual Grant (GAG)	705,551	3,114,071	(3,039,616)	(158,253)	-	621,753
Other DfE/EFA grants	28,823	192,525	(161,928)	-	-	59,420
Government grants	-	103,783	(105,354)	1,571	-	-
Pension reserve	(1,219,000)	-	(54,000)	-	(4,000)	(1,277,000)
	(484,626)	3,410,379	(3,360,898)	(156,682)	(4,000)	(595,827)
Restricted fixed asset funds						
DfE/EFA capital grants	704,900	13,484	(1,051)	-	-	717,333
Capital expenditure from GAG	341,146	-	(41,595)	71,722	-	371,273
Capital expenditure from other income	6,747,298	-	(179,654)	84,960	-	6,652,604
	7,793,344	13,484	(222,300)	156,682	-	7,741,210
Total restricted funds	7,308,718	3,423,863	(3,583,198)	-	(4,000)	7,145,383
Total of funds	7,521,251	3,753,272	(3,850,176)	-	(4,000)	7,420,347

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the Academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £54,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £4,000 actuarial reduction in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	9,504	30,023	(26,340)	-	-	13,187
General funds	203,029	299,386	(240,638)	-	-	261,777
	<u>212,533</u>	<u>329,409</u>	<u>(266,978)</u>	<u>-</u>	<u>-</u>	<u>274,964</u>
Restricted funds	(484,626)	3,410,379	(3,360,898)	(156,682)	(4,000)	(595,827)
Restricted fixed asset funds	7,793,344	13,484	(222,300)	156,682	-	7,741,210
	<u>7,521,251</u>	<u>3,753,272</u>	<u>(3,850,176)</u>	<u>-</u>	<u>(4,000)</u>	<u>7,420,347</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	7,741,210	7,741,210	7,793,344
Current assets	274,964	850,500	-	1,125,464	1,150,547
Creditors due within one year	-	(169,327)	-	(169,327)	(203,640)
Provisions for liabilities and charges	-	(1,277,000)	-	(1,277,000)	(1,219,000)
	<u>274,964</u>	<u>(595,827)</u>	<u>7,741,210</u>	<u>7,420,347</u>	<u>7,521,251</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2015 Total £	2014 £
Net incoming resources before revaluations	(96,904)	-	(96,904)	203,423
Returns on investments and servicing of finance	(5,568)	-	(5,568)	(9,962)
Depreciation of tangible fixed assets	222,300	-	222,300	188,133
Capital grants	(13,484)	-	(13,484)	(75,456)
Increase in debtors	116,149	-	116,149	396,161
Increase/(Decrease) in creditors	(34,313)	-	(34,313)	122,403
FRS 17 adjustments	54,000	-	54,000	17,000
Net cash inflow from operations			<u>242,180</u>	<u>841,702</u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>5,568</u>	<u>9,962</u>

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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(170,166)	(826,313)
Capital grants from DfE	13,484	75,456
Net cash outflow capital expenditure	<u>(156,682)</u>	<u>(750,857)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	965,254	91,066	-	1,056,320
Net funds	<u>965,254</u>	<u>91,066</u>	<u>-</u>	<u>1,056,320</u>

26. CONTINGENT LIABILITIES

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

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

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy:

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and

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27. PENSION COMMITMENTS (continued)

affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £201,000, of which employer's contributions totalled £160,000 and employees' contributions totalled £41,000. The agreed contribution rates for future years are 23.1% for employers and 5.5 - 12.5% for employees.

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.

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27. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	1,122,000	6.30	989,000
Bonds	3.80	194,000	3.60	169,000
Property	3.80	180,000	4.50	143,000
Cash	3.80	-	3.30	-
Total market value of assets		1,496,000		1,301,000
Present value of scheme liabilities		(2,773,000)		(2,520,000)
Deficit in the scheme		(1,277,000)		(1,219,000)

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,773,000)	(2,520,000)
Fair value of scheme assets	1,496,000	1,301,000
Net liability	(1,277,000)	(1,219,000)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(197,000)	(146,000)
Interest on obligation	(97,000)	(90,000)
Expected return on scheme assets	80,000	68,000
Total	(214,000)	(168,000)
Actual return on scheme assets	33,000	134,000

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27. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	2,520,000	1,871,000
Current service cost	197,000	146,000
Interest cost	97,000	90,000
Contributions by employees	41,000	39,000
Actuarial (Gains)/losses	(43,000)	402,000
Benefits paid	(39,000)	(28,000)
	<u>2,773,000</u>	<u>2,520,000</u>
Closing defined benefit obligation	<u>2,773,000</u>	<u>2,520,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,301,000	1,038,000
Expected return on assets	80,000	68,000
Actuarial gains and (losses)	(47,000)	33,000
Contributions by employer	160,000	151,000
Contributions by employees	41,000	39,000
Benefits paid	(39,000)	(28,000)
	<u>1,496,000</u>	<u>1,301,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £479,000 (2014 - £475,000).

The Academy expects to contribute £155,000 to its defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	75.00 %	76.00 %
Bonds	13.00 %	13.00 %
Property	12.00 %	11.00 %
Cash	- %	- %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.80 %
Rate of increase in salaries	4.10 %	4.00 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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27. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.2	22.2
Females	24.4	24.4
Retiring in 20 years		
Males	24.5	24.5
Females	26.8	26.8

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(2,773,000)	(2,520,000)	(1,871,000)	(1,570,000)
Scheme assets	1,496,000	1,301,000	1,038,000	731,000
Deficit	(1,277,000)	(1,219,000)	(833,000)	(839,000)
Experience adjustments on scheme liabilities	43,000	(402,000)	(48,000)	(111,000)
Experience adjustments on scheme assets	(47,000)	33,000	78,000	(25,000)

Sensitivity Analysis

	Approx. % increase to employer liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	14	391,000
1 year increase in member life expectancy	3	83,000
0.5% increase in Salary Increase Rate	7	202,000
0.5% increase in the Pension Increase Rate	6	177,000

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**NOTES TO THE FINANCIAL STATEMENTS
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28. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within 1 year	-	-	2,318	5,030

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year Alford County Primary School, a school in which Mrs K Firth is a Governor and Mr D Forster is Headteacher, paid £62,727 (2014 - £37,734) to use the Academy's swimming pool and canteen facilities. The school also contributed £6,711 towards a new cooker. £612 (2014 - £6,711) was owing to the Academy at the year end is included within debtors due within one year.

During the year Alford Sports Hall Association, in which the trustee Mr P Milson has a connection with, paid £1,765 (2014- £4,000) for Astro Turf hiring, £706 (2014- £1,304) was returned to Alford Sports Hall for facility booking fees. £nil (2014 - £2,070) was owing to the Academy at the year end. The Academy paid £4,209 to Alford Sports Hall Association in donations.

All transactions were made at arms length. In entering into these transactions the Academy has complied with the requirements of the EFA's Academies Financial Handbook.

30. CONTROLLING PARTY

The Trustees' have ultimate control of the Academy.