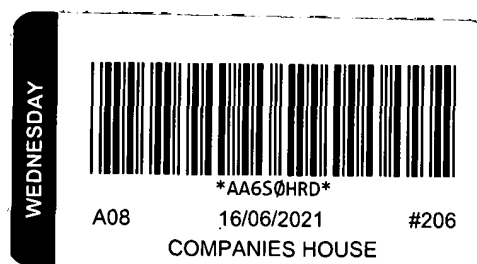


Company Registration Number: 07683660 (England & Wales)

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

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JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs Linda Jane Brockett Mr Peter Milson Mrs Elizabeth Ramm
Trustees	Ms Joyce Shorrock Mr Peter Milson, Chair to 31 August 2020 Mrs Lisa Ailsby (resigned 10 March 2021) Mr David Allen Mrs Teri Chatterton Mr Giles Crust Mrs Joanna Garrard (appointed 1 May 2020, resigned 7 May 2021) Mrs Shirley Gibney Miss Rachael Hickson Mrs Lucy Iaquaniello Mrs Elizabeth Ramm, Chair from 1 September 2020 Mrs Joanna Sharp Mr Roger Snell Mr George Willoughby Mr Robert Follett (resigned 30 April 2020) Dr Lynnette Pryke (appointed 6 October 2020)
Company registered number	07683660
Company name	John Spendluffe Technology College
Principal and registered office	Hanby Lane Alford Lincolnshire LN13 9BL
Company secretary	Mr Jonathan Treasure
Senior management team	Ms J Shorrock, Head Teacher Mr J Treasure, College Business Manager Mrs M Matson Miss R Norton Mrs A Appleyard Mrs P Forman Mr R Thornalley Mr J Bentley Mrs S Powell

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors	Duncan & Toplis Limited 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

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy operates an academy for pupil aged from 11 to 16 years old and serves a catchment area of the market town of Alford and surrounding villages and towns. It has a capacity of 625 pupils and had a roll of 623 in the school census on October 2020. John Spendluffe Technology College has tried to support the ever increasing demand for places in recent years and remains a popular choice within the local community.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of John Spendluffe Technology College are also the directors of the charitable company for the purposes of company law.

The charitable company is known as John Spendluffe Technology College.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

A full trustees' indemnity insurance is taken out with the Department for Education's Risk Protection Arrangement (RPA). Each member has unlimited insurance cover, as outlines in the policy. 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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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.

e. Policies adopted for the induction and training of Trustees

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.

Trustees will usually be issued with the latest version of the NGA Governors Handbook in addition to the 'Keeping Children Safe in Education' document and the Child Protection & Safeguarding and Prevent Policies which they will sign to say they have read and understand their responsibilities in relation to these crucial areas. They are also briefed on their ICT and E-Safety responsibilities in accordance with present policies and undertake a skills audit on an annual basis. This is done so the academy can ascertain any knowledge gaps it may have and consider whether it needs to find someone to fulfil that role.

f. 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 two Deputy Head teachers (from September 2020), three Assistant Head teachers, one Special Educational Needs Co-ordinator, and the College Business Manager. There are also two Associate Members of SLT who have leadership responsibilities and their skills and capacity are used to assist with the demands of the academy.

Decisions over curriculum, finances, recruitment and restructuring are discussed between the Headteacher, SLT and College Business Manager as deemed appropriate. The Headteacher is the Accounting Officer for the Academy with the Business Manager as the Chief Financial Officer.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The pay scales for the Headteacher, Deputy Headteachers, SENDCO, Assistant Headteachers and Associate SLT members are set using the national pay scales. Pay progression for those roles is subject to the completion of a satisfactory performance management review undertaken at the end of the academic year. The Headteacher's pay review includes an external advisor to demonstrate fairness in the assessment being made. The school follows a pay policy to be consistent in its approach. Due to a number of SLT being within their roles for many years they have reached the optimum level for their role.

The pay scale of the College Business Manager follows the GLEA pay scales for support staff and is a Grade 10 role between scale points 27 and 30. This was reassessed within the 2018-19 financial year in consultation with the academy's HR advisers. The previous Grade 8 role was deemed unsuitable due to the number of line reportees, increased responsibility within the SLT and the role of Data Protection Officer for the academy.

Any staff governors which serve on the JSTC governing body follow their own respective pay bandings whether these be teaching pay levels (JSTC usually follow NASUWT template) and GLEA for support staff members.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	1 %
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i. Related parties and other connected charities and organisations

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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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.

Interactions occur with the following organisations (as declared in the counterparty return): Alford Sports Hall Association (on a chance to share agreement of school sports hall) who act as a management company for the hiring of the multi use games area, swimming pool and main hall lettings. JSTC interacts with Alford Primary School, Withern Primary School, East Wold Primary School and North Cockerington over the provision of school meals. JSTC also hires out the main school swimming pool to Partney and Alford Primary Schools during the summer but this has not been possible in the last year due to Covid 19 and the need for substantial repairs to the facility which are cost prohibitive at present.

As an outward facing school, we engage with a number of other establishments for our teacher training programmes. These are Lincolnshire Teaching School Alliance, Bishop Grossteste, Charter Teaching School and Humber Teaching School and is purely for the training and recruitment of teachers and to assist with the CPD and progression for existing members of staff.

j. 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. Enhanced DBS checking for new staff and visitors, supervision of contractors when undertaking works on 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.

Objectives and activities

a. 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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Objectives

The main objectives of the Trust during the year ending 31 August 2020 were as follows:

Teaching and Learning

- Continue to develop the curriculum to respond to changing government floor targets, particularly the Progress 8 measure and the renewed Ofsted focus on curriculum
- Develop and improve as required, intervention strategies and monitor the effectiveness of the intervention
- To develop Continuing Professional Development (CPD) performance in the Academy and support the NQT Teaching staff to ensure they complete their first year in the profession
- Develop the system of target setting and its use to raise standards – with a specific focus on Year 9 aligning the flightpath model with the target driven model in Years 10 and 11.
- Ensuring a broad and balanced curriculum serves the needs of students and enables progression at a suitable level beyond JSTC.
- Respond to the Ofsted Areas for Improvement as identified in the Ofsted report of March 2019
- Rewritten School Improvement Plan to focus on the new Ofsted inspection framework especially with respect to the Quality of Education and the intent, implementation and impact relating to curriculum development.

Care and Guidance

- Continue to ensure students have access to career advice and opportunity to meet with further education providers through trips and inviting providers into school
- Develop strategies to further improve attendance and inclusion at the Academy to ensure students benefit from the good standard of education on offer – including academic, vocational and life skills.
- Enhance and further develop the already positive attitudes to learning by remodelling the core values. These are now to be Respect, Resilience and Responsibility
- Continue to evolve the pastoral system with explicit links between academic achievement and pastoral systems. This will enable the staff involved to deliver a more personalised level of response to parents and ensure that students are engaged with their attendance, behaviour and are aware of their academic progress so strategies can be implemented to support wherever required.
- Empower parents to engage with the learning, progress and behaviour of their children via the introduction of systems in school that monitor and engage parents.
- Address any concerns regarding the wellbeing of students that impact on learning and progress.

Staff Development

- Continue to develop coaching and mentoring through the Academy's appraisal process;
- Developing leadership at all levels, including support staff, but with a clear focus on the empowerment of middle leaders.
- Quality assurance of teaching, assisted with peer review of other similar schools;
- Evolve the Department Review process to build strengths in teaching, learning and staff development and address any areas for development.
- Further develop networking links to support staff development through association to Lincolnshire Teaching School Alliance (LTSA) and other networks/schools.
- The Academy has started to look at succession planning in a number of areas and has adopted a 'grow your own' approach to support staff recruitment wherever possible. Apprentices have been recruited in both the canteen and administration areas with further opportunities to be made available over the course of time
- Continue to recruit staff trainees to secure sustainable staffing in hard to recruit subject areas especially.
- Continued use of the school performance management platform, Standards tracker, to enhance CPD and ensure a bespoke offer to all staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Environmental

- Maintaining a safe, warm and welcoming environment suitable for learning;
- Ensuring health and safety issues are kept at the forefront of the maintenance team priorities;
- Upholding legal requirements for water, 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 areas of the site to make the best use of the space available
- Providing required enhancements for students to enable them to have access to the full curriculum;
- Pursuing funding for additional accommodation and facilities through the Conditions Improvement Fund bidding process
- Explore alternative forms of procurement for identified improvements eg leasing as opposed to purchase. Informed choices made through investigation of experience of other schools.

Strategies

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

'JSTC prides itself on creating a warm, nurturing and respectful learning environment at the heart of its local community.

As a school, we value, appreciate and celebrate the achievements and efforts of our students. Our aim is to ensure they leave school as resilient, respectful, confident and responsible young adults'

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

- Development of the Key Stage four curriculum to respond to student demand and new performance measures with the continued evolution of Progress 8 and the new Ofsted focus on curriculum.
- Creation of curriculum documentation to ensure consistency of approach to curriculum delivery and planning. Staff able through the development to assess the intent and implementation of their curriculum planning with greater accuracy and analytical consistency. Dialogue regarding impact of curriculum enhanced by this development.
- Effective use of Progress Teams, tracking, monitoring and support leading to successful attainment in the 2019 exam results
- Refined procedures for the monitoring of Teaching and Learning to support the appraisal process. Enhancement of the performance management process to deliver greater accountability.
- A personalised programme of professional development offered to staff to develop teaching and learning even further. More focused and targeted intervention with staff to ensure professional practice is developed to meet the teacher Standards. This continued during the lockdown period using video resources and prompting dialogue between staff regarding professional practice.
- Effective tracking, support and intervention to help focus groups, such as Pupil Premium students, those with Special Educational Needs and Higher Ability Pupils (HAPS), make significant progress.
- Effective primary liaison has significantly enhanced the Academy's popularity within the locality to ensure we remain a popular choice with parents and the wider community.
- Evolution of life after levels within KS3 and development of flightpath tracking to ensure student progress can be analysed across all cohorts.
- Introduction and continued development of Class Charts, an online parental engagement tool, which allows the parents to track the progress of their child along with the ability to see information on behaviour, homework, upcoming events and most critically, the setting of work for students during the Covid 19 pandemic.
- Development of virtual teaching using the online Teams platform to secure learning and progress during lockdown periods. Creation of virtual learning timetable, streaming of live lessons to students self-isolating and use of platforms for interventions, pastoral support and parent evenings. Support for vulnerable families through virtual meetings and agency involvement.
- A huge amount of staff time and effort has gone into health and safety considerations and planning for student and staff safety through the reading and assimilation of Government guidance. The concern was consistently there that the Government guidance did not go far enough to protect everyone in the school

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

community. For example, it has been clear through scientific research from October 2019 to January 2020 that Covid19 is an airborne infection via small aerosols. This is different to having infection only transmitted by droplet infection through coughing and sneezing. Therefore the school has taken a much more robust approach through the use of facemasks in the classrooms by staff and students since March 2020. Whilst this apparently 'new' information did not become 'known' to Government until much later in 2020 we were aware of this by December 2019. This has shaped our health and safety from that time.

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.

c. 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".

Strategic report

Achievements and performance

a. Key performance indicators

The 2019-20 academic year started well with an improvement in the summer examination results from the previous year. In addition to this the arrival of a designated Curriculum Deputy Headteacher, giving JSTC two Deputy Headteachers, it was expected that this would give the Senior Leadership Team greater capacity to be able to make progress towards the items set out on the College Development Plan and Self Evaluation Form. Given the impending arrival of Ofsted for our next visit, the year was embraced with much positivity and confidence was high over being able to show progress towards the items outlined at their last visit.

Greater focus being put on parental engagement with the purchase of an interactive platform called Class Charts, allowing parents to be able to see their child's progress, behaviour record and homework being set was hoped to bring school and families closer together and for better communication between the two.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

However, after a full academic term of stability, early in 2020 we started to hear stories of a virus which was spreading across the world and causing a huge number of deaths and crippling countries who were entering 'lockdown' on a daily basis. Students and their families started to vote with their feet after February half term and by mid-March JSTC had closed for a 'deep clean' following concerns that a student had attended school and may have brought the virus into the school community. Whilst the school closed for two days, the government then plunged the whole country into lockdown and face to face schooling was suspended for a few weeks pending review.

The purchase of Class Charts allowed JSTC to be able to continue to set work for students who were encouraged to work from home and keep on track with their studies. This lockdown kept being extended further and further and soon went beyond the Easter holidays and into May. The pastoral teams in school were making weekly calls to students to check on their physical and mental wellbeing along with checking that families were coping financially.

A collective response from all of the schools in Alford took place with everyone choosing to support FSM families in the most practical way possible, namely the direct transfer of £15 per week into parents bank accounts. This decision was taken due to the lack of local participating supermarkets for our catchment area within the Government Voucher Scheme. Due to the large number of FSM students JSTC has on roll (in excess of 200 and rose significantly during lockdown) this was averaging around £6,500 that JSTC had to pay out every fortnight. Guidance on how to claim this money back was sluggish from the government and with added complication that the sum JSTC would need to claim for was so far in excess of what they recommended a school should apply for. This was eventually resolved by Ms Shorrocks following numerous email exchanges with the Department for Education on the matter.

A very late decision was taken by the government on summer examinations for Year 11 and many different options were suggested and guidance changed on an almost daily basis. In summary:

Summer examinations 2020 – Centre Assessed Grades

Following the debacle linked to the use of an algorithm by Ofqual to determine students' grades for summer examinations 2020 and the subsequent announcement that centres would then prepare grades, JSTC instigated a robust programme to deliver the required data. For both GCSE courses and vocational BTEC and OCR Nationals Heads of Department were tasked with a clear protocol to make the necessary judgements.

In department teams staff were asked to assess all the relevant information below and prepare grades for each student. The information used to determine grades included;

- Mock examination data
- Results of internal examinations took place where staff were able to
- Marked assessments
- Homework records
- Completed assignments
- External examinations
- Non Examination Assessments completed by students – or mock equivalents
- Performance in lessons
- Attendance and performance within intervention or additional sessions

All the above evidence was available for a range of courses from within Year 11. Where additional evidence was available within Year 10 this was also consulted.

Once staff had made preliminary judgements for their own classes a series of meetings within departments took

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

place to discuss the results of each group and assess the evidence used to ensure consistency of approach. It is worth noting that for all assessments within internal examinations there is a process of internal moderation. Internal assessments used throughout the academic year and homework activities are also prepared by departments within an overall curriculum scheme to ensure consistency.

Once raw data had been produced within each curriculum area Heads of Department then worked with the Deputy Head (Curriculum) and Assistant Head (Data) to rank each student within each grade band per subject in line with the request from the Department for Education to enable student grades to be ordered within each grade boundary. This process was not a straight forward one and took many hours of debate and analysis to ensure the process was consistent, fair and evidenced.

On completion of the rankings the grades were then collated onto a large excel and csv file to be uploaded into our data analytics system SMID. This was then deployed to give Heads of Department and SLT an oversight of the potential Progress 8 figures that the data would produce using the estimate values from the previous year's outcomes. The Progress 8 figures were determined for each subject as well as for all sub-groups and the school overall. Whilst our cohorts are not uniform and can present with spikes in prior attainment as a result of our context as a secondary modern school we would not expect to see large differences. Where there were enhancements in the data for summer 2020 these were explored with Heads of Department to ensure that they were evidenced and considered.

The same process was adhered to for both GCSE and vocational courses. Vocational courses had the added advantage of having both assignment evidence and prior examination outcomes.

Once the quality assurance process was completion for the production of centre assessed grades the confirmation of data from one file system to another for uploading then started with two key members of senior staff working together with the examinations officer to ensure that there were no errors in transcription.

Once completed they were uploaded onto the portal and a final check was made by the Headteacher.

The grades were submitted on time and no errors in transcription were found after the process was completed and results released.

With lockdown continuing through until summer, JSTC took the decision to move to online teaching via Microsoft Teams – mainly focusing on Year 10 students as Year 11's would be subjected to the process mentioned above. This in itself was very challenging due to the make up of our cohorts and accessibility to laptops and decent Wi-fi connection in some remote areas. JSTC had been donated in the region of 33 laptops by summer 2020 albeit these were not issued in a particularly timely manner and some students (key workers) were already back in school when these arrived.

However, these machines now belong to JSTC and will be added in due course to the ICT provision around the site.

The greatest challenge JSTC faces now is the return to face to face teaching in the 2020-21 academic year and ascertaining what the loss of learning has been to students whilst dealing with an ever increasing number of mental health cases with students as a result of the global pandemic. We have already started to see this with the number of referrals to our in school counsellor and the fact that some students have now contracted 'ticks' and Tourette's syndrome which will present further challenges in the classroom for our teaching and classroom support staff.

Despite the pandemic, the Senior Leadership team at the Academy closely monitors the performance of both

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

teaching and support staff under their line management areas of responsibility by following clearly outlined performance management processes. This ensures that appropriate training, support and actions are taken to address any weaknesses in performance and advocates that career and professional development is readily available should they wish to add to their current abilities.

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.

b. 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.

Financial review

a. Reserves policy

The Trustees of John Spendluffe Technology College have been notified of the amount the Academy holds in reserve and had made the decision to spend a significant majority on school facilities as a result. Discussion have always taken place over 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 expenditure streams. The trustees have determined that the appropriate level of free reserves. Ideally, these should be equivalent to two months' expenditure on payroll which historically would have been around £500,000. However, with an increasing wage bill and utilisation of reserves on a new build, the reality is that this is now only around one month. The reason for these reserves was 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 trustees are currently working towards restoring the reserves levels to the desired amount.

Unrestricted funds deficit - this deficit has occurred due to the significant loss of catering income and associated profits for the period of March - August 2020. JSTC is the provider of meals to its own students and those of four neighbouring primary schools, namely Alford Primary, Withern Primary and East Wold & North Cockerington Primary Schools.

The closure of these schools for four months of the academic year had a huge impact financially which has led to this deficit.

When consulting our HR provider over whether Canteen staff should be furloughed, we appear to have been given incorrect advice as we were told that we were duty bound to continue to pay in full as our sector had

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

continued to be fully funded, thus reducing the strain on the public purse. Furloughing staff would have saved the school around £10,000 per month based on the present staffing structure.

In hindsight, given the longevity of school closures, we should have reviewed this stance and should have taken this action but we were acting in the best faith with our staff by not wishing to cause them financial difficulties which would have been incurred with a 20% loss in income if furloughed.

Restricted Funds deficit - monies here have been transferred from GAG to Restricted Fixed Assets as the school has completed capital projects around the JSTC site. For clarity, these reserves were used to install LED lighting across the whole JSTC site with 50% of the cost of this being covered from an EU funding stream and this will be seen in the following years accounts due to the time of receipt of the grant. The installation of LED lighting was done to reduce the carbon footprint of the school but primarily to achieve cost savings in relation to the cost of electricity. These steps will provide long term savings to the school for its long term future.

The remaining funds transferred were for the completion of the new building and toilet facility JSTC had funded itself from reserves. With a number of mobile buildings nearing end of life, and funding for single academy trusts for this kind of improvement to site being non-existent, this is something governors felt compelled to do when agreeing on the project a number of years ago. The final capital outlay here was for the completion of the accompanying toilet facilities.

The use of reserves for many capital projects becomes ever more prominent as funding is certainly not available through Conditions Improvement Funding bids for the kind of work that needs to be carried out. Being a site that is nearing 100 years old, there is much in this next period of time which will require significant investment and replacement.

Whilst the school has secured some funding from the CIF process this has only addressed a Small fraction of the estate limitations. No monies have been received through larger Government rebuilding sources nor indeed from local house building projects overseen by the Council. These have exclusively gone to the neighbouring selective school despite the fact that 85% of the students in the community come to JSTC.

The academy's level of free revenue reserves at 31 August 2020 were £205,257 comprising unrestricted funds of £150,159 and restricted general funds of £55,098 (excluding the pension reserve of £2,324,000).

At the end of the prior financial period (year ended 31 August 2019) the academy had free reserves (restricted general funds excluding pension reserves plus unrestricted funds) of £337,237.

The majority of the academy's annual income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2020 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2020, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £4,520,846. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £4,512,913 and transfers out to the restricted fixed asset fund of £139,913 to give a profit of income over expenditure on revenue funding totalling £7,933. This equates to the change in balance of the restricted general funds (excluding pension reserve) plus unrestricted funds reported at the previous year end.

At 31 August 2020 the Local Government pension scheme deficit was £2,324,000. Although the deficit is material, the academy is taking the advice of the actuary regarding the repayment structure. Advised future contributions have also been included within the annual budget.

The amount that can only be realised by disposing of tangible fixed assets is £7,801,559.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. 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.

c. 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.

The academy has invested significantly in its site and facilities with the construction of a new four classroom block and toilet facilities. It has also installed LED lighting throughout to try and reduce electricity consumption and annual outlay on this utility. These have all been taken from JSTC reserves built up over the 10 financial years since academisation and the trustees were unanimous in their decision that the time was right to spend these reserves and secure some great new facilities for our students which will last the test of time.

An ever increasing risk for JSTC is the way in which the local authority and indeed the ESFA fund the academy with installments rather than monthly sums. In the instance of LCC, this mainly relates to SEND funding and the fact that this is only reviewed twice per year despite a large number of EHCP's being agreed or requests to take students received. The need to meet the child's needs is immediate but the funding in relation to them may only appear three or four months later when they undertake their review. This does not assist with cashflow and makes it difficult to lodge money in longer term savings accounts to generate more interest.

This concern also applies to the sums of money associated with Pupil Premium, Teachers Pay Grant, Teachers Pension Employer Contribution Grant amongst others. Retrospective decisions to create funding streams following government announcements to plug gaps in school funding is becoming more apparent and this makes longer term budget forecasting risky and almost impossible.

When adding all of these factors to the financial outlay to assist families and ensure the site was appropriately prepared for the students return after the COVID lockdowns also added additional financial stress to the schools finances. With over 220 families needing weekly financial support for FSM provision and government guidance showing that the reimbursement of this is anything up to six months later before being reimbursed, it paints a difficult picture for schools to operate within.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

d. 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 Trustees. 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' wherever possible.

However, with a significant number of ageing mobile classrooms along with the maintenance of a main school building that is nearing 100 years this does on many occasions prove extremely challenging. The utilisation of reserves in recent years to pay for the construction of a new four classroom block along with neighbouring toilet facilities was something that was much needed to enhance the offering JSTC has for students albeit removing over 50% of the reserves that had been built up over the last decade since academisation.

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 teaching 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.

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 £2,324,000. 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.

Plans for future periods

Despite the pandemic, JSTC was successful with another Conditions Improvement Bid for a Fire Alarm Upgrade but was sadly turned down for a window replacement project for a second time.

The Fire Alarm system work was carried out during summer 2020 and means that the whole site is now compliant and on one platform across the whole site, which was the aim. An additional 'lockdown' feature to this alarm system is a welcome addition should we ever need activate this due to an intruder being on site during the school day who poses a threat to our school community

Following the construction of a new four classroom teaching block and toilet facility, funded from JSTC Reserves, there is little left that JSTC can fund themselves without undertaking bidding through CIF and other funding streams

The Academy has an increasing roll of students and classroom space and some mobile facilities are nearing end of life which is a concern and will need to be monitored over the coming years. Appropriate funds need to be allocated to ensure they remain safe and in operation. There is also a growing concern over the long term viability of the JSTC swimming pool as it requires significant investment to ensure it remains functional and safe.

Future aspirations include the development of the technology wing of the school with modernisation and investment in machinery. As a result of Art and Textiles being rehomed, in the fullness of time their areas may be amended for other subjects to use.

There also remains safety concerns over the size of the JSTC car park in relation to the number of staff the school now has working for it. An option to procure land in a very nearby location often becomes possible but sadly is not financially viable in the short term.

The Academy will be submitting two bids through CIF for a final batch of window replacement for the remaining

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods (continued)

part of the main building. In addition to this, there is the necessity for the school to modernise its heating system through the main building as it is not possible to control the climate in classrooms. This is a waste of heat energy and having this project approved would also reduce our carbon footprint which is also something the government is looking to happen in the coming years. It will also save the school money on its energy costs. The academy should hear back on the outcome of these around May 2021.

Smaller projects will continue to be funded, where possible, from the Devolved Capital funding that we receive from the ESFA each year in order to maintain the Academy site to the best of our ability. Improvements to the CCTV coverage and ICT infrastructure remain a priority and will need improvement to support the 33 laptops donated by the Department for Education highlighted earlier in this report.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 June 2021 and signed on its behalf by:



.....
Mrs Elizabeth Ramm
Chair of Governors/Trustees

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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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.

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Spendluffe Technology College and the Secretary of State for Education. They are also responsible for reporting to the board of 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 committees are: Finance, Buildings & Audit, Personnel, Strategic, Standards, Student and Curriculum Matters.

Finance, Buildings & Audit and Strategic meet at least four times per year
Standards, Students and Curriculum Matters committees meet five times per year
Personnel meetings are held twice per year.

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of has formally met 5 times during the year.

Attendance during the year at meetings of the board of was as follows:

Governor	Meetings attended	Out of a possible
Ms J Shorrock (Headteacher)	5	5
Mr P Milson (Chair)	4	5
Mr G Crust	4	5
Mr G Willoughby (Vice Chair)	3	5
Mrs E Ramm (joined May 2019)	5	5
Miss R Hickson (joined May 2019)	4	5
Mr D Allen	4	5
Mrs L Iaquaniello	5	5
Mr R Follett (Staff Trustee)	2	3
Mrs J Sharp (Staff Trustee)	3	5
Mrs L Ailsby	4	5
Mr R Snell	3	5
Mrs S Gibney	3	5
Mrs J Garrard (Staff Trustee joined April 2020)	2	2
Mrs T Chatterton (Staff Trustee)	4	5

Full Governors meetings took place on only five occasions and dates were altered to work around the challenges presented to schools due to Covid. Face to face meetings were suspended from March 2020 and moved online to Microsoft Teams as soon as was possible. This was a new way of operating for the school and one meeting was lost due to the time and pressures being taken to put this alternative way of meeting into place. Updates were provided to governors when the full committee met with the notes within the 'Finance Sub Committee' section and conversations took place between Chair, Vice Chair and Headteacher by email for any financial

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

concerns or worries. In this instance, the Governors would class the period of March to August 2020 as being 'exceptional circumstances' whilst dealing with a global pandemic and the most senior governors put their trust in the Headteacher and Business Manager to do what they felt was right and appropriate for the school to continue to function on a daily basis.

The Headteacher meets with both the Chair and Vice Chair of Governors on a weekly basis (previously in person, but now virtually) and will discuss any financial concerns within the course of the conversation. These meetings are not minuted but cover all aspects of the academy functioning including students, staff, curriculum, buildings, finance etc.

During the academic year, the board of trustees lost one long serving staff governor but retained all others which provided consistency and stability when it was most needed. However, always having one eye on the future, the governors are mindful that future potential losses are likely as parent governors move on as their children complete time at the school and also the age of other governors and declining health. A recruitment drive may be needed in the 2020-21 academic year to ensure numbers do not drop and appropriate levels of experience remain. A Governor skills audit was due in early 2020 but was delayed due to the Covid 19 pandemic. This will be done early in the new academic year in 2020-21. This is likely to flag up a few areas where additional training may be required. Based on the responses received will dictate what training is needed although this is likely to be around data and preparation for the next Ofsted visit. This will be delivered between a combination of internal and external training. JSTC remains a member of the NGA (National Governors Association) and follows their Code of Conduct on all governance matters.

The Finance, Buildings and General Purposes Committee is a sub-committee of the main board of trustees. The purpose is to:

- Set a balance budget and ensure the appropriate use of funds
- Respond to changes in staffing, utility supply and rising costs as the year progresses to ensure the academy remains on track and is financially sound. However, this is not always possible and the school must be able to function on a day to day basis with appropriate staffing and equipment to ensure the curriculum can be achieved
- Discuss and budget for potential building projects and ensure that best value for money is achieved by undertaking successful tender processes

The composition of the Finance & Buildings committee is a wide blend across many sectors. Mr Crust is the Chairman of the local drainage board responsible for the largest budget in that sector within the UK, Mr Milson is a retired Director of Kodak, Mr Willoughby is a retired farmer, Mrs Sharp is a serving teacher, Mrs Ailsby is a book keeper by profession and Mr Snell a builder.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Crust (Chair)	4	4
Mr P Milson	4	4
Mr G Willoughby	2	4
Mrs J Sharp	3	4
Mrs L Ailsby	3	4
Mr R Snell	2	4
Ms J Shorrock	4	4
Mrs E Ramm	4	4

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

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 suppliers, Grounds Maintenance and IT educational software such as Class Charts or Standards Tracker. The rationale for longer term contracts is to benefit from any discounts that may be on offer, provide consistency and build rapport with the provider and also to allow for longer term budget planning.

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, Browns for Books, Waterstones and Heath Education to find the best price for each item
- Annual contracts are reviewed to ensure they are still fit for purpose and that they are being used for the optimum benefit of the Academy. E.g. Renegotiation of the Gas and Electricity supply with existing supplier was with the clear guidance that prices would need to be equal to or preferably lower than presently supplied otherwise business would be taken to a competitor firm. Cost savings or price negotiation are done through an energy broker who has the time and expertise to access mass market to find the best deals possible for the school.
- 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 firm of contractors the school would engage with on the construction of the new classroom block. 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 wherever possible. The floodlit astroturf pitch is used by the local community sporting groups during weekday evenings. The main school hall continues to be used for a fitness class letting in the week as another minor income stream. JSTC hires out its open air swimming pool during the summer months to neighbouring primary schools albeit this has not been possible recently due to repair work being needed and the pandemic. We hope to be able to reinstate this facility to both our students and the local community in the future but this will need significant investment which may need to be found from bidding organisations.

JSTC remains the catering provider for four neighbouring, local authority maintained primary schools showing its commitment to collaborating with other schools wherever possible. The income levels achieved by the provision of meals to these primaries, in addition to the income received from the sale of meals to JSTC students. Levels of income have declined in recent times and were hit significantly with the pandemic and closure of schools.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Work is being done to re-establish numbers and retain contracts wherever possible.

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 but this is almost impossible in the current climate due to the time lag of the government or local authorities reimbursing us for essential expenditure during the pandemic such as FSM provision and ensuring the JSTC site was compliant for students to return.

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 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The 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 2020 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'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 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 Board of Trustees has taken the following action in respect of internal audit services:

In normal years, JSTC would have engaged with Duncan & Toplis to undertake a series of internal audit visits to ascertain the financial controls of the academy. Due to the pressures experienced during Covid lockdowns, the academy was unable for these to take place in person and performing these remotely given the circumstances was almost impossible. The Trust has relied on the external audit process undertaken by Duncan & Toplis at the year end to ascertain and provide reassurance that procedures were followed and any concerns are highlighted in their management letter.

JSTC are aware of the changes to the FRC Ethical standards that now state that internal scrutiny can no longer be performed by the external auditors. The Trust recognises the need for this additional degree of separation.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Measures will be put in place to ensure by the end of the financial year 2020-21 that these have been carried out by an alternative firm. This will allow Duncan & Toplis to continue with the year end work as has been the case for the last decade since we became an academy.

In normal years, on a termly basis, the reviewer reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The committee consider reports to help them consider actions and assess year on year progress.

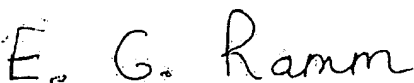
Review of effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

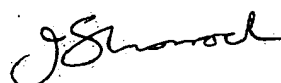
- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 Board of Trustees on 11 June 2021 and signed on their behalf by:



.....
Mrs Elizabeth Ramm
Chair of Governors/Trustees



.....
Ms Joyce Shorroch
Accounting Officer

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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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 board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA:

Several instances of non-compliance with the Academies Financial handbook were identified, including:

- Late filing of the financial statements to 31 August 2020 with ESFA;
- No Internal Scrutiny undertaken during the year;
- Lack of preparation of monthly management accounts;
- Lack of cash flow forecast and medium-long term budget;
- No current scheme of delegation;
- Lack of effective oversight of the Trust activities.



Ms Joyce Shorroch
Accounting Officer
Date: 11 June 2021

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11 June 2021 and signed on its behalf by:



.....
Mrs Elizabeth Ramm
Chair of Governors/Trustees

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of John Spendluffe Technology College (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE (CONTINUED)

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 opinions we have formed.

Tara L Beeston

Tara Beeston FCA (Senior statutory auditor)
for and on behalf of
Duncan & Toplis Limited
Chartered Accountants and Statutory Auditors
15 Chequergate

Louth
Lincolnshire
LN11 0LJ

11 June 2021

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA 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 ESFA 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 ESFA, 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN
SPENDLUFFE TECHNOLOGY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Several instances of non-compliance with the Academies Financial handbook were identified, including:

- Late filing of the financial statements to 31 August 2020 with ESFA;
- No Internal Scrutiny undertaken during the year;
- Lack of preparation of monthly management accounts;
- Lack of cash flow forecast and medium-long term budget;
- No current scheme of delegation;
- Lack of effective oversight of the Trust activities.

Tara L Beeston

Tara Beeston FCA
Duncan & Topliss Limited
Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 11 June 2021

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	36,561	-	62,036	98,597	83,809
Charitable activities:						
Other charitable activities		-	4,235,848	-	4,235,848	3,737,436
Other trading activities		248,321	-	-	248,321	371,985
Investments	6	116	-	-	116	3,726
Total income		284,998	4,235,848	62,036	4,582,882	4,196,956
Expenditure on:						
Raising funds		10,952	-	-	10,952	7,196
Charitable activities:						
Other charitable activities		354,022	4,396,939	250,116	5,001,077	4,582,639
Total expenditure		364,974	4,396,939	250,116	5,012,029	4,589,835
Net expenditure		(79,976)	(161,091)	(188,080)	(429,147)	(392,879)
Transfers between funds	16	-	(139,913)	139,913	-	-
Net movement in funds before other recognised gains/(losses)		(79,976)	(301,004)	(48,167)	(429,147)	(392,879)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	82,000	-	82,000	(704,000)
Net movement in funds		(79,976)	(219,004)	(48,167)	(347,147)	(1,096,879)
Reconciliation of funds:						
Total funds brought forward		230,135	(2,049,898)	7,852,517	6,032,754	7,129,633
Net movement in funds		(79,976)	(219,004)	(48,167)	(347,147)	(1,096,879)

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Total funds carried forward	<u>150,159</u>	<u>(2,268,902)</u>	<u>7,804,350</u>	<u>5,685,607</u>	<u>6,032,754</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 07683660

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	7,801,559	7,891,489
Current assets			
Debtors	14	232,818	114,533
Cash at bank and in hand		196,561	469,011
		<u>429,379</u>	<u>583,544</u>
Creditors: amounts falling due within one year	15	(221,331)	(285,279)
Net current assets		<u>208,048</u>	<u>298,265</u>
Total assets less current liabilities		<u>8,009,607</u>	<u>8,189,754</u>
Net assets excluding pension liability		<u>8,009,607</u>	<u>8,189,754</u>
Defined benefit pension scheme liability	24	(2,324,000)	(2,157,000)
Total net assets		<u><u>5,685,607</u></u>	<u><u>6,032,754</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	7,804,350	7,852,517
Restricted income funds	16	55,098	107,102
		<u>7,859,448</u>	<u>7,959,619</u>
Restricted funds excluding pension asset	16	7,859,448	7,959,619
Pension reserve	16	(2,324,000)	(2,157,000)
Total restricted funds	16	<u>5,535,448</u>	<u>5,802,619</u>
Unrestricted income funds	16	<u>150,159</u>	<u>230,135</u>
Total funds		<u><u>5,685,607</u></u>	<u><u>6,032,754</u></u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 07683660

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 29 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

E. G. Ramm

.....
Mrs Elizabeth Ramm
Chair of Trustees
Date: 11 June 2021

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(177,377)	65,781
Cash flows from investing activities	19	(95,073)	(573,512)
Change in cash and cash equivalents in the year		(272,450)	(507,731)
Cash and cash equivalents at the beginning of the year		469,011	976,742
Cash and cash equivalents at the end of the year	20, 21	<u>196,561</u>	<u>469,011</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities and other trading activities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Freehold property	- 2% on cost
Furniture and equipment	- 25% on cost
Computer equipment	- 20% on cost
Motor vehicles	- 25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Liabilities

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

1.8 Provisions

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

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

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 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.

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 quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Other voluntary income	36,561	-	36,561
Capital Grants	-	62,036	62,036
	<u>36,561</u>	<u>62,036</u>	<u>98,597</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Other voluntary income	39,968	-	39,968
Capital Grants	-	43,841	43,841
	<u>39,968</u>	<u>43,841</u>	<u>83,809</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy's trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	3,319,861	3,319,861	3,228,542
Pupil Premium	268,205	268,205	238,155
Other DfE/ESFA Revenue grants	60,286	60,286	28,255
Teachers' Pay and Pension Grants	161,538	161,538	26,772
	<hr/> 3,809,890	<hr/> 3,809,890	<hr/> 3,521,724
Other government grants			
SEN 1-1 Funding	282,247	282,247	172,297
Other Local Authority revenue grants	27,189	27,189	31,017
Other government revenue grants	-	-	12,398
	<hr/> 309,436	<hr/> 309,436	<hr/> 215,712
Other funding			
	<hr/> -	<hr/> -	<hr/> -
Exceptional government funding			
Other Coronavirus funding	116,522	116,522	-
	<hr/> 116,522	<hr/> 116,522	<hr/> -
	<hr/> 4,235,848	<hr/> 4,235,848	<hr/> 3,737,436

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for Coronavirus exceptional support covers £116,522 of reimbursements for expenses relating to the 2020 financial year.

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering income	213,997	213,997	343,741
Sale of goods	25,968	25,968	25,949
Lettings income	2,691	2,691	(1,347)
Other income	5,665	5,665	3,642
	<u>248,321</u>	<u>248,321</u>	<u>371,985</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank account interest	116	116	3,726
	<u>116</u>	<u>116</u>	<u>3,726</u>

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	10,952	10,952
Funding for the academy trust's educational operations:				
Direct costs	3,122,149	164,814	338,301	3,625,264
Allocated support costs	834,816	171,649	369,348	1,375,813
	<u>3,956,965</u>	<u>336,463</u>	<u>718,601</u>	<u>5,012,029</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure (continued)

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	7,196	7,196
Funding for the academy trust's educational operations:				
Direct costs	2,831,624	150,745	300,904	3,283,273
Allocated support costs	745,150	188,854	365,362	1,299,366

8. Analysis of expenditure by activities

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for the academy trust's educational operations	3,625,264	1,375,813	5,001,077

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for the academy trust's educational operations	3,283,273	1,299,366	4,582,639

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	3,122,149	3,122,149	2,831,624
Depreciation	250,116	250,116	188,458
Educational supplies	132,434	132,434	138,687
Technology costs	39,280	39,280	29,510
Examination fees	56,126	56,126	42,985
Staff development	2,430	2,430	16,187
Other costs	22,729	22,729	35,822
	<u>3,625,264</u>	<u>3,625,264</u>	<u>3,283,273</u>

JOHN SPENDLUFFE TECHNOLOGY COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	834,816	834,816	745,150
Technology costs	23,525	23,525	20,431
Recruitment and support	25,729	25,729	20,397
Maintenance of premises and equipment	60,925	60,925	65,320
Cleaning	10,047	10,047	10,958
Rent and rates	25,119	25,119	25,976
Energy costs	64,794	64,794	78,631
Insurance	10,764	10,764	11,620
Telephone, postage and stationery	14,812	14,812	27,072
Catering	207,281	207,281	212,710
Other costs	58,451	58,451	45,300
Operating leases - other	6,114	6,114	955
Auditors' remuneration	16,740	16,740	11,490
Legal fees	2,085	2,085	2,103
Professional fees	14,611	14,611	21,253
	<u>1,375,813</u>	<u>1,375,813</u>	<u>1,299,366</u>

During the year ended 31 August 2020, the Academy incurred the following Governance costs:

£29,686 (2019 - £34,846) included within the table above in respect of Funding for the academy trust's educational operations.

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9. Net expenditure

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	6,114	955
Depreciation of tangible fixed assets	250,116	188,458
Fees paid to auditors for:		
- audit	11,000	6,550
- other services	5,740	4,940

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	2,840,569	2,650,670
Social security costs	255,412	235,624
Pension costs	776,684	584,341
	<u>3,872,665</u>	<u>3,470,635</u>
Agency staff costs	77,070	106,139
Staff restructuring costs	7,230	-
	<u><u>3,956,965</u></u>	<u><u>3,576,774</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	7,230	-
	<u>7,230</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in severance payments are non-contractual payments of £7,230 (2019 - £Nil). Individually the payments were £3,160 and £4,070 (2019 - £Nil).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	46	44
Management	1	1
Administration and support staff	77	74
	<u>124</u>	<u>119</u>

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10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £695,991 (2019 £706,880).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Ms J Shorrock	Remuneration	95,000 - 100,000	80,000 - 85,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
		25,000 -	40,000 -
Mr R Follett	Remuneration	30,000	45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
		25,000 -	25,000 -
Mrs T Chatterton	Remuneration	30,000	30,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
		45,000 -	45,000 -
Mrs J Sharp	Remuneration	50,000	50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
		15,000 -	-
Mrs J Garrard	Remuneration	20,000	-
	Pension contributions paid	0 - 5,000	-

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11. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2020, expenses totalling £231 were reimbursed to 1 Trustee (2019 - £358 to 2 Trustees) for miscellaneous expenses relating to their duties as staff members.

12. 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 £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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13. Tangible fixed assets

	Freehold property £	Assets under constructio n £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	8,207,992	660,118	339,090	308,434	6,191	9,521,825
Additions	-	49,721	110,065	6,895	-	166,681
Disposals	-	(6,495)	-	-	-	(6,495)
Transfers between classes	703,344	(703,344)	-	-	-	-
At 31 August 2020	8,911,336	-	449,155	315,329	6,191	9,682,011
Depreciation						
At 1 September 2019	1,148,369	-	261,084	218,174	2,709	1,630,336
Charge for the year	164,814	-	51,100	33,331	871	250,116
At 31 August 2020	1,313,183	-	312,184	251,505	3,580	1,880,452
Net book value						
At 31 August 2020	7,598,153	-	136,971	63,824	2,611	7,801,559
At 31 August 2019	7,059,623	660,118	78,006	90,260	3,482	7,891,489

Included within Freehold property is £670,617 (2019 - £670,617) relating to Freehold land which is not depreciated.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	6,584	-
VAT recoverable	23,401	40,412
Prepayments and accrued income	202,833	74,121
	<u>232,818</u>	<u>114,533</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	88,398	126,194
Other taxation and social security	58,739	60,505
Other creditors	62,944	52,109
Accruals and deferred income	11,250	46,471
	<u>221,331</u>	<u>285,279</u>

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16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Other income	230,135	284,998	(364,974)	-	-	150,159
Restricted general funds						
General Annual Grant (GAG)	(26,752)	3,338,552	(3,149,209)	(139,913)	-	22,678
Other DfE/ESFA grants	51,759	585,660	(637,419)	-	-	-
Government grants	82,095	311,636	(361,311)	-	-	32,420
Pension reserve	(2,157,000)	-	(249,000)	-	82,000	(2,324,000)
	<u>(2,049,898)</u>	<u>4,235,848</u>	<u>(4,396,939)</u>	<u>(139,913)</u>	<u>82,000</u>	<u>(2,268,902)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	264,262	62,036	(39,393)	-	-	286,905
Capital expenditure from GAG	760,585	-	(64,976)	139,913	-	835,522
Capital expenditure from other income	6,827,670	-	(145,747)	-	-	6,681,923
	<u>7,852,517</u>	<u>62,036</u>	<u>(250,116)</u>	<u>139,913</u>	<u>-</u>	<u>7,804,350</u>
Total Restricted funds	<u>5,802,619</u>	<u>4,297,884</u>	<u>(4,647,055)</u>	<u>-</u>	<u>82,000</u>	<u>5,535,448</u>
Total funds	<u><u>6,032,754</u></u>	<u><u>4,582,882</u></u>	<u><u>(5,012,029)</u></u>	<u><u>-</u></u>	<u><u>82,000</u></u>	<u><u>5,685,607</u></u>

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16. Statement of funds (continued)

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 / ESFA 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.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's 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 £395,000. 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 £82,000 actuarial increase 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 it could carry forward at 31 August 2020.

Comparative information in respect of the preceding year is as follows:

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Other income	244,103	415,679	(429,647)	-	-	230,135
Restricted general funds						
General Annual Grant (GAG)	548,868	3,228,542	(3,254,889)	(549,273)	-	(26,752)
Other DfE/ESFA grants	64,197	293,182	(316,627)	11,007	-	51,759
Government grants	76,597	215,712	(210,214)	-	-	82,095
Pension reserve	(1,263,000)	-	(190,000)	-	(704,000)	(2,157,000)
	<u>(573,338)</u>	<u>3,737,436</u>	<u>(3,971,730)</u>	<u>(538,266)</u>	<u>(704,000)</u>	<u>(2,049,898)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	928,555	43,841	(31,091)	(677,043)	-	264,262
Capital expenditure from GAG	421,984	-	(28,359)	366,960	-	760,585
Capital expenditure from other income	6,108,329	-	(129,008)	848,349	-	6,827,670
	<u>7,458,868</u>	<u>43,841</u>	<u>(188,458)</u>	<u>538,266</u>	<u>-</u>	<u>7,852,517</u>
Total Restricted funds	<u>6,885,530</u>	<u>3,781,277</u>	<u>(4,160,188)</u>	<u>-</u>	<u>(704,000)</u>	<u>5,802,619</u>
Total funds	<u>7,129,633</u>	<u>4,196,956</u>	<u>(4,589,835)</u>	<u>-</u>	<u>(704,000)</u>	<u>6,032,754</u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,801,559	7,801,559
Current assets	150,159	279,220	-	429,379
Creditors due within one year	-	(224,122)	2,791	(221,331)
Provisions for liabilities and charges	-	(2,324,000)	-	(2,324,000)
Total	150,159	(2,268,902)	7,804,350	5,685,607

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,891,489	7,891,489
Current assets	230,135	353,409	-	583,544
Creditors due within one year	-	(246,307)	(38,972)	(285,279)
Provisions for liabilities and charges	-	(2,157,000)	-	(2,157,000)
Total	230,135	(2,049,898)	7,852,517	6,032,754

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(429,147)	(392,879)
Adjustments for:		
Depreciation	250,116	188,458
Interest receivable	(116)	(3,726)
Defined benefit pension scheme cost less contributions payable	206,000	153,000
Defined benefit pension scheme finance cost	43,000	37,000
(Increase)/decrease in debtors	(118,285)	80,834
(Decrease)/increase in creditors	(63,948)	46,935
Capital grants from DfE and other capital income	(64,997)	(43,841)
Net cash (used in)/provided by operating activities	(177,377)	65,781

19. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	116	3,726
Purchase of tangible assets	(166,681)	(621,079)
Proceeds from the sale of intangible assets	6,495	-
Capital grants from DfE Group	14,091	43,841
Capital funding received from others	50,906	-
Net cash used in investing activities	(95,073)	(573,512)

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	196,561	469,011
Total cash and cash equivalents	196,561	469,011

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	469,011	(272,450)	196,561
	<u>469,011</u>	<u>(272,450)</u>	<u>196,561</u>

22. 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; and

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

23. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to investment property	-	54,316
	<u>-</u>	<u>54,316</u>

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £62,944 were payable to the schemes at 31 August 2020 (2019 - £51,745) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £382,583 (2019 - £251,243).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £238,000 (2019 - £231,000), of which employer's contributions totalled £189,000 (2019 - £182,000) and employees' contributions totalled £ 49,000 (2019 - £49,000). The agreed contribution rates for future years are 20.7 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

The LGPS is in deficit. In order to finance the academy's share of the deficit, the academy trust has entered into an agreement to make additional lump sum contributions in addition to the normal funding levels for future years. The agreed additional contributions are £20,000 for 2020/21.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.5	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.2
Females	23.7	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.5
Females	25.2	25.2

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24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.1%	130	136
Salary increase rate - +0.1%	17	24
Pension increase rate - + 0.1%	110	109

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	2,120,000	2,172,000
Property	307,000	298,000
Cash and other liquid assets	31,000	30,000
Debt instruments	615,000	476,000
Total market value of assets	3,073,000	2,976,000

The actual return on scheme assets was £58,000 (2019 - £76,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(395,000)	(309,000)
Past service cost	-	(26,000)
Total amount recognised in the Statement of financial activities	(395,000)	(335,000)

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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,133,000	3,877,000
Current service cost	395,000	309,000
Interest cost	101,000	113,000
Employee contributions	49,000	49,000
Actuarial (gains)/losses	(209,000)	793,000
Benefits paid	(72,000)	(34,000)
Past service costs	-	26,000
At 31 August	5,397,000	5,133,000

Past service costs of £nil (2019 - £26,000) are as a direct result of the McCloud judgement.

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	2,976,000	2,614,000
Interest income	58,000	76,000
Actuarial (losses)/gains	(127,000)	89,000
Employer contributions	189,000	182,000
Employee contributions	49,000	49,000
Benefits paid	(72,000)	(34,000)
At 31 August	3,073,000	2,976,000

25. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,541	6,580
Later than 1 year and not later than 5 years	-	14,076
	6,541	20,656

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26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transaction

During the year Alford Sports Hall Association, in which the trustee Mr P Milson has a connection with, paid £2,691 (2019 - £1,924) to John Spendluffe Technology College for the use of the JSTC AstroTurf and Hall Lettings with £Nil (2019 - Nil) owing to the academy at the year end.

Expenditure Related Party Transaction

During the year Alford Sports Hall Association, in which the trustee Mr P Milson has a connection with, were paid £3,500 (2019 - £3,500) as a contribution towards a new sports hall floor with £Nil (2019 - £Nil) owing from the academy at the year end. The Academy paid £261 (2019 - £866) to Alford Sports Hall Association as their management fee of the previously mentioned hiring's/letting's. The Academy also paid £3,862 (2019 - £4,328) for business rates to East Lindsey District Council on behalf of Alford Sports Hall Association.