

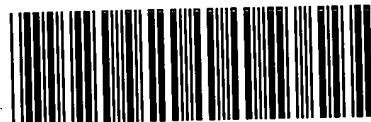
**JOHN SPENDLUFFE  
TECHNOLOGY COLLEGE**

**Annual Report and Audited Financial Statements**

**Year ended 31 August 2016**

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

THURSDAY



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COMPANIES HOUSE

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John Spendluffe Technology College

(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered company number**

07683660 (England and Wales)

**Principal and registered office address**

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

**Trustees**

Mr Steven Beverley \*  
Mr Peter Milson \*  
Mr George Willoughby \*  
Mr Giles Crust \*  
Mrs Deborah Forster \*  
Mr Andrew Leaston \*  
Ms Sandra Kirk  
Mr Mark Bishell \*  
Mr Robert Follett  
Mrs Teri Chatterton  
Mrs Anne Collingwood  
Mrs Lisa Ailsby  
Mr Simon Brown

\* Members of the finance committee

*During the period under review the trustees held five meetings.*

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**Senior management**

Mr Steven Beverley

Head teacher

Mrs Joyce Shorrock  
Mr Jonathan Treasure

Deputy head  
Finance manager

**Company Secretary**

Mr Jonathan Treasure

**Auditors**

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

**Bankers**

Lloyds Bank  
24 Mercer Row  
Louth  
Lincolnshire  
LN11 9JH

**Solicitors**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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## John Spendluffe Technology College

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### **REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the financial statements of the charity for the year ended 31 August 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

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

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

#### **Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

#### **Trustees' Indemnity**

A full trustees' indemnity insurance is taken out with the Department for Education's Risk Protection Arrangement (RPA). Each member has cover of £5,000,000. This is reviewed annually to protect against potential risk. The cost of this insurance is deducted from the General Annual Grant (GAG) issued to the Academy and is deducted on a monthly basis at source.

#### **Principal activity**

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

#### **Method of recruitment and selection of governors**

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

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### **Induction and training of new governors**

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

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

### **Organisational structure**

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

### **Arrangements for setting pay and remuneration of key management personnel**

The pay scales for the Headteacher, Deputy Headteacher, SENCO and Assistant Headteachers are set using the national pay scales and pay progression for those roles is subject to the completion of a satisfactory performance management review. The Headteacher's 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 8 role between scale points 21 and 24. Again, due to the length of time this person has been in position the incumbent has reached the optimum level for their role.

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.

### **Related parties**

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

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

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### **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**

#### **Objects and aims**

The Academy objects are specifically restricted to the following:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy) and
- b) to promote for the benefit of individuals living in the Alford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

#### **Objectives, strategies and activities**

##### **Objectives**

The main objectives of the Trust during the year ending 31 August 2016 were as follows:

##### **Teaching and Learning**

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

##### **Care and Guidance**

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

##### **Staff Development**

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

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### Environmental

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

### Strategies

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

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

We will know that we have achieved our vision when:

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

Everyone knows they are valued.'

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

- Development of the Key Stage four curriculum to respond to student need and new performance measures
- Effective use of tracking, monitoring and support leading to successful attainment in the 2016 exam results
- Refined procedures for the monitoring of Teaching and Learning to support the appraisal process
- A personalised programme of professional development offered to staff to develop teaching and learning even further
- Effective tracking, support and intervention to help focus groups, such as Pupil Premium students, make significant progress.
- Effective primary liaison has significantly enhanced the Academy's popularity
- Timeline established and work has begun on key curriculum issues such as 'life after levels'

### Activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

### Equal opportunities policy

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

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



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### Disabled persons

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

### Public benefit

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

## ACHIEVEMENT AND PERFORMANCE

### Achievement and performance

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

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

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

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

The Academy is a non-selective school with a grammar school in the town. Consequently attainment on entry in year 7 is significantly below the national average. However, effective teaching and learning have resulted in students making strong progress once again. Results in Summer 2016 are listed below: –

- Progress 8 = +0.07
- Attainment 8 = 45.7
- Basics = 38%
- Ebacc= 16%

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

**Key Performance Indicators – see above**

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### **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**

#### **Financial and risk management objectives and policies**

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

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

#### **Principal risks and uncertainties**

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

#### **Financial report for the year**

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2016, total income was £3,615,839 compared to expenditure of £3,802,712 (including depreciation of £235,933), giving rise to an £186,873 excess of expenditure over income.

At 31 August 2016, the net book value of fixed assets was £7,553,287. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held fund balances at 31 August 2016 of £6,405,474 - comprising £733,058 of restricted funds; a pension reserve deficit of £2,184,000 and £290,573 of unrestricted general funds.

#### **Reserves policy**

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

'Reserves' are 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.

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## John Spendluffe Technology College

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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 should be equivalent to two months' expenditure, which is approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £733,058. Unrestricted funds totalled £290,573 at the balance sheet date. The Academy's current level of total reserves is £1,023,631.

### **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 £2,184,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

### **Investment policy**

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

### **PLANS FOR FUTURE PERIODS**

The Academy was unsuccessful in securing funding from the EFA Conditions Improvement Fund (CIF) from the bids lodged in December 2015 to enable the replacement and installation of new windows through the main school building. We were also unsuccessful with our proposed refurbishment and improvements to the Art & Music block which remain in need of an overhaul and modernisation.

Future aspirations are for another brick built four classroom block to be constructed and for the technology wing of the school to be overhauled. Uncertainty over National Funding Formulas and certain streams of considerable income the school relies on means we are cautious to proceed with this at present.

The Academy will, however, be resubmitting a bid through CIF for skylight windows on the technology and ICT wings of the main building to be replaced. This was declined when part of a larger bid last time but the advice and requirement for additional evidence is being addressed for the upcoming bid. The skylights are single glazed and wooden and have reached the end of life which has been confirmed in a number of surveys undertaken on them. In addition to this, a smaller bid for the modernisation of the whole schools fire alarm and intruder alarm will be submitted to further enhance site security and bring the existing system in line with modern guidelines. Bids will be placed for these two projects when the Conditions Improvement Fund (CIF) reopens in December 2016.

Smaller projects will continue to be funded, where possible, from the Devolved Capital funding that we receive from the EFA each year in order to maintain the Academy site to the best of our ability. Funds were spent erecting a new perimeter fence in summer 2016 in order to be compliant with Ofsted Safeguarding guidelines.

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

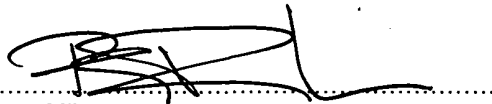
In so far as the trustees are aware:

- There is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

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

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



Mr Peter Milson  
Chair of Governors / Trustees

8 December 2016

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## 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.

The Governing Body has delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Spendluffe Technology College and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

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

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

Governor	Meetings attended	Out of a possible
Mr S Beverley (Headteacher)	5	5
Mr P Milson (Chair)	5	5
Mrs L Brockett (Vice Chair)	0	3
Mr G Crust	4	5
Mr G Willoughby (Acting Vice Chair)	5	5
Mrs D Forster	4	5
Mr P Stupple	4	5
Mr A Leaston	2	5
Mr M Bishell	3	5
Mrs S Kirk	4	5
Mr R Follett	2	5
Mrs T Chatterton	5	5
Mrs A Collingwood	3	5
Mr S Brown	3	3
Mrs L Ailsby	2	2

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## John Spendluffe Technology College

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### **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 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The governing body has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

### **The Risk and Control Framework**

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. JSTC governors rely on the Internal Assurance reports provided by Duncan & Toplis who undertake the statutory audit work for the Academy. These reports give them reassurance that the academy is continuing to meet the requirements of delivering robust internal controls. This is a slight alteration to the system used in previous years as the role of the Responsible Officer has evolved into this new framework. The governing body appreciate the service undertaken by Duncan & Toplis as it gives them peace of mind over the operations within the academy.

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**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Buildings and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 8 December 2016 and signed on its behalf by:

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

  
.....  
Mr Steven Beverley  
Accounting Officer / Headteacher

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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 trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

  
.....  
Mr Steven Beverley  
Accounting Officer

8 December 2016



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## John Spendluffe Technology College

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### Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of John Spendluffe Technology College also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


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

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

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFADfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on 8 December 2016 and signed on its behalf by:



Mr Peter Milson  
Chair of Governors / Trustees

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
**(A company limited by guarantee)**

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

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We have audited the financial statements of John Spendluffe Technology College for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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

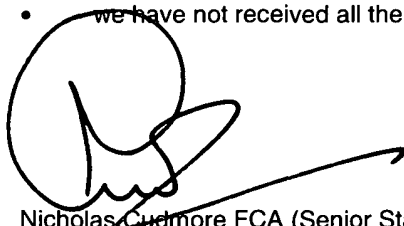
**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

8 December 2016

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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

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In accordance with the terms of our engagement letter dated 5 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to John Spendluffe Technology College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Spendluffe Technology College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Spendluffe Technology College and the EFA, for our work, for this report, or for the conclusion we have formed.

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

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



N P Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan & Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

8 December 2016

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	35,126	-	12,556	47,682	36,993
Charitable activities	3	-	3,212,596	-	3,212,596	3,410,379
Other trading activities	4	349,719	-	-	349,719	300,332
Investments	5	5,842	-	-	5,842	5,568
<b>TOTAL INCOME</b>		<b>390,687</b>	<b>3,212,596</b>	<b>12,556</b>	<b>3,615,839</b>	<b>3,753,272</b>
<b>EXPENDITURE ON:</b>						
Raising funds		113,851	-	-	113,851	102,059
Charitable activities		261,227	3,191,701	235,933	3,688,861	3,777,117
<b>TOTAL EXPENDITURE</b>	8	<b>375,078</b>	<b>3,191,701</b>	<b>235,933</b>	<b>3,802,712</b>	<b>3,879,176</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	15,609	20,895	(223,377)	(186,873)	(125,904)
		-	(35,454)	35,454	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		15,609	(14,559)	(187,923)	(186,873)	(125,904)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(828,000)	-	(828,000)	25,000
<b>NET MOVEMENT IN FUNDS</b>		<b>15,609</b>	<b>(842,559)</b>	<b>(187,923)</b>	<b>(1,014,873)</b>	<b>(100,904)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		274,964	(595,827)	7,741,210	7,420,347	7,521,251
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>290,573</b>	<b>(1,438,386)</b>	<b>7,553,287</b>	<b>6,405,474</b>	<b>7,420,347</b>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 7683660**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	14		7,553,287	7,741,210
<b>CURRENT ASSETS</b>				
Debtors	15	61,763		69,144
Cash at bank and in hand		1,130,120		1,056,320
		<u>1,191,883</u>		<u>1,125,464</u>
<b>CREDITORS:</b> amounts falling due within one year	16	(155,696)		(169,327)
<b>NET CURRENT ASSETS</b>			<u>1,036,187</u>	<u>956,137</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,589,474</u>	<u>8,697,347</u>
Defined benefit pension scheme liability	22		<u>(2,184,000)</u>	<u>(1,277,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>6,405,474</u></u>	<u><u>7,420,347</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	17	745,614		681,173
Restricted fixed asset funds	17	7,553,287		7,741,210
Restricted income funds excluding pension liability		8,298,901		8,422,383
Pension reserve		<u>(2,184,000)</u>		<u>(1,277,000)</u>
Total restricted income funds			<u>6,114,901</u>	<u>7,145,383</u>
Unrestricted income funds	17		<u>290,573</u>	<u>274,964</u>
<b>TOTAL FUNDS</b>			<u><u>6,405,474</u></u>	<u><u>7,420,347</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:

  
 .....  
**Mr P Milson**  
 Chair of Trustees

The notes on pages 23 to 43 form part of these financial statements.

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>103,412</u>	<u>242,180</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5,842	5,568
Purchase of tangible fixed assets		(48,010)	(170,166)
Capital grants from DfE/EFA		12,556	13,484
<b>Net cash used in investing activities</b>		<u>(29,612)</u>	<u>(151,114)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>73,800</b>	<b>91,066</b>
Cash and cash equivalents brought forward		<u>1,056,320</u>	<u>965,254</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,130,120</u></u>	<u><u>1,056,320</u></u>



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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

John Spendluffe Technology College constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

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

**1.3 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

**1.5 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.

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

Charitable activities and Governance costs 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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Going concern**

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

**1.7 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Operating leases**

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

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 Liabilities and provisions**

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. 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.

**1.13 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**1.16 Realignment of comparatives**

Following revisions to the EFA Accounts Direction, certain expenses in 2015/16 have been classified on a different basis to 2014/15. Where such differences arise, comparatives have been realigned to accord with 2015/16 classifications.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital grants	-	-	12,556	12,556	13,484
Other voluntary income	35,126	-	-	35,126	23,509
	<u>35,126</u>	<u>-</u>	<u>12,556</u>	<u>47,682</u>	<u>36,993</u>
Total donations and capital grants	35,126	-	12,556	47,682	36,993

In 2015, of the total income from donations and capital grants, £23,509 was to unrestricted funds, £ NIL was to restricted funds and £13,484 was to restricted fixed asset funds.

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	2,871,014	2,871,014	3,114,071
Pupil Premium	-	191,483	191,483	179,275
Other DfE/EFA Revenue grants	-	19,000	19,000	13,250
SEN 1-1 Funding	-	85,101	85,101	83,899
Other Local Authority revenue grants	-	27,243	27,243	17,758
Other government revenue grants	-	18,755	18,755	2,126
	-	3,212,596	3,212,596	3,410,379

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £3,410,379 was to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	7,588	-	7,588	4,730
Catering income	317,908	-	317,908	266,632
Sale of goods	20,537	-	20,537	23,596
Other income	3,686	-	3,686	5,374
	349,719	-	349,719	300,332

In 2015, of the total income from other trading activities, £300,332 was to unrestricted funds and £ *NIL* was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank account interest	5,842	-	5,842	5,568

In 2015, of the total investment income, £5,568 was to unrestricted funds and £ *NIL* was to restricted funds.

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. DIRECT COSTS**

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	83,863	83,863	87,407
Technology costs	25,481	25,481	21,037
Examination fees	43,407	43,407	45,746
Staff development	10,586	10,586	18,412
Other costs	31,548	31,548	39,173
Wages and salaries	1,885,941	1,885,941	1,931,763
National insurance	154,854	154,854	143,009
Pension cost	310,131	310,131	289,245
Depreciation	235,933	235,933	222,300
	<u>2,781,744</u>	<u>2,781,744</u>	<u>2,798,092</u>

In 2015, the Academy incurred the following Direct costs:

£2,798,092 in respect of Funding for the Academy's educational operations

**7. SUPPORT COSTS**

	Educational operations £	Total 2016 £	Total 2015 £
Other finance income less expense	49,000	49,000	46,000
Technology costs	11,568	11,568	18,249
Pupil recruitment and support	24,641	24,641	35,302
Maintenance of premises and equipment	41,917	41,917	85,689
Cleaning	8,369	8,369	8,282
Rent and rates	17,040	17,040	16,688
Energy costs	51,034	51,034	57,629
Insurance	12,575	12,575	14,150
Telephone, postage and stationery	17,402	17,402	26,027
Catering	113,434	113,434	83,863
Other costs	6,184	6,184	6,432
Operating leases - other	3,001	3,001	5,158
Personnel fees	13,121	13,121	12,542
Auditors' remuneration	11,800	11,800	10,950
Legal & professional fees	1,300	1,300	847
Wages and salaries	406,801	406,801	429,221
National insurance	18,543	18,543	17,289
Pension cost	99,387	99,387	104,707
	<u>907,117</u>	<u>907,117</u>	<u>979,025</u>



**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS (continued)**

During the year ended 31 August 2016, the Academy incurred the following Governance costs:

£24,021 (2015 - £24,339) included within the table above in respect of Funding for the Academy's educational operations.

In 2015, the Academy incurred the following Support costs:

£954,686 in respect of Funding for the Academy's educational operations

**8. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	113,851	113,851	102,059
Funding for the Acad:					
Direct costs	2,350,926	148,171	282,647	2,781,744	2,798,092
Support costs	524,731	118,360	264,026	907,117	950,025
	<u>2,875,657</u>	<u>266,531</u>	<u>660,524</u>	<u>3,802,712</u>	<u>3,850,176</u>

In 2016, of the total expenditure, £375,078 (2015 - £266,978) was to unrestricted funds, £3,191,701 (2015 - £3,360,898) was to restricted funds and £235,933 (2015 - £222,300) was to restricted fixed asset funds by way of depreciation.

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	235,933	222,300
Auditors' remuneration - audit	7,500	6,250
Auditors' remuneration - other services	4,300	4,700
Operating lease rentals	<u>1,356</u>	<u>989</u>

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**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,208,351	2,319,641
Social security costs	173,397	160,298
Operating costs of defined benefit pension schemes	409,518	393,952
	<u>2,791,266</u>	<u>2,873,891</u>
Supply teacher costs	84,391	41,343
	<u>2,875,657</u>	<u>2,915,234</u>

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

	2016 No.	2015 No.
Teachers	37	38
Management	1	1
Administration and support staff	64	63
	<u>102</u>	<u>102</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these employees amounted to £25,574 (2015: £20,858)

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £609,355 (2015 - £591,299).

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 5 Trustees (2015 - 5) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £'000	2015 £'000
Mr S Beverley, Principal	Remuneration	85-90	80-85
	Pension contributions paid	10-15	10-15
Mr M Bishell, Staff Governor	Remuneration	25-30	30-35
	Pension contributions paid	5-10	5-10
Mr R Follett, Staff Governor	Remuneration	35-40	35-40
	Pension contributions paid	5-10	5-10
Mrs S Kirk, Staff Governor	Remuneration	40-45	35-40
	Pension contributions paid	5-10	5-10
Mrs T Chatterton, Staff Governor	Remuneration	20-25	20-25
	Pension contributions paid	5-10	5-10

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year ended 31 August 2016, expenses totalling £1,117 (2015 - £1,095) were reimbursed to 4 Trustees (2015 - 5).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. OTHER FINANCE INCOME LESS EXPENSE**

	2016 £	2015 £
Interest income on pension scheme assets	60,000	51,000
Interest on pension scheme liabilities	(109,000)	(97,000)
	<u>(49,000)</u>	<u>(46,000)</u>

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**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	8,048,784	190,614	182,083	8,421,481
Additions	30,357	3,229	14,424	48,010
At 31 August 2016	8,079,141	193,843	196,507	8,469,491
<b>Depreciation</b>				
At 1 September 2015	552,663	67,166	60,442	680,271
Charge for the year	148,171	39,301	48,461	235,933
At 31 August 2016	700,834	106,467	108,903	916,204
<b>Net book value</b>				
At 31 August 2016	7,378,307	87,376	87,604	7,553,287
At 31 August 2015	7,496,121	123,448	121,641	7,741,210

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

Included in land and buildings is freehold land at valuation of £670,617 (2015 - £670,617) which is not depreciated.

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	6,584	7,027
Other debtors	21,675	31,520
Prepayments and accrued income	33,504	30,597
	61,763	69,144

**16. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	50,080	57,398
Other taxation and social security	50,385	46,162
Other creditors	48,531	42,626
Accruals and deferred income	6,700	23,141
	155,696	169,327

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Designated funds</b>						
School fund	13,187	38,029	(40,811)	-	-	10,405
<b>General funds</b>						
Other income not for capital purposes	261,777	352,658	(334,267)	-	-	280,168
Total Unrestricted funds	274,964	390,687	(375,078)	-	-	290,573
<b>Restricted funds</b>						
General Annual Grant (GAG)	621,753	2,871,014	(2,767,894)	(41,586)	-	683,287
Other DfE/EFA grants	59,420	210,483	(207,576)	-	-	62,327
Government grants	-	131,099	(137,231)	6,132	-	-
Pension reserve	(1,277,000)	-	(79,000)	-	(828,000)	(2,184,000)
	(595,827)	3,212,596	(3,191,701)	(35,454)	(828,000)	(1,438,386)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	717,333	12,556	(2,879)	-	-	727,010
Capital expenditure from GAG	371,273	-	(53,051)	35,454	-	353,676
Capital expenditure from other income	6,652,604	-	(180,003)	-	-	6,472,601
	7,741,210	12,556	(235,933)	35,454	-	7,553,287
Total restricted funds	7,145,383	3,225,152	(3,427,634)	-	(828,000)	6,114,901
Total of funds	7,420,347	3,615,839	(3,802,712)	-	(828,000)	6,405,474

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

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

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

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**17. STATEMENT OF FUNDS (continued)**

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

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

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

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £79,000. 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 £828,000 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.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	7,553,287	7,553,287	7,741,210
Current assets	290,573	901,310	-	1,191,883	1,125,464
Creditors due within one year	-	(155,696)	-	(155,696)	(169,327)
Provisions for liabilities and charges	-	(2,184,000)	-	(2,184,000)	(1,277,000)
	<u>290,573</u>	<u>(1,438,386)</u>	<u>7,553,287</u>	<u>6,405,474</u>	<u>7,420,347</u>

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**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(186,873)	(125,904)
<b>Adjustment for:</b>		
Depreciation charges	235,933	222,300
Dividends, interest and rents from investments	(5,842)	(5,568)
Decrease in debtors	7,381	116,149
Decrease in creditors	(13,631)	(34,313)
Capital grants from DfE and other capital income	(12,556)	(13,484)
Defined benefit pension scheme finance cost	79,000	83,000
<b>Net cash provided by operating activities</b>	<b>103,412</b>	<b>242,180</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,130,120	1,056,320
<b>Total</b>	<b>1,130,120</b>	<b>1,056,320</b>

**21. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £225,000 (2015 - £197,000).



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**22. PENSION COMMITMENTS (continued)**

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £193,000 (2015 - £201,000), of which employer's contributions totalled £154,000 (2015 - £160,000) and employees' contributions totalled £39,000 (2015 - £41,000). The agreed contribution rates for future years are 23.1% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.10 %</b>	<b>3.80 %</b>
Expected return on scheme assets at 31 August	<b>2.10 %</b>	<b>3.80 %</b>
Rate of increase in salaries	<b>3.60 %</b>	<b>4.10 %</b>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<b>2.70 %</b>

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.2</b>	<b>22.2</b>
Females	<b>24.4</b>	<b>24.4</b>
Retiring in 20 years		
Males	<b>24.5</b>	<b>24.5</b>
Females	<b>26.8</b>	<b>26.8</b>

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**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,525,000	1,122,000
Debt instruments	258,000	194,000
Property	198,000	180,000
Cash	-	-
Total market value of assets	<u>1,981,000</u>	<u>1,496,000</u>

The actual return on scheme assets was £60,000 (2015 - £51,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(184,000)	(197,000)
Net interest cost	(49,000)	(46,000)
Total	<u>(233,000)</u>	<u>(243,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,773,000	2,520,000
Current service cost	184,000	197,000
Interest cost	109,000	97,000
Contributions by employees	39,000	41,000
Actuarial losses/(gains)	1,082,000	(43,000)
Benefits paid	(22,000)	(39,000)
Closing defined benefit obligation	<u>4,165,000</u>	<u>2,773,000</u>

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**22. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	1,496,000	1,301,000
Return on plan assets (excluding net interest on the net defined pension liability)	60,000	51,000
Actuarial gains and (losses)	254,000	(18,000)
Contributions by employer	154,000	160,000
Contributions by employees	39,000	41,000
Benefits paid	(22,000)	(39,000)
Closing fair value of scheme assets	<u>1,981,000</u>	<u>1,496,000</u>

**Sensitivity Analysis**

	Approx. % increase to employer liability %	Approx. monetary amount £
0.5% decrease in Real Discount Rate	14	594,000
1 year increase in member life expectancy	3	125,000
0.5% increase in Salary Increase Rate	6	245,000
0.5% increase in the Pension Increase Rate	8	327,000

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	<u>944</u>	<u>2,706</u>

**24. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

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**25. RELATED PARTY TRANSACTIONS**

During the year Alford County Primary School, a school in which Mrs K Firth is a Governor and Mr D Forster is Headteacher, paid £78,318 (2015 - £62,727) to use the Academy's swimming pool and canteen facilities.

During the year Alford Sports Hall Association, in which the trustee Mr P Milson has a connection with, were paid £2,500 (2015 - £1,765) as a contribution towards a new sports hall floor, £3,647 (2015 - £706) was generated in income from the use of the JSTC Astroturf and Hall lettings and £nil (2015 - £nil) was owing to the Academy at the year end. The Academy paid £1,520 (2015 - £4,209) to Alford Sports Hall Association as their management fee of the previously mentioned hirings/lettings.

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

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**26. FIRST TIME ADOPTION OF FRS 102**

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

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014 £</b>	<b>31 August 2015 £</b>
Total funds under previous UK GAAP		7,521,251	7,420,347
Total funds reported under FRS 102		<u>7,521,251</u>	<u>7,420,347</u>

<b>Reconciliation of net (expenditure)</b>	<b>Notes</b>	<b>31 August 2015 £</b>
Net (expenditure) previously reported under UK GAAP		(96,904)
Change in recognition of LGPS interest cost	A	(29,000)
Net movement in funds reported under FRS 102		<u>(125,904)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on the defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £29,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
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**27. CONTROLLING PARTY**

The Trustees as a body have ultimate control of the Academy. There is no single controlling party.