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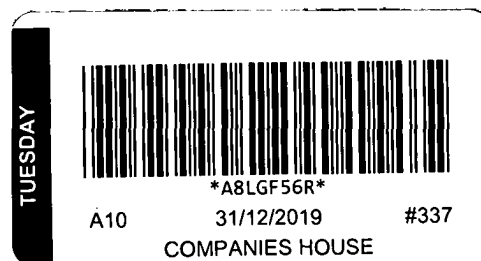
**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**

**(A company limited by guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mrs Linda Jane Brockett Mr Peter Milson Mr George Willoughby
<b>Trustees</b>	Mr Peter Milson, Chair Mr George Willoughby Mr Giles Crust Mr Robert Follett Mrs Teri Chatterton Mrs Joanna Sharp Mrs Shirley Gibney Mr David Allen Mrs Lucy Iaquaniello Mrs Lisa Ailsby Mr Roger Snell Miss Rachael Hickson (appointed 14 May 2019) Mrs Elizabeth Ramm (appointed 14 May 2019) Ms Joyce Shorrock (appointed 1 October 2018)
<b>Company registered number</b>	07683660
<b>Company name</b>	John Spendluffe Technology College
<b>Principal and registered office</b>	Hanby Lane Alford Lincolnshire LN13 9BL
<b>Company secretary</b>	Mr Jonathan Treasure
<b>Senior management team</b>	Ms J Shorrock, Head Teacher Mr J Treasure, College Business Manager Miss R Norton Mrs A Appleyard Mrs P Forman Mr R Thornalley Mrs S Powell Mr J Bentley
<b>Independent auditors</b>	Duncan & Toplis Limited Chartered Accountants and Statutory Auditors 15 Chequergate Louth Lincolnshire LN11 0LJ

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' 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 628 in the school census on October 2019. 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 Governors 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 .

Details of the Governors 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.

**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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**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 2019), 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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 has been 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, increase responsibility within the SLT and the role of Data Protection Officer for the academy.

The one point pay award given to all SLT members when Mr Beverley was suddenly taken ill in September 2017 has not been removed as it is felt that the demands of the roles are becoming greater and that it would deflate staff morale if removed after two full academic years and a considerable amount of hard work from the senior leaders during a difficult time.

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. 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.

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, Wither Primary School, East Wold Primary School and North Cockerington over the provision of school meals. It also assisted Willoughby primary school with the provision of meals when their cook was taken ill, this lasted for roughly one academic term. JSTC also hires out the main school swimming pool to Partney and Alford Primary Schools during the summer.

As an outward facing school, we engage with Lincolnshire Teaching School Alliance, Bishop Grossteste, Charter Teaching School and Humber Teaching School for the training and recruitment of teachers and to assist with their CPD and progression.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**i. 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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

**Objectives**

The main objectives of the Trust during the year ending 31 August 2019 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.

**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.

**Staff Development**

- Continue to develop coaching and mentoring through the Academy's appraisal process;
- Developing leadership at all levels, including support staff
- 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.

**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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities (continued)**

bidding process

**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.
- 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.
- 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
- Evolution of life after levels within KS3 and development of flightpath tracking to ensure student progress can be analysed across all cohorts.
- Introduction of SMID to further develop staff interaction with data and raise accountability.

**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".

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Before going into detail on the academic success of John Spendluffe Technology College for the period of 2018-19 the trustees feel that key changes and absences should be noted within this section. Alterations to the hierarchical structure of the school has future financial implications but is not without foundation but for the 2018-19 financial year it is the absence of one staff member and the associated cover costs that has had a negative financial impact on the expected end of year financial situation.

The academy started the academic year with Ms Shorrocks still in position as 'Acting' Headteacher. Following a rigorous and thorough recruitment process, it was unanimously decided that Ms Shorrocks was the best candidate for the job and to take JSTC forward. As Ms Shorrocks had previously been Deputy Headteacher, this left the academy with the necessity to advertise for a replacement for her previous role. The trustees took the decision that to share the workload fairly and allow people to deal with specific areas in greater detail. Therefore, the academy would look to recruit two Deputy Headteachers – one with a pastoral / behavioural focus with the other concentrating on curriculum / standards / student progress.

Due to financial constraints, it was decided that the academy would advertise for one Deputy Headteacher to start in Jan 2019 with the other starting from Sept 2019. This would allow for the lagged GAG funding to catch up in relation to an increasing student roll.

The input of the two staff members who had acted as Associate Members of SLT had been widely recognised and had proved invaluable so their association to the senior leadership team was made permanent in May 2019.

There was also an instance where the school was without a full time member of teaching staff for ten of the twelve months of the financial year 2018-19. This led to the necessity to draft in a long term supply teacher at considerable cost to the school and changed what would have been a break even situation into a deficit for the year.

Ofsted returned in March 2019 for a two day inspection which was fair in its assessment of where JSTC finds itself as a school at the present time. Despite the overall rating being 'In Need of Improvement' there were keen to praise the effectiveness of the academy's leadership and management along with recognising huge strides in behaviour, welfare and personal development of students. The report left the Headteacher, trustees and senior leadership team with some clear areas for improvement and an expected return date within the next 18-24 months for a further inspection is predicted.

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

We have ensured that resources and funding have been directed where most needed to meet the educational needs of our pupils. The Academy has shown success again in overall educational results in Summer 2019 with strong basics figure for a school of our type. Evidence of how students can thrive and exceed expectation are evident with the performance of one student who will be recognised as one of the highest achievers on a national scale. As a school with increasing PP, significant mobility and the removal of the more able HAPs we can demonstrate that the data below represents the dedication and hard work of staff with this year group. Students enter JSTC with lower than national levels of numeracy and literacy overall with literacy being especially impacted by the 11+ filtering and the disadvantaged background of the student body. Analysis has shown that staff forecasting is enabling clear judgements to be made with respect to intervention and support for identified students.

The data must also be read in the context of the changes in assessment structure that disproportionately affects secondary modern schools. The decline in points available for grades of C equivalent and below results in a

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

disproportionate reduction in the A8 values for a secondary modern school. The P8 calculation is less valid where a component of the cohort has been filtered out. The data from 2019 compared to 2018 demonstrates the improvements made within the outcomes for 2019.

Performance in 2019 shows Overall P8 of -0.18,

<b>2018 P8 -0.4</b>	<b>2019 P8 -0.18</b>
English P8BC; -0.56	English P8BC; -0.36
Maths P8BC; -0.35	Maths P8BC; -0.44
EBacc P8BC; -0.62	EBacc P8BC; -0.39
Open P8BC; -0.09	Open P8BC; 0.28
Attainment 8; 39.54	Attainment 8; 38.24
Gaps PP/OPP; -0.6 : SEN/SEN; 0.37	Gaps PP/OPP; 0.05 : SEN/SEN; 0.38
Gaps Male/Female; -0.66	Gaps Male/Female; -0.12

Element	All	LPA	MPA	HPA
EnglishP8BC	-0.36	-0.68	-0.27	-0.09
MathsP8BC	-0.44	-0.19	-0.29	-0.77
EBaccP8BC	-0.39	-0.11	-0.28	-0.68
OpenP8BC	0.28	0.01	0.49	0.23
Attainment 8	38.24	22.41	38.33	55.00

English standard pass 62%  
English good pass 40% Grade 7 or above 12%  
Maths standard pass 50%  
Good pass 20%  
Standard pass in Maths and English 34%

The data above should be read in the context of a secondary modern where a significant proportion of the more able HAPs are lost to the grammar school. The performance of English HAPs (or HPAs) is thus highly significant.

John Spendluffe Technology College continues to develop and monitor the proven system for tracking student progress across all year groups and their achievement provide the basis for early, effective and appropriate intervention in key subject areas. The Academy also provides additional targeted support for students by running

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

weekend, half term and Easter revision sessions to ensure the students are reaching their full potential.

The Senior Leadership team at the Academy closely monitors the performance of both 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 academy's 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 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 restricted funds and unrestricted funds, within reserves should be equivalent to at least one month's expenditure, which is approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's level of free revenue reserves for 2018-2019 is £337,237 comprising unrestricted funds of £230,135 and restricted general funds of £107,102 (excluding the pension reserve of £2,157,000).

At the end of the prior financial period (year ended 31 August 2018) the academy had free reserves (restricted general funds excluding pension reserves plus unrestricted funds) of £933,765.

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 2019 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

During the period ended 31 August 2019, total unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) were £4,153,115. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £4,211,377 and transfers out to the

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

restricted fixed asset fund of £538,266 to give a deficit of income over expenditure on revenue funding totalling £58,262. 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 2019 the Local Government pension scheme deficit was £2,157,000. 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 £7,891,489.

**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 8 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 instalments 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**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 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.

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.

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.

**Fundraising**

The academy trust does not use any external fundraisers to assist with raising funds for educational use. Fundraising undertaken is either for national or local good causes. In the future, JSTC will look to hold more fundraising events by holding Christmas and Summer Fayres along with an increased number of musical or theatrical performances. These will be coordinated by staff members, senior leadership and the academy finance department. All fundraising undertaken will be monitored by the Trustees.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods**

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 technology wing of the school to be overhauled and modernised along with necessary fire alarm upgrade work through the main building. As a result of Art and Textiles being rehomed, in the fullness of time their areas may be amended for other subjects to use.

The Academy will be submitting two bids through CIF for a final batch of window replacement for the remaining part of the main building. In addition to this, a similar sized bid for the modernisation of the whole schools fire alarm system 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 2019 and work is well under way in ensuring those bids are placed.

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. The road surface alongside the school along with some rotting wooden ramps to the aforementioned mobile classrooms need prioritisation to ensure the safety of our students, staff and visitors to site.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

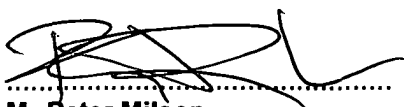
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**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 Governors, as the company directors, on 20th December 2019 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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**GOVERNANCE STATEMENT**

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**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 board of governors 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 governors any material weaknesses or breakdowns in internal control.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 Trustees' report and in the Statement of Trustees' responsibilities. The board of governors has formally met 5 times during the year.

Attendance during the year at meetings of the board of governors 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)	5	5
Mrs E Ramm (joined May 2019)	1	2
Miss R Hickson (joined May 2019)	2	2
Mr D Allen	4	5
Mrs L Iaquaniello	5	5
Mr R Follett (Staff Trustee)	4	5
Mrs J Sharp (Staff Trustee)	3	5
Mrs L Ailsby	3	5
Mr R Snell	5	5
Mrs S Gibney operation affected Mrs Gibney's attendance at meetings during the year)	1	5
Mrs T Chatterton (Staff Trustee)	4	5

For the Financial Year of 19/20 - there are six scheduled Full Governing Body meetings with one taking place every half term. Appropriate information and progress against key targets on the Self Evaluation Form and School Improvement Plan are emailed to governors at the end of each term to keep them informed and updated. The governing body only met on five occasions during the year as Ofsted visited at the time of the other scheduled meeting. By the time we had looked to rearrange due to Easter holidays, it was decided that it was too close to the next meeting and therefore did not take place.

During the academic year, the board of trustees lost two individuals who were vastly experienced in the educational world due to other commitments and retirement. Being mindful and aware of these potential losses, the academy undertook a recruitment drive the previous summer to ensure this loss was not felt so dramatically. A Governor skills audit was undertaken early in 2018 and has flagged up a few areas where additional training may be required. Plans have been put in place for this training on understanding data, preparing for Ofsted and understanding the basics of governance (as a refresher to long serving governors) to take place early in 2019.

The Finance and General Purposes Committee is a sub-committee of the main board of governors. Its 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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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)	3	3
Mr P Milson	3	3
Mr G Willoughby	3	3
Mrs J Sharp	2	3
Mr D Allen	2	3
Mr R Snell	3	3
Ms J Shorrocks	3	3

**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 governors 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 SMID or Facility for our MIS. 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 Umbrella 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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

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. They use the swimming pool for swimming tuition during the school day. One development for the 2018-19 financial year was allowing the general public to use this during weekday evenings, weekends and during school holiday time. Sadly, due to unforeseen mechanical issues, the swimming pool was unable to be used as planned over the summer holidays.

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 been shown as sustainable in previous years and increased in the 2018-19 financial year. Whilst we are still a popular choice with these schools, we need to ensure we continue with the high quality offering we provide and ensure customer satisfaction to retain their custom.

The Academy diversified its core business a couple of years ago by moving into the field of undertaking Portable Appliance Testing for a few local primary schools showing further diversity to the income streams. Academy staff members have the relevant equipment and qualifications to fulfil this service and can assist the primaries by saving them time and money by having external firms undertake the work at a greater cost. Whilst this was not something we had the capacity to fulfil during the 2018-19 financial year, it is something we will revisit and undertake for schools in the future.

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.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 board of governors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of governors has considered the need for a specific internal audit function and has decided to appoint Duncan & Toplis as 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.

Duncan & Toplis' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period include:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account / bank reconciliations
- Testing of fixed assets
- Testing of capital projects and associated funding

On a termly basis, the internal auditor reports to the board of governors through the finance committee on the operation of the systems of control and on the discharge of the governors' financial responsibilities.

**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 internal auditor;
- 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.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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Approved by order of the members of the board of Governors on 20 December 2019 and signed on their behalf by:



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



**Ms Joyce Shorrock**  
Headteacher

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2018.

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 2018.

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 ESFA.

~~Mr Peter Milson~~  
~~Chair of Governors/Trustees~~  
Date: 20 December 2019

Ms J. SHORROCK  
ACCOUNTING OFFICER



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

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors (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 & Skills 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:

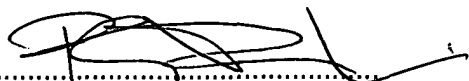
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Governors on 20 December 2019 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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**Opinion**

We have audited the financial statements of John Spendluffe Technology College (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019 issued by the Education & 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.

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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 (CONTINUED)**

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**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.

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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 (CONTINUED)**

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**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](http://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.

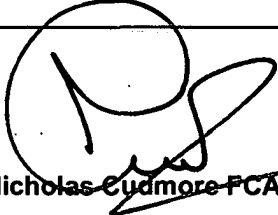
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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN SPENDLUFFE TECHNOLOGY COLLEGE (CONTINUED)**

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**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

20 December 2019

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

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

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In accordance with the terms of our engagement letter dated 21 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

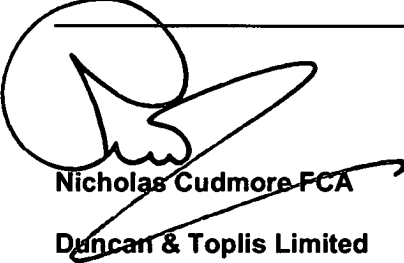
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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN  
SPENDLUFFE TECHNOLOGY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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Nicholas Cudmore FCA  
Duncan & Toplis Limited

Date: 20 December 2019

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	39,968	-	43,841	83,809	281,514
Charitable activities:	4					
Funding for the Academy's educational operations		-	3,737,436	-	3,737,436	3,506,493
Other trading activities	5	371,985	-	-	371,985	386,971
Investments	6	3,726	-	-	3,726	4,143
<b>Total income</b>		<b>415,679</b>	<b>3,737,436</b>	<b>43,841</b>	<b>4,196,956</b>	<b>4,179,121</b>
<b>Expenditure on:</b>						
Raising funds		7,196	-	-	7,196	7,254
Charitable activities:	8					
Academy's educational operations		422,451	3,971,730	188,458	4,582,639	4,481,838
<b>Total expenditure</b>		<b>429,647</b>	<b>3,971,730</b>	<b>188,458</b>	<b>4,589,835</b>	<b>4,489,092</b>
<b>Net expenditure</b>		<b>(13,968)</b>	<b>(234,294)</b>	<b>(144,617)</b>	<b>(392,879)</b>	<b>(309,971)</b>
Transfers between funds	16	-	(538,266)	538,266	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(13,968)</b>	<b>(772,560)</b>	<b>393,649</b>	<b>(392,879)</b>	<b>(309,971)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(704,000)	-	(704,000)	530,000
<b>Net movement in funds</b>		<b>(13,968)</b>	<b>(1,476,560)</b>	<b>393,649</b>	<b>(1,096,879)</b>	<b>220,029</b>

**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 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Note</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	244,103	(573,338)	7,458,868	7,129,633	6,909,604
Net movement in funds	(13,968)	(1,476,560)	393,649	(1,096,879)	220,029
<b>Total funds carried forward</b>	<b>230,135</b>	<b>(2,049,898)</b>	<b>7,852,517</b>	<b>6,032,754</b>	<b>7,129,633</b>



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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	7,891,489	7,458,868
<b>Current assets</b>			
Debtors	14	114,533	195,367
Cash at bank and in hand		469,011	976,742
		<u>583,544</u>	<u>1,172,109</u>
Creditors: amounts falling due within one year	15	(285,279)	(238,344)
<b>Net current assets</b>		<u>298,265</u>	<u>933,765</u>
<b>Total assets less current liabilities</b>		<u>8,189,754</u>	<u>8,392,633</u>
<b>Net assets excluding pension liability</b>		<u>8,189,754</u>	<u>8,392,633</u>
Defined benefit pension scheme liability	23	(2,157,000)	(1,263,000)
<b>Total net assets</b>		<u><u>6,032,754</u></u>	<u><u>7,129,633</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	7,852,517	7,458,868
Restricted income funds	16	107,102	689,662
		<u>7,959,619</u>	<u>8,148,530</u>
Restricted funds excluding pension asset	16	7,959,619	8,148,530
Pension reserve	16	(2,157,000)	(1,263,000)
<b>Total restricted funds</b>	16	<u>5,802,619</u>	<u>6,885,530</u>
<b>Unrestricted income funds</b>	16	230,135	244,103
<b>Total funds</b>		<u><u>6,032,754</u></u>	<u><u>7,129,633</u></u>

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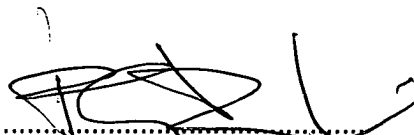
**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 29 to 58 were approved by the Trustees, and authorised for issue on 20 December 2019 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'P. Milson', written over a dotted line.

**Mr Peter Milson, Chair**  
Chair of Trustees

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	65,781	(105,018)
<b>Cash flows from investing activities</b>	19	(573,512)	3,782
<b>Change in cash and cash equivalents in the year</b>		(507,731)	(101,236)
Cash and cash equivalents at the beginning of the year		976,742	1,077,978
<b>Cash and cash equivalents at the end of the year</b>	20	<u>469,011</u>	<u>976,742</u>

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

John Spendluffe Technology College meets the definition of a public benefit entity under FRS 102.

**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.

**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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **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.

- **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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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 fixtures	- 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.

**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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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.

**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.

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**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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.

**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 23, 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 2019. 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**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Other voluntary income	39,968	-	<b>39,968</b>
Capital Grants	-	43,841	<b>43,841</b>
	<u>39,968</u>	<u>43,841</u>	<u><b>83,809</b></u>
	<b>Unrestricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Other voluntary income	44,422	-	<b>44,422</b>
Capital Grants	-	237,092	<b>237,092</b>
	<u>44,422</u>	<u>237,092</u>	<u><b>281,514</b></u>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	3,228,542	<b>3,228,542</b>	3,097,243
Pupil Premium	238,155	<b>238,155</b>	222,969
Other DfE/ESFA Revenue grants	55,027	<b>55,027</b>	16,375
	<hr/> 3,521,724	<hr/> <b>3,521,724</b>	<hr/> 3,336,587
SEN 1-1 Funding	172,297	<b>172,297</b>	142,220
Other Local Authority revenue grants	31,017	<b>31,017</b>	25,286
Other government revenue grants	12,398	<b>12,398</b>	2,400
	<hr/> 215,712	<hr/> <b>215,712</b>	<hr/> 169,906
	<hr/> <hr/> 3,737,436	<hr/> <hr/> <b>3,737,436</b>	<hr/> <hr/> 3,506,493

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Catering income	343,741	<b>343,741</b>	348,053
Sale of goods	25,949	<b>25,949</b>	25,285
Lettings income	(1,347)	<b>(1,347)</b>	10,751
Other income	3,642	<b>3,642</b>	2,882
	<hr/> 371,985	<hr/> <b>371,985</b>	<hr/> 386,971
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank account interest	3,726	3,726	4,143

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	7,196	7,196
Funding for the academy trust's educational operations:				
Direct costs	2,831,624	152,671	298,978	3,283,273
Allocated support costs	745,150	188,854	365,362	1,299,366
	<u>3,576,774</u>	<u>341,525</u>	<u>671,536</u>	<u>4,589,835</u>

	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	7,254	7,254
Funding for the academy trust's educational operations:				
Direct costs	2,715,449	189,484	335,039	3,239,972
Allocated support costs	628,220	245,394	368,252	1,241,866

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities**

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

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Funding for the academy trust's educational operations	3,239,972	1,241,866	<b>4,481,838</b>

**Analysis of direct costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	2,831,624	<b>2,831,624</b>	2,715,449
Depreciation	188,458	<b>188,458</b>	279,726
Educational supplies	138,687	<b>138,687</b>	115,038
Technology costs	29,510	<b>29,510</b>	29,846
Examination fees	42,985	<b>42,985</b>	48,511
Staff development	16,187	<b>16,187</b>	17,212
Other costs	35,822	<b>35,822</b>	34,190
	<b>3,283,273</b>	<b>3,283,273</b>	<b>3,239,972</b>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	745,150	<b>745,150</b>	628,220
Technology costs	20,431	<b>20,431</b>	15,629
Recruitment and support	20,397	<b>20,397</b>	22,551
Maintenance of premises and equipment	65,320	<b>65,320</b>	143,663
Cleaning	10,958	<b>10,958</b>	9,586
Rent and rates	25,976	<b>25,976</b>	23,740
Energy costs	78,631	<b>78,631</b>	65,726
Insurance	11,620	<b>11,620</b>	11,300
Telephone, postage and stationery	27,072	<b>27,072</b>	22,404
Catering	212,710	<b>212,710</b>	212,904
Other costs	45,300	<b>45,300</b>	48,173
Operating leases - other	955	<b>955</b>	1,818
Auditors' remuneration	11,490	<b>11,490</b>	14,000
Legal and professional fees	23,356	<b>23,356</b>	22,152
	<u>1,299,366</u>	<u><b>1,299,366</b></u>	<u>1,241,866</u>

During the year ended 31 August 2019, the Academy incurred the following Governance costs:

£34,846 (2018 - £36,152) included within the table above in respect of Funding for the academy trust's educational operations.

**9. Net expenditure**

Net expenditure for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	<b>955</b>	1,818
Depreciation of tangible fixed assets	<b>188,458</b>	279,726
Fees paid to auditors for:		
- audit	<b>6,550</b>	7,500
- other services	<b>4,940</b>	6,500
	<u><b>199,903</b></u>	<u>295,544</u>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,650,670	2,462,828
Social security costs	235,624	223,625
Pension costs	584,341	553,331
	<u>3,470,635</u>	<u>3,239,784</u>
Agency staff costs	106,139	92,822
Staff restructuring costs	-	11,063
	<u><u>3,576,774</u></u>	<u><u>3,343,669</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	-	11,063
	<u>-</u>	<u>11,063</u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	44	42
Management	1	1
Administration and support staff	74	59
	<u><u>119</u></u>	<u><u>102</u></u>

**JOHN SPENDLUFFE TECHNOLOGY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs (continued)**

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £706,880 (2018: £740,544).

**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:

		2019 £	2018 £
Mr S Beverley (resigned 31 August 2018)	Remuneration	-	75,000 - 80,000
	Pension contributions paid	-	10,000 - 15,000
Mr R Follett	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs T Chatterton	Remuneration	25,000 - 30,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs J Sharp	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Ms J Shorrocks (appointed 1 October 2018)	Remuneration	80,000 - 85,000	-
	Pension contributions paid	10,000 - 15,000	-

During the year ended 31 August 2019, expenses totalling £358 were reimbursed to 2 Trustees (2018 - £180 to 2 Trustees) for miscellaneous expenses relating to their duties as staff members.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2018	8,207,992	96,296	327,425	262,842	6,191	8,900,746
Additions	-	563,822	11,665	45,592	-	621,079
At 31 August 2019	8,207,992	660,118	339,090	308,434	6,191	9,521,825
<b>Depreciation</b>						
At 1 September 2018	997,624	-	237,233	205,473	1,548	1,441,878
Charge for the year	150,745	-	23,851	12,701	1,161	188,458
At 31 August 2019	1,148,369	-	261,084	218,174	2,709	1,630,336
<b>Net book value</b>						
At 31 August 2019	7,059,623	660,118	78,006	90,260	3,482	7,891,489
At 31 August 2018	7,210,368	96,296	90,192	57,369	4,643	7,458,868

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Tangible fixed assets (continued)**

Included within Freehold property is £670,617 (2018 - £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.

**14. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	-	24,545
VAT recoverable	40,412	64,121
Prepayments and accrued income	74,121	106,701
	<u>114,533</u>	<u>195,367</u>

**15. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	126,194	98,183
Other taxation and social security	60,505	52,908
Other creditors	52,109	51,511
Accruals and deferred income	46,471	35,742
	<u>285,279</u>	<u>238,344</u>

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**16. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Other income	244,103	415,679	(429,647)	-	-	230,135
<b>Restricted general funds</b>						
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>
<b>Restricted fixed asset funds</b>						
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>
<b>Total Restricted funds</b>	<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>
<b>Total funds</b>	<u><u>7,129,633</u></u>	<u><u>4,196,956</u></u>	<u><u>(4,589,835)</u></u>	<u><u>-</u></u>	<u><u>(704,000)</u></u>	<u><u>6,032,754</u></u>

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.

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

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 £335,000. 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 £704,000 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 2019.

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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 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
Other income	199,521	435,536	(390,954)	-	-	244,103
<b>Restricted general funds</b>						
General Annual Grant (GAG)	673,454	3,097,245	(3,221,472)	(359)	-	548,868
Other DfE/ESFA grants	63,886	239,344	(239,033)	-	-	64,197
Government grants	76,600	169,904	(169,907)	-	-	76,597
Pension reserve	(1,605,000)	-	(188,000)	-	530,000	(1,263,000)
	<u>(791,060)</u>	<u>3,506,493</u>	<u>(3,818,412)</u>	<u>(359)</u>	<u>530,000</u>	<u>(573,338)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	826,613	237,092	(25,672)	(109,478)	-	928,555
Capital expenditure from GAG	386,199	-	(74,052)	109,837	-	421,984
Capital expenditure from other income	6,288,331	-	(180,002)	-	-	6,108,329
	<u>7,501,143</u>	<u>237,092</u>	<u>(279,726)</u>	<u>359</u>	<u>-</u>	<u>7,458,868</u>
<b>Total Restricted funds</b>	<u>6,710,083</u>	<u>3,743,585</u>	<u>(4,098,138)</u>	<u>-</u>	<u>530,000</u>	<u>6,885,530</u>
<b>Total funds</b>	<u>6,909,604</u>	<u>4,179,121</u>	<u>(4,489,092)</u>	<u>-</u>	<u>530,000</u>	<u>7,129,633</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	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)
<b>Total</b>	<b>230,135</b>	<b>(2,049,898)</b>	<b>7,852,517</b>	<b>6,032,754</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	100,892	-	7,357,976	7,458,868
Current assets	143,211	928,006	100,892	1,172,109
Creditors due within one year	-	(238,344)	-	(238,344)
Provisions for liabilities and charges	-	(1,263,000)	-	(1,263,000)
<b>Total</b>	<b>244,103</b>	<b>(573,338)</b>	<b>7,458,868</b>	<b>7,129,633</b>

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**18. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	<b>(392,879)</b>	<b>(309,971)</b>
<b>Adjustments for:</b>		
Depreciation	<b>188,458</b>	<b>279,726</b>
Interest receivable	<b>(3,726)</b>	<b>(4,143)</b>
Defined benefit pension scheme cost less contributions payable	<b>153,000</b>	<b>146,000</b>
Defined benefit pension scheme finance cost	<b>37,000</b>	<b>42,000</b>
Decrease/(increase) in debtors	<b>80,834</b>	<b>(92,869)</b>
Increase in creditors	<b>46,935</b>	<b>71,331</b>
Capital grants from DfE and other capital income	<b>(43,841)</b>	<b>(237,092)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>65,781</b>	<b>(105,018)</b>

**19. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>3,726</b>	<b>4,143</b>
Purchase of tangible assets	<b>(621,079)</b>	<b>(237,453)</b>
Capital grants from DfE Group	<b>43,841</b>	<b>237,092</b>
<b>Net cash (used in)/provided by investing activities</b>	<b>(573,512)</b>	<b>3,782</b>

**20. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<b>469,011</b>	<b>148,981</b>
Notice deposits (less than 3 months)	<b>-</b>	<b>827,761</b>
<b>Total cash and cash equivalents</b>	<b>469,011</b>	<b>976,742</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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.

**22. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Repairs, maintenance or enhancements to investment property	<b>54,316</b>	<b>521,842</b>

**23. Pension commitments**

The Academy's employees belong to two principal pension schemes: the Teachers' 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 multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £51,745 were payable to the schemes at 31 August 2019 (2018 - £50,769) and are included within creditors.

**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 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.



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**23. Pension commitments (continued)**

**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. 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)
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £251,243 (2018 - £220,900).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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.

**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 2019 was £231,000 (2018 - £205,000), of which employer's contributions totalled £182,000 (2018 - £162,000) and employees' contributions totalled £ 49,000 (2018 - £43,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 - 12.5 per cent 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.

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 2018/19 £25,000 and 2019/20 £26,000.

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**23. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>2.7</b>	<b>2.7</b>
Rate of increase for pensions in payment/inflation	<b>2.3</b>	<b>2.3</b>
Discount rate for scheme liabilities	<b>1.9</b>	<b>2.8</b>

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.2</b>	<b>22.1</b>
Females	<b>23.5</b>	<b>24.4</b>
<i>Retiring in 20 years</i>		
Males	<b>22.5</b>	<b>24.1</b>
Females	<b>25.2</b>	<b>26.6</b>

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.1%	<b>136</b>	<b>101</b>
Salary increase rate - +0.1%	<b>24</b>	<b>20</b>
Pension increase rate - + 0.1%	<b>109</b>	<b>79</b>

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>£</b>	<b>£</b>
Equities	<b>2,172,000</b>	<b>1,908,000</b>
Property	<b>298,000</b>	<b>288,000</b>
Cash and other liquid assets	<b>30,000</b>	<b>26,000</b>
Debt instruments	<b>476,000</b>	<b>392,000</b>
<b>Total market value of assets</b>	<b>2,976,000</b>	<b>2,614,000</b>

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**23. Pension commitments (continued)**

The actual return on scheme assets was £76,000 (2018 - £59,000).

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

	2019 £	2018 £
Current service cost	(309,000)	(308,000)
Past service cost	(26,000)	-
Interest income	-	59,000
Interest cost	-	(101,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(335,000)</b>	<b>(350,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>3,877,000</b>	<b>3,868,000</b>
Current service cost	309,000	308,000
Interest cost	113,000	101,000
Employee contributions	49,000	43,000
Actuarial losses/(gains)	793,000	(404,000)
Benefits paid	(34,000)	(39,000)
Past service costs	26,000	-
<b>At 31 August</b>	<b>5,133,000</b>	<b>3,877,000</b>

Past service costs of £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:

	2019 £	2018 £
<b>At 1 September</b>	<b>2,614,000</b>	<b>2,263,000</b>
Interest income	76,000	59,000
Actuarial gains	89,000	126,000
Employer contributions	182,000	162,000
Employee contributions	49,000	43,000
Benefits paid	(34,000)	(39,000)
<b>At 31 August</b>	<b>2,976,000</b>	<b>2,614,000</b>

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**24. Operating lease commitments**

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	6,580	966
Later than 1 year and not later than 5 years	14,076	-
	<u>20,656</u>	<u>966</u>

**25. Members' liability**

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

**26. Related party transactions**

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transaction

During the year Alford County Primary School, a school in which Mr D Forster is Headteacher, paid £Nil (2018 - £77,749) to use the Academy's swimming pool and canteen facilities. At the end of the year, £13,505 (2018 - £18,397) was still owing from the primary school.

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 (2018 - £2,500) as a contribution towards a new sports hall floor and £1,924 (2018 - £3,196) was generated in income from the use of the JSTC Astroturf and Hall lettings with £Nil (2018 - £Nil) owing to the Academy at the year end. The Academy paid £866 (2018 - £1,157) to Alford Sports Hall Association as their management fee of the previously mentioned hirings/lettings. The Academy also paid £4,328 (2018 - £Nil) for business rates to East Lindsey District Council on behalf of Alford Sports Hall Association.