

# John Spendluffe Technology College

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022



Forrester Boyd  
Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ



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**Reference and administrative details**

**Members**

E Ramm (Chair)  
G Willoughby (appointed 13 January 2022)  
G Crust (appointed 25 July 2022)  
L Brockett  
P Milson

**Trustees (Directors)**

A Appleyard (appointed 30 November 2021)  
S Curtis (appointed 1 September 2021, accounting officer)  
A Graves (appointed 4 October 2021)  
I Hart (appointed 4 October 2021)  
R Hickson  
A Le'Gate (appointed 5 October 2021)  
W Nickson (appointed 8 October 2021)  
D Radley (appointed 2 December 2021)  
E Ramm (Chair)  
J Sharp  
A Stones (appointed 4 October 2021)  
D Allen  
T Chatterton (resigned 30 November 2021)  
G Crust (resigned 4 July 2022)  
S Gibney (resigned 4 October 2021)  
L Iaquaniello (resigned 4 October 2021)  
P Milson (resigned 4 July 2022)  
L Pryke (resigned 22 July 2022)  
G Robinson (resigned 13 January 2022)  
G Kirkman (appointed 12 September 2022)  
G Willoughby (resigned 13 January 2022)  
P Simpson (appointed 12 September 2022)

**Company Secretary**

J Treasure

**Senior Management Team**

S Curtis, Heateacher  
R Norton, Deputy Head  
M Whitaker, Deputy Head  
P Forman, Assistant Head  
R Thornalley, Assistant Head  
J Bentley, Assistant Head  
S Powell, Assistant Head  
J Treasure, Business Manager

**Principal and Registered Office**

Hanby Lane  
Alford  
Lincolnshire  
LN13 9BL



**Reference and administrative details (continued)**

**Company Registration Number** 07683660

**Auditors** Forrester Boyd  
Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ  
28 April 2022

**Bankers** Lloyds Bank  
24 Mercer Row  
Louth  
Lincolnshire  
LN11 9JH

**Solicitors** Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES



## **Trustees' report for the Year Ended 31 August 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31/08/2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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 630 in the school census on October 2021. John Spendluffe Technology College has tried to support the ever increasing demand for places in recent years and remains a popular and oversubscribed choice within the local community.

### **Structure, governance and management**

#### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07683660.

The governors act as the trustees for the charitable activities of John Spendluffe Technology College and are also the directors of the charitable company for the purposes of company law.

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

#### ***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.

#### ***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.

#### ***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.

#### ***Policies and procedures 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.



**Trustees' report for the Year Ended 31 August 2022 (continued)**

***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, three Assistant Head teachers, one Special Educational Needs Co-ordinator, and the College Business Manager. There are career progression opportunities offered to other staff members who will serve for the period of an academic year as an SLT secondment, often working on one or two whole school, specific projects to assist the existing team.

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.

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

The pay scales for the Headteacher, Deputy Headteachers, SENDCO and Assistant Headteachers are set using the national pay scales. Roles have salary banding attached to them often with a four point scale for progression based on the size of school. 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 many have reached the optimum level for their role.

The pay scale of the College Business Manager follows the GLEA pay scales for support staff set by Lincolnshire County Council and is a Grade 10 role between scale points 27 and 30.



## Trustees' report for the Year Ended 31 August 2022 (continued)

*Trade union facility time*

## Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.6

## Percentage of time spent on facility time

Percentage of time

1%-50%

Number of employees

2

## Percentage of pay bill spent on facility time

2022

£

Provide the total cost of facility time

20,251

Provide the total pay bill

2,312,973

Provide the percentage of the total pay bill spent on facility time, calculated as: ( total cost of facility time ÷ total pay bill ) x 100

-

## Paid trade union activities

2022

%

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: ( total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours ) x 100

-

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

**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, Safer Recruitment protocols) 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.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### *Connected organisations, including related party relationships*

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, Withern Primary School, East Wold Primary School and North Cockerington over the provision of school meals.

As an outward facing school, we engage with other establishments for our teacher training programmes with the majority of these now involving, St George's Academy in Sleaford. Due to the nature of the Early Careers Teaching Framework and it lasting two years, we also have had involvement for the period being reviewed with Lincolnshire Teaching School Alliance, Bishop Grossteste, Charter Teaching School and Humber Teaching School. We have also had two ECT teachers through Teach First which is a national programme for placing unqualified teachers into the workplace and they complete their training and qualify within the two year programme. We have also worked more closely with local grammar school, Queen Elizabeths in Alford after signing a document of engagement with them to work together on staff training and student projects in order to unite the two schools.

In light of the government white paper outlining that all schools need to be part of a Multi Academy Trust by 2030, both JSTC and Queen Elizabeth Grammar School have started to have conversations with many of the outlying, neighbouring primary schools about the formation of a new MAT in the coming years. Due to some of the primary schools being Church of England schools, this needs the approval of the local diocese before progressing to conversation with the Regional Schools Commissioner. At time of writing, we are waiting on the feedback of the diocese.

### **Objectives and activities**

#### *Objects and aims*

The Academy objects are specifically restricted to the following:

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

#### *Objectives, strategies and activities*

The main objectives of the Trust during the year ending 31 August 2022 were as follows:

#### Leadership and Management

- o Respond to challenges of the COVID-19 Pandemic
- o Provide a clear, rigorous and robust Quality Assurance process to identify and provide support for highlighted areas in need of development
- o Prioritise wellbeing, mental health support and high-quality staff development through CPLD opportunities and coaching
- o Active and influential involvement with collaborative working partnerships
- o Further development of Governance
- o Continue to ensure sound financial management and strategic planning
- o Roll out of a whole school MIS effectively and smoothly





## Trustees' report for the Year Ended 31 August 2022 (continued)

### Quality of Education

- o To provide a coherent, ambitious and broad curriculum which enables all students to thrive and achieve
- o Re-promotion and focus on whole school literacy and numeracy (specifically reading and reading for pleasure)
- o Closing the attainment gap between the non-disadvantaged and disadvantaged students
- o Clear and appropriate intervention pathways for individuals and identified groups
- o Providing appropriate level of challenge for all ability levels, developing resilience and grit within the students. Quality first teaching for all

### Personal Development

- o Equality, inclusion and diversity. Continue to develop positive culture of respect for all (Everyone's Invited and Black Lives Matter debates)
- o To develop student's wider employability skills through the wider curriculum.
- o Careers Development- Gatsby Benchmarking criteria
- o To enable learners to succeed in modern Britain by enabling students to be responsible and respectful citizens, contribute to society, understand British values and respect and appreciate diversity
- o Develop resilience, growth mindset and ambition of the students

### Behaviour and Attitudes

- o The school community to be responsible to ensure consistency of high expectations and standards
- o Recognise, reward and promote respectful, resilient, and responsible behaviour, both within lessons and around the wider school community
- o Focus on whole school improvement on attendance and punctuality Target 96%+
- o Embed a consistent and reflective approach for behaviour management involving the restorative practice

### Staff Development

- o Continue to develop coaching and mentoring through the Academy's appraisal process;
- o Developing leadership at all levels, including support staff, but with a clear focus on the empowerment of middle leaders.
- o Quality assurance of teaching, assisted with peer review of other similar schools;
- o Continue to develop and evaluate or Quality Assurance process to build strengths in teaching, learning and staff development and address any areas for development.
- o Continue to work with local SCITTs to provide high quality trainee teachers, specifically in key subject areas.
- o Migration of appraisal/performance management information onto our new MIS.

### Environmental

- o Maintaining a safe, warm and welcoming environment suitable for learning;
- o Ensuring health and safety issues are kept at the forefront of the maintenance team priorities;
- o Upholding legal requirements for water, fire and electrical safety;
- o Ensure an inclusive approach towards access for all students.
- o Ensuring the site and accommodation is suitable to meet the needs of the curriculum;
- o Developing an on-going planned maintenance regime and refurbishment programme;
- o Upgrading and replacing areas of the site to make the best use of the space available
- o Providing required enhancements for students to enable them to have access to the full curriculum;
- o Pursuing funding for additional accommodation and facilities through the Conditions Improvement Fund bidding process
- o Explore alternative forms of procurement for identified improvements eg leasing as opposed to purchase. Informed choices made through investigation of experience of other schools.

### *Strategies*

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

'JSTC prides itself on creating a warm, nurturing and respectful learning environment at the heart of its local community. As a school, we value, appreciate and celebrate the achievements and efforts of our students. Our aim is to ensure they leave school as resilient, respectful, confident and responsible young adults'



## Trustees' report for the Year Ended 31 August 2022 (continued)

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

- Continued development of our 5 year curriculum. Creating a sequenced and coherent curriculum that is ambitious for all.
- Creation of curriculum documentation to ensure consistency of approach to curriculum delivery and planning. Staff able through the development to assess the intent and implementation of their curriculum planning with greater accuracy and analytical consistency. Dialogue regarding impact of curriculum enhanced by this development.
- Effective use of Class data analysis to support learner progress.
- Effective use of Progress Teams, tracking, monitoring and support leading to successful attainment in the 2022 exam results
- Developing clear and rigours structures for improving attendance and specifically working with our hard to reach families.
- Development of our new MIS to provide information to identify key students in need of support with regards to attendance.
- Refined procedures for the monitoring of Teaching and Learning to support the appraisal process. Enhancement of the performance management process to deliver greater accountability and this being completed via our new MIS system.
- 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. Creation of Learning Communities to develop a collaborative approach to support the development of Teaching and Learning.
- 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. Creation of a Pupil Premium Champion role and an Intervention Champion role.
- Effective primary liaison has significantly enhanced the Academy's popularity within the locality to ensure we remain a popular choice with parents and the wider community.
- Creation of a bespoke well-being programme to ensure staff workload is appropriate.
- Introduction and continued development of Bromcom, an online parental engagement tool, which allows the parents to track the progress of their child along with the ability to see information on behaviour, homework, upcoming events.
- Effective Line Management processes to embed effective analysis of tracking data, professional trust and 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.

### **Public benefit**

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### Strategic Report

#### Achievements and performance

The 2021-22 academic year started with the appointment of Mr Simon Curtis as the successor to Ms Joyce Shorrock following her retirement. His experience as a Deputy Headteacher at Banovallum school in Horncastle, a school of similar size and make up to JSTC made him the ideal person to take on the challenge and he quickly went about placing his own mark on the school after meeting with all staff members and getting to know the students.

Supported by Martin Whitaker (Deputy Head for Curriculum) and Rachael Norton (Deputy Head for Pastoral), there were key objectives and processes that Mr Curtis wanted to install, specifically around restorative practice for students and a united approach to teaching and learning expectations from Heads of Department.

JSTC Senior Leadership Team was fully staffed, meaning two Deputy Headteachers in post for Curriculum and Pastoral, it was expected that this would give the Senior Leadership Team greater capacity to be able to make progress towards the items set out on the College Development Plan and Self Evaluation Form. With the likelihood of Ofsted paying a visit within the next year, SLT was positive that progress had been made since their last visit across many of their areas for improvement outlined at their last visit.

There was a significant change within the governing body during the 2021-22 academic year which saw the retirement of three vastly experienced governors in the form of George Willoughby, Peter Milson and Giles Crust who had over 70 years of JSTC governance experience between them, two of them having served as Chair of Governors previously. There were also retirements of other governors who cited increasing commitments with family and work as being their reason to depart. They simply could not offer the time and energy they knew the role demanded.

Recruitment of governors has always proved problematic within such a small market town but the experience offered by former Headteacher Andrew Stones in addition to SEND expertise from David Radley and input from a primary school perspective from current serving teacher, Adam Le'Gate provided a broad overview of many aspects which JSTC finds challenging.

Covid 19 continued to disrupt 'normality' in school on occasions for the majority of the academic year which on occasions saw the need for a year group bubble to be closed due to too many outbreaks of cases or staff shortages with the isolation rules. This eased as the year went on, as guidelines changed and as people were vaccinated.

Due to the uncertainty of Covid it was not 100% clear whether summer examinations would be Centre Assessed Grades again or would see student sit their traditional written examinations. JSTC took steps to prepare for either eventuality and fortunately the latter option of written exams came back into force, allowing students the ability to showcase their talents.

The summer examination season was a difficult one to staff and manage due to the long term absence of the Examinations Officer from mid-May until the end of September 2022 and contingency plans involving Mr Whitaker (Deputy Head) and Lead Invigilator Paula Parker were put into operation to ensure the exam season ran smoothly.

The engagement and re-employment of Academic Mentors was also a positive move to support students with their lost learning and they joined in November 2021 and Easter 2022 through until summer to use School Led Tutoring funding and really work intensively with students to support our students with their lost learning due to Covid.

There was also an extremely difficult time for the school in February 2022 with the untimely death whilst serving in post of Network Manager, Paul Bishell. This sudden passing impacted hugely on staff as he had worked at the school for over 20 years and was a hugely popular member of the JSTC family. It was fortunate that JSTC had an employee support package in place to assist with grief and loss counselling for many staff members, especially his cousin who also works at the school as our Site Manager. The IT deputy was promoted to undertake the Network Manager role from July 2022 on a permanent basis.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### *Summer Examinations 2022*

A return to normality was seen during this year with regards to examinations, students completed 2 mock exams, 1 in December and 1 in March. Attitudes and behaviours were exemplary for all exams, all staff have been very impressed with students conduct and behaviour. COVID 19 has had significant impact on this year, as other year groups, there is a significant amount of lost learning which we feel wasn't represented in what they were expected to achieve.

The school had some significant progress made within Art, Child Development, Maths, Technology, Sport Studies and MFL. The school has had many individual success stories with a number of students achieving the top grade 9 (top 4% of the country achieving this grade) in English, Maths, Art, Geography and Graphics. We also celebrate the students who made significant progress for their ability range. All students were able to access their next steps and this ranged from 6th Forms, College courses and Apprenticeships.

We have learnt a lot from this years process and the routines for revision being a priority for the school next year, embedding the culture of hard work and effort with revision will have the desired impact when it comes to outcomes.

### *Key non-financial performance indicators*

See above and previous page.

### *Going concern*

After making appropriate enquiries, the Governing Body has 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### *Financial review*

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

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

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

With a little more financial comfort during the period being reviewed, the academy has been able to invest in a number of renovation and replacement projects with the purchase of 90 desktop computers and full refurbishment of three IT classrooms. The investment in modern Interactive Touchscreen solutions which are now present within IT rooms and the English department and a commitment to move to Cashless Catering in the 2022-23 Academic Year.

The academy also procured a new Management Information System (Bromcom) to replace the severely overdue Facility Admin platform which had been in place for many years.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### *Financial report for the year*

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2022 and the associated expenditure are shown in the statement of financial activities.

During the year ended 31 August 2022, total expenditure was £5,583,196, which shows a carry forward of £283,681 expenditure in excess of income.

At 31 August 2022, the net book value of fixed assets was £7,433,028. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held fund balances at 31 August 2022 of £8,085,210 comprising £462,102 of restricted funds; a pension reserve surplus of £43,000; restricted fixed asset funds of £7,433,028 and £147,080 of unrestricted general funds.

### *Reserves policy*

The Trustees of John Spendluffe Technology College have been notified of the amount the Academy holds in reserve and had made the decision to spend a significant majority on school facilities as a result. Discussion have always taken place over why reserves have been built up and what the long term plans for these reserves will be.

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

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. The trustees have determined that the appropriate level of free reserves. Ideally, these should be equivalent to two months' expenditure on payroll which historically would have been around £500,000. However, with an increasing wage bill and concerns over energy prices in years to come, the reality is that this is soon likely to only be one month in the near future. The reason for these reserves was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves is £609,182.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £462,102.

### *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 and with interest rates rising, this is something that will be more seriously considered in the next academic year.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### *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.

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. The withdrawal of Targeted Funding in relation to SEND provision will also be of significant loss in the coming years as with having so many EHCP students this top up sum would be used to offset the cost of recruitment of LSA's and their associated salaries and oncosts.

This concern also applies to the sums of money associated with Pupil Premium as with over £265k being given to the school for this funding line, much of our staffing cost is offset by this and quarterly instalments do not assist with monthly staff salary and oncost payments. Retrospective decisions to create funding streams following government announcements to plug gaps in school funding is becoming more apparent and this makes longer term budget forecasting risky and almost impossible.

When adding all of these factors to the financial outlay to assist families, with over 260 families needing financial support for FSM provision through the Household Support Programme and local authorities taking around six weeks to reimburse it is a difficult picture for schools to operate within.

Another uncertainty surrounds the level of capital funding and the ability to make significant improvements to the ageing school site. Mobile classrooms are at end of life, electric and heating systems are horrendously outdated in a building nearing 100 years old yet CIF bids continue to be rejected and available programmes are hugely oversubscribed. The formulas do not favour the single academy trust yet MAT's are given large chunks of money each year to undertake repairs as they see fit. This is an unbalanced and unfair model which needs to be reconsidered by the ESFA /DfE in our view.

### **Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.



## Trustees' report for the Year Ended 31 August 2022 (continued)

### *Plans for future periods*

JSTC submitted two bids, both through the Conditions Improvement Fund for Window replacement and Electrical Infrastructure upgrade, both were sadly declined. This was the fourth time a bid to replace single glazed, wooden framed windows has been declined in successive years. The second bid was for whole school Electrical System replacement but this again was declined due to oversubscription despite being given positive feedback on our submission. JSTC has now engaged with an external bid writing company to assist with future submissions in the hope this may increase our case.

Due to the present financial situation for all schools, large six figure projects are beyond our financial viability in the short term whilst reserves are bolstered in the coming years to restore reserves back to the pre-new build level of a few years ago. Increasing reserves in large sums year on year will be difficult given rising staffing and utility costs.

With only £14,500 of Devolved Formula Capital being the only certain Capital Grant we will get each year it does not allow the site to make significant steps to progress and evolve or become more eco-friendly.

The Academy is maintaining its level as being oversubscribed 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. Due to the cost of repair and running costs, there is also no possibility of restoring to use the JSTC swimming pool as it requires significant investment to ensure it remains functional and safe and would cost tens of thousands per year to run. This will be a huge loss to the school and local community, including neighbouring primary schools who used to come and use it.

Future aspirations include the development of the technology wing of the school with modernisation and investment in machinery and the refurbishment of Science labs, of which we have five.

There also remains safety concerns over the size of the JSTC car park in relation to the number of staff the school now has working for it. An option to procure land in a very nearby location often becomes possible but sadly is not financially viable in the short term due to the presence of Japanese Knotweed. The school had looked to take a small portion of the school field and create one following a lump sum of £60k being received from Lincolnshire County Council but this planning proposition has been refused following objection from Sport England over loss of recreational space.

The Academy will be submitting two bids through CIF this winter. The first is for a large scale Safeguarding project which will include perimeter fencing, barrier entry system and remodelling of school entrance to assist staff safety. In addition to this, attentions will switch to whole school electrical work to modernise the existing old infrastructure to make the site safer.

Smaller projects will continue to be funded, where possible, from JSTC in year budgets as was the case in 2021-2 when the grant from Lincolnshire County Council referred to earlier allowed for refurbishment and modernisation of the IT classrooms and purchase of interactive touchscreens in classrooms.

### **Employment of 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.

### **Auditor**

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 12 December 2022 and signed on its behalf by:

E Ramm (Chair)  
Trustee



## Governance statement

### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
E Ramm (Chair)	5	6
L Pryke (resigned 22 July 2022)	3	6
P Milson	5	6
G Crust (appointed 25 July 2022)	3	6
A Graves (appointed 4 October 2021)	5	6
I Hart (appointed 4 October 2021)	5	6
D Allen (resigned 2 September 2022)	4	6
A Le'Gate (appointed 5 October 2021)	4	6
L Iaquaniello (resigned 4 October 2021)	0	0
R Hickson	4	6
G Willoughby (appointed 13 January 2022)	2	2
D Radley (appointed 2 December 2021)	4	5
A Stones (appointed 4 October 2021)	2	5
S Curtis (appointed 1 September 2021)	6	6
T Chatterton (resigned 30 November 2021)	1	2
A Appleyard (appointed 30 November 2021)	4	4
W Nickson (appointed 8 October 2021)	5	6
J Sharp	2	6

During the academic year, the board of trustees saw significant changes following the retirement of three long standing governors (Crust, Milson & Willoughby) along with a number of other local community governors due to work and family commitments. Experienced staff were recruited as governors to strengthen the internal governance and accountability. The new governors bring experience from the education sector with one a former secondary school Headteacher and one a current serving primary school teacher. This coupled with two local business people and two new staff governors ensure numbers have not dropped and their experience in addition to those longer serving governors should provide a positive blend. A Governor skills audit has been carried out in October 2022 and will highlight where additional training may be required. Based on the responses received will dictate what training is needed although this is likely to be around data and preparation for the next Ofsted visit. This will be delivered between a combination of internal and external training. This will be arranged by Mrs Sally Sivil, the Clerk to the Governing Body. JSTC remains a member of the NGA (National Governors Association) and follows their Code of Conduct on all governance matters.





## Governance statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. 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

The composition of the Finance & Buildings committee is a wide blend across many sectors. Mr Crust (now retired as governor) is the Chairman of the local drainage board responsible for the largest budget in that sector within the UK, Mr Milson (now retired as governor) is a retired Director of Kodak, Mr Hart runs a local successful garage, Mrs Sharp is a serving teacher, Mrs Graves is heavily involved in the running of many of her husband's businesses. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
E Ramm (Chair)	2	4
L Pryke (resigned 22 July 2022)	1	2
P Milson	4	4
G Crust (appointed 25 July 2022)	3	4
J Sharp	4	4
G Willoughby (appointed 13 January 2022)	2	2
I Hart (appointed 4 October 2021)	2	4
A Graves (appointed 4 October 2021)	3	4
S Curtis (appointed 1 September 2021)	4	4

### Review of value for money

As accounting officer, the company secretary has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:



## Governance statement (continued)

### *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, Water Cooler rental and IT educational software such as GCSE Pod. 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 and Heath Education to find the best price for each item
- Annual contracts are reviewed to ensure they are still fit for purpose and that they are being used for the optimum benefit of the Academy. E.g. Cancellation of CPD platform as it was not being engaged with by staff for considerable annual outlay.
- The school tendering policy ensures that tenders / quotations are obtained where appropriate to ensure value for money on all major expenditure. An example of this can be found within the tendering process when deciding which company to purchase our desktop computers from this last summer. The school would engage with multiple suppliers on the feasibility and detailed breakdown of the specification we desire and then decisions would be made on the correct solution for the school at the right price. 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. In the absence of Alford Sports Hall this past year due to staffing issues, the sports hall and main school hall has been hired to local groups to generate additional income for the school. This is not on a large scale though with only a few classes per week during the winter months.

JSTC remains the catering provider for four neighbouring, local authority maintained primary schools showing its commitment to collaborating with other schools wherever possible. The income levels achieved by the provision of meals to these primaries, in addition to the income received from the sale of meals to JSTC students. Levels of income have declined in recent times and were hit significantly with the pandemic and closure of schools. Work is being done to re-establish numbers and retain contracts wherever possible although the future with two of these schools is uncertain and with rising costs, may soon be economically unviable to continue.

Any surplus monies that are at the Academy's disposal are actively managed by the College Business Manager and are invested in suitable interest bearing accounts with no risk to the capital but this is almost impossible in the current climate due to the time lag of the government or local authorities reimbursing us for essential expenditure. With interest rates improving, this is something to be more closely monitored in the future to ensure best possible return on our monies.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Spendluffe Technology College for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.



## Governance statement (continued)

### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks;
- monthly reviews with the Headteacher and Chair of Governors from September 2021 onwards; and
- delegation of authority and segregation of duties.

Following concerns being raised in last years management report over the lack of internal audit function, JSTC has corrected this initially by engaging with individual Claire Welberry (Business Manager at Boston High School and former accountant) and then for the 2022-23 Academic year, Lincolnshire County Council audit team. These reports give the trustees reassurance that the academy is continuing to meet the requirements of delivering robust internal controls.

Claire Welberry / Lincolnshire County Council Audit Team's 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

Upon completion of the annual accounts, Forrester Boyd will report to the board of trustees through the Finance & Audit committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.


### Review of effectiveness

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

- the work of the Internal Assurance auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;
- correspondence from ESFA: FNtI/NtI and 'minded to' letters.

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

Approved by order of the members of the Governing Body on 12 December 2022 and signed on its behalf by:



E Ramm (Chair)  
Trustee

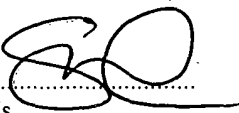


**Statement of regularity, propriety and compliance**

As Accounting Officer of John Spendluffe Technology College I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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 Governing Body and ESFA.

  
.....  
S Curtis  
Accounting officer

12 December 2022



## Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 12 December 2022 and signed on its behalf by:

E Ramm (Chair)  
Trustee



## **Independent Auditor's Report on the Financial Statements to the Members of John Spendluffe Technology College**

### **Opinion**

We have audited the financial statements of John Spendluffe Technology College (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

### **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 auditor 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 UK, including the FRC'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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)**

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 auditor's report thereon. 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.



## **Independent Auditor's Report on the Financial Statements to the Members of John Spendluffe Technology College (continued)**

### **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 Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees 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.

### **Auditor 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance held. Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academy's operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems

A further description of our responsibilities is available 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 auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Independent Auditor's Report on the Financial Statements to the Members of John Spendluffe Technology College (continued)**

Adam Millson ACA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

12 December 2022





## **Independent Reporting Accountant's Assurance Report on Regularity to John Spendluffe Technology College and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 28 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 period 1 September 2021 to 31 August 2022 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 may state to John Spendluffe Technology College and the 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 the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the Accounting Officer and Key Management Personnel.



**Independent Reporting Accountant's Assurance Report on Regularity to John Spendluffe Technology College and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Adam Millson ACA

For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

12 December 2022



**Statement of Financial Activities for the Year Ended 31 August 2022**  
**(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	33,091	-	14,522	47,613
Other trading activities	4	308,754	-	-	308,754
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,943,148	-	4,943,148
Total		<u>341,845</u>	<u>4,943,148</u>	<u>14,522</u>	<u>5,299,515</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	<u>325,733</u>	<u>4,995,647</u>	<u>261,816</u>	<u>5,583,196</u>
Total		<u>325,733</u>	<u>4,995,647</u>	<u>261,816</u>	<u>5,583,196</u>
Net income/(expenditure)		16,112	(52,499)	(247,294)	(283,681)
Transfers between funds		-	(17,658)	17,658	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	3,231,000	-	3,231,000
Net movement in funds/(deficit)		16,112	3,160,843	(229,636)	2,947,319
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		<u>130,968</u>	<u>(2,655,741)</u>	<u>7,662,664</u>	<u>5,137,891</u>
Total funds carried forward at 31 August 2022		<u>147,080</u>	<u>505,102</u>	<u>7,433,028</u>	<u>8,085,210</u>



**Statement of Financial Activities for the Year Ended 31 August 2021**  
**(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	27,224	-	115,615	142,839
Other trading activities	4	116,568	-	-	116,568
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,745,358	-	4,745,358
<b>Total</b>		<b>143,792</b>	<b>4,745,358</b>	<b>115,615</b>	<b>5,004,765</b>
<b>Expenditure on:</b>					
Raising funds	5	5,485	-	-	5,485
<i>Charitable activities:</i>					
Academy trust educational operations	6	157,498	4,842,197	257,301	5,256,996
<b>Total</b>		<b>162,983</b>	<b>4,842,197</b>	<b>257,301</b>	<b>5,262,481</b>
Net expenditure		(19,191)	(96,839)	(141,686)	(257,716)
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(290,000)	-	(290,000)
Net movement in deficit		(19,191)	(386,839)	(141,686)	(547,716)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		150,159	(2,268,902)	7,804,350	5,685,607
Total funds/(deficit) carried forward at 31 August 2021		130,968	(2,655,741)	7,662,664	5,137,891



(Registration number: 07683660)  
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	7,433,028	7,649,164
<b>Current assets</b>			
Debtors	11	137,547	119,354
Cash at bank and in hand		<u>799,926</u>	<u>488,843</u>
		937,473	608,197
Creditors: Amounts falling due within one year	12	<u>(328,291)</u>	<u>(262,470)</u>
Net current assets		<u>609,182</u>	<u>345,727</u>
Total assets less current liabilities		<u>8,042,210</u>	<u>7,994,891</u>
Net assets excluding pension liability		8,042,210	7,994,891
Pension scheme liability	22	<u>43,000</u>	<u>(2,857,000)</u>
Net assets including pension liability		<u>8,085,210</u>	<u>5,137,891</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		462,102	201,259
Restricted fixed asset fund		7,433,028	7,662,664
Pension Reserve		<u>43,000</u>	<u>(2,857,000)</u>
		7,938,130	5,006,923
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>147,080</u>	<u>130,968</u>
Total funds		<u>8,085,210</u>	<u>5,137,891</u>

The financial statements on pages 25 to 46 were approved by the Trustees, and authorised for issue on 12 December 2022 and signed on their behalf by:

*E. G. Ramm*

E Ramm  
Chair of Trustees



Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	319,312	320,248
Cash flows from investing activities	17	<u>(8,229)</u>	<u>(27,966)</u>
Change in cash and cash equivalents in the year		311,083	292,282
Cash and cash equivalents at 1 September		<u>488,843</u>	<u>196,561</u>
Cash and cash equivalents at 31 August	18	<u><u>799,926</u></u>	<u><u>488,843</u></u>



## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1 Accounting policies

The Academy Trust is a company limited by guarantee and is an exempt charity registered in England & Wales. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07683660.

The address of its registered office is:

Hanby Lane  
Alford  
Lincolnshire  
LN13 9BL

These financial statements cover the individual entity, John Spendluffe Technology College.

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

#### Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements have been prepared in Sterling, the functional currency, rounded to the nearest pound.

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

#### Income

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

#### 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 period 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (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, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### *Expenditure*

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

All resources expended are exclusive of VAT except where irrecoverable.

#### *Expenditure on raising funds*

This includes all expenditure incurred by the academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### *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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Property	2% on cost
Furniture and Equipment	25% on cost
Computer Equipment	20% on cost
Motor Vehicles	25% reducing balance





## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### 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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### Provisions

Provisions are recognised when the academy trust 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.

#### Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### Taxation

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pension benefits

Retirement benefits to employees of the academy trust 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 to spread the cost of pensions over employees' working lives with the academy trust 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 based on 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Fund accounting

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

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

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

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 31/08/2022. 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.

### 2 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Educational trips and visits	33,091	-	33,091	-
Capital grants	-	14,522	14,522	76,215
Other donations	-	-	-	66,624
	<u>33,091</u>	<u>14,522</u>	<u>47,613</u>	<u>142,839</u>

The income from donations and capital grants was £47,613 (2021: £142,839) which was allocated between the funds as follows; £33,091 unrestricted funds (2021: £27,224), £Nil restricted funds (2021: £Nil), £14,522 restricted fixed asset funds (2021: £115,615) and £Nil endowment funds (2021: £Nil).



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant	3,999,148	3,999,148	3,659,433
Pupil Premium	299,548	299,548	276,769
Other DfE/ESFA Revenue grant	133,290	133,290	196,811
Universal infant free school meals	53,401	53,401	40,510
	<u>4,485,387</u>	<u>4,485,387</u>	<u>4,173,523</u>
<b>Other government grants</b>			
SEN 1-1 Funding	235,621	235,621	311,095
Other LA grant	141,294	141,294	29,307
	<u>376,915</u>	<u>376,915</u>	<u>340,402</u>
<b>Non-government grants and other income</b>			
Other income from educational operations	-	-	68,513
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Catch-up premium	79,281	79,281	49,760
Other DfE/ESFA COVID-19 funding	1,565	1,565	38,890
Mass Testing	-	-	74,270
	<u>80,846</u>	<u>80,846</u>	<u>162,920</u>
<b>Total grants</b>	<u>4,943,148</u>	<u>4,943,148</u>	<u>4,745,358</u>



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

4 Other trading activities

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Catering income	272,846	272,846	104,126
School shop sales	18,990	18,990	6,966
Other sales	16,918	16,918	5,476
	<u>308,754</u>	<u>308,754</u>	<u>116,568</u>

5 Expenditure

	Non Pay Expenditure			2021/22 Total £	2020/21 Total £
	Staff costs £	Premises £	Other costs £		
<b>Expenditure on raising funds</b>					
Direct costs	-	-	-	-	5,485
<b>Academy's educational operations</b>					
Direct costs	2,975,027	-	389,442	3,364,469	3,368,006
Allocated support costs	<u>1,315,326</u>	<u>540,412</u>	<u>362,989</u>	<u>2,218,727</u>	<u>1,888,990</u>
	<u>4,290,353</u>	<u>540,412</u>	<u>752,431</u>	<u>5,583,196</u>	<u>5,262,481</u>

Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	5,714	5,714
Depreciation	238,891	256,576
Fees payable to auditor - audit	9,900	23,700
- other audit services	<u>900</u>	<u>900</u>



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Charitable activities

		2021/22 £	2020/21 £
Direct costs - educational operations		3,364,469	3,368,006
Support costs - educational operations		<u>2,218,727</u>	<u>1,888,990</u>
		<u>5,583,196</u>	<u>5,256,996</u>
	Educational operations £	2021/22 Total £	2020/21 Total £
<b>Analysis of support costs</b>			
Support staff costs	1,315,326	1,315,326	1,094,732
Depreciation	238,891	238,891	256,576
Premises costs	301,521	301,521	290,102
Legal costs - other	2,491	2,491	1,410
Other support costs	<u>360,498</u>	<u>360,498</u>	<u>246,170</u>
Total support costs	<u>2,218,727</u>	<u>2,218,727</u>	<u>1,888,990</u>



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 7 Staff

## Staff costs

	2021/22 £	2020/21 £
<b>Staff costs during the year were:</b>		
Wages and salaries	3,077,208	3,081,279
Social security costs	283,570	278,162
Operating costs of defined benefit pension schemes	899,159	831,649
	<u>4,259,937</u>	<u>4,191,090</u>
Supply staff costs	30,416	53,404
	<u>4,290,353</u>	<u>4,244,494</u>

## Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2021/22 No	2020/21 No
Teachers	47	46
Administration and support	1	1
Management	80	82
	<u>128</u>	<u>129</u>

## Higher paid staff

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

	2021/22 No	2020/21 No
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

## 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £644,350 (2021: £667,690).

## 8 Related party transactions - trustees' remuneration and expenses

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



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 8 Related party transactions - trustees' remuneration and expenses (continued)

J Shorrock (Headteacher):

Remuneration: £Nil (2021 - £95,000 - £100,000)

Employer's pension contributions: £Nil (2021 - £20,000 - £25,000)

T Chatterton (Staff trustee):

Remuneration: £Nil (2021 - £25,000 - £30,000)

Employer's pension contributions: £Nil (2021 - £5,000 - £10,000)

J Sharp (Staff trustee):

Remuneration: £50,000 - £55,000 (2021 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2021 - £10,000 - £15,000)

J Garrard (Staff trustee):

Remuneration: £Nil (2021 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2021 - £5,000 - £10,000)

S Curtis (Headteacher):

Remuneration: £75,000 - £80,000 (2021 - )

Employer's pension contributions: £15,000 - £20,000 (2021 - )

W Nickson (Staff trustee):

Remuneration: £15,000 - £20,000 (2021 - )

Employer's pension contributions: £Nil (2021 - )

A Appleyard (Staff trustee):

Remuneration: £30,000 - £35,000 (2021 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2021 - £Nil)

During the year ended 31 August 2022, travel and subsistence expenses totalling £2,085 (2021 - £1,587) were reimbursed or paid directly to 2 trustees (2021 - 4).

Other related party transactions involving the trustees are set out in note 23.

### 9 Trustees' and officers' insurance

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



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

**10 Tangible fixed assets**

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	2021/22 Total £
<b>Cost</b>					
At 1 September 2021	8,911,337	467,328	401,337	6,191	9,786,193
Additions	-	-	22,751	-	22,751
At 31 August 2022	8,911,337	467,328	424,088	6,191	9,808,944
<b>Depreciation</b>					
At 1 September 2021	1,477,999	374,438	280,359	4,233	2,137,029
Charge for the year	164,810	38,359	35,228	490	238,887
At 31 August 2022	1,642,809	412,797	315,587	4,723	2,375,916
<b>Net book value</b>					
At 31 August 2022	7,268,528	54,531	108,501	1,468	7,433,028
At 31 August 2021	7,433,338	92,890	120,978	1,958	7,649,164

**11 Debtors**

	2022 £	2021 £
Trade debtors	1,997	8,313
VAT recoverable	43,455	27,480
Prepayments	39,589	15,017
Accrued income	52,506	68,544
	<u>137,547</u>	<u>119,354</u>

**12 Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	118,799	107,315
Other taxation and social security	68,030	67,893
Other creditors	68,096	70,725
Accruals	73,366	16,537
	<u>328,291</u>	<u>262,470</u>





## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 13 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	147,534	3,999,148	(3,750,580)	(17,658)	378,444
Other DfE/ESFA grant	22,349	133,290	(155,639)	-	-
Other grants	30,678	-	(30,678)	-	-
Pupil premium	-	299,548	(247,041)	-	52,507
Catch-up premium	698	80,846	(81,544)	-	-
Universal Free School Meals	-	53,401	(22,250)	-	31,151
Local Authority	-	376,915	(376,915)	-	-
Pension reserve	(2,857,000)	-	(331,000)	3,231,000	43,000
	<u>(2,655,741)</u>	<u>4,943,148</u>	<u>(4,995,647)</u>	<u>3,213,342</u>	<u>505,102</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	232,744	14,522	(51,903)	-	195,363
Capital expenditure from GAG	6,596,204	-	(41,236)	-	6,554,968
Capital expenditure from other income	833,716	-	(168,677)	17,658	682,697
	<u>7,662,664</u>	<u>14,522</u>	<u>(261,816)</u>	<u>17,658</u>	<u>7,433,028</u>
Total restricted funds	5,006,923	4,957,670	(5,257,463)	3,231,000	7,938,130
<b>Unrestricted funds</b>					
Unrestricted general funds	130,968	341,845	(325,733)	-	147,080
Total funds	<u>5,137,891</u>	<u>5,299,515</u>	<u>(5,583,196)</u>	<u>3,231,000</u>	<u>8,085,210</u>



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 13 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	22,678	3,681,782	(3,524,534)	(32,392)	147,534
Other DfE/ESFA grant	-	214,972	(225,740)	33,117	22,349
Other grants	32,420	340,402	(342,144)	-	30,678
Other income	-	68,513	(68,513)	-	-
Pupil premium	-	276,769	(276,769)	-	-
Catch-up premium	-	49,760	(49,760)	-	-
Other DfE/ESFA COVID-19 funding	-	19,790	(19,790)	-	-
Other COVID-19 funding	-	93,370	(92,672)	-	698
Pension reserve	(2,324,000)	-	(243,000)	(290,000)	(2,857,000)
	<u>(2,268,902)</u>	<u>4,745,358</u>	<u>(4,842,922)</u>	<u>(289,275)</u>	<u>(2,655,741)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	286,905	14,437	(51,371)	(17,227)	232,744
Capital expenditure from GAG	835,522	-	(49,709)	47,903	833,716
Capital expenditure from other income	<u>6,681,923</u>	<u>101,178</u>	<u>(155,496)</u>	<u>(31,401)</u>	<u>6,596,204</u>
	<u>7,804,350</u>	<u>115,615</u>	<u>(256,576)</u>	<u>(725)</u>	<u>7,662,664</u>
Total restricted funds	5,535,448	4,860,973	(5,099,498)	(290,000)	5,006,923
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>150,159</u>	<u>143,792</u>	<u>(162,983)</u>	<u>-</u>	<u>130,968</u>
Total funds	<u>5,685,607</u>	<u>5,004,765</u>	<u>(5,262,481)</u>	<u>(290,000)</u>	<u>5,137,891</u>



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 13 Funds (continued)

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

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

Other DFE / ESFA Grants comprise of various grants awards 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 disadvantages 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. The 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 £X. 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 £X actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spend 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.

During the year a transfer was made from restricted general fund to restricted fixed asset funds as GAG funds were used to purchase 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 2022.

### 14 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	7,433,028	7,433,028
Current assets	147,080	790,393	-	937,473
Current liabilities	-	(328,291)	-	(328,291)
Pension scheme liability	-	43,000	-	43,000
Total net assets	147,080	505,102	7,433,028	8,085,210

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



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Analysis of net assets between funds (continued)

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	7,649,164	7,649,164
Current assets	130,968	463,729	13,500	608,197
Current liabilities	-	(262,470)	-	(262,470)
Pension scheme liability	-	(2,857,000)	-	(2,857,000)
Total net assets	<u>130,968</u>	<u>(2,655,741)</u>	<u>7,662,664</u>	<u>5,137,891</u>

15 Long-term commitments, including operating leases

*Operating leases*

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	17,174	5,714
Amounts due between one and five years	<u>31,949</u>	<u>1,120</u>
	<u>49,123</u>	<u>6,834</u>

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2022 £	2021 £
Net expenditure	(283,681)	(257,716)
Depreciation	238,887	256,576
Capital grants from DfE and other capital income	(14,522)	(76,215)
Defined benefit pension scheme service cost adjustment	283,000	204,000
(Increase)/decrease in debtors	(18,193)	113,464
Increase in creditors	65,821	41,139
Defined benefit pension scheme finance cost	<u>48,000</u>	<u>39,000</u>
Net cash provided by Operating Activities	<u>319,312</u>	<u>320,248</u>



**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

**17 Cash flows from investing activities**

	2022 £	2021 £
Purchase of tangible fixed assets	(22,751)	(104,181)
Capital funding received from DfE/ESFA	14,522	76,215
Net cash used in investing activities	<u>(8,229)</u>	<u>(27,966)</u>

**18 Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash in hand and at bank	799,926	488,843
Total cash and cash equivalents	<u>799,926</u>	<u>488,843</u>

**19 Analysis of changes in net debt**

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash	488,843	311,082	799,925
Total	<u>488,843</u>	<u>311,082</u>	<u>799,925</u>

**20 Contingent liabilities**

There is a potential liability for John Spendluffe Technology College relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedent on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

**21 Member 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.

**22 Pension and similar obligations**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 22 Pension and similar obligations (continued)

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £389,016 (2021: £403,711).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £276,000 (2021 - £274,000), of which employer's contributions totalled £220,000 (2021 - £218,000) and employees' contributions totalled £56,000 (2021 - £56,000). The agreed contribution rates for future years are 20.8% 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.

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



# Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

## 22 Pension and similar obligations (continued)

### Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.30	3.20
Rate of increase for pensions in payment/inflation	3.00	2.90
Discount rate for scheme liabilities	<u>4.30</u>	<u>1.70</u>

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

	2022	2021
<b>Retiring today</b>		
Males retiring today	21.20	21.20
Females retiring today	23.70	23.60
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.10	22.00
Females retiring in 20 years	<u>25.10</u>	<u>25.10</u>

### Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	(243,000)	(161,000)
Discount rate -0.1%	257,000	165,000
Mortality assumption – 1 year increase	260,000	307,000
Mortality assumption – 1 year decrease	(241,000)	(294,000)
CPI rate +0.1%	257,000	129,000
CPI rate -0.1%	<u>(243,000)</u>	<u>(125,000)</u>

The Academy Trust's share of the assets in the scheme were:

	2022	2021
	£	£
Equities	3,038,000	2,899,000
Property	527,000	418,000
Cash and other liquid assets	98,000	154,000
Other	<u>492,000</u>	<u>575,000</u>
Total market value of assets	<u>4,155,000</u>	<u>4,046,000</u>

The actual return on scheme assets was £68,000 (2021 - £55,000).



## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

**22 Pension and similar obligations (continued)****Amounts recognised in the statement of financial activities**

	2021/22 £	2020/21 £
Current service cost	(503,000)	(422,000)
Interest income	68,000	55,000
Interest cost	(113,000)	(92,000)
Admin expenses	(3,000)	(2,000)
Total amount recognized in the SOFA	<u>(551,000)</u>	<u>(461,000)</u>

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

	2021/22 £	2020/21 £
At start of period	6,903,000	5,397,000
Current service cost	503,000	422,000
Interest cost	113,000	92,000
Employee contributions	56,000	56,000
Actuarial (gain)/loss	(3,290,000)	907,000
Benefits paid	<u>(173,000)</u>	<u>29,000</u>
At 31 August	<u>4,112,000</u>	<u>6,903,000</u>

**Changes in the fair value of academy's share of scheme assets:**

	2021/22 £	2020/21 £
At start of period	4,046,000	3,073,000
Interest income	65,000	53,000
Actuarial gain/(loss)	(59,000)	617,000
Employer contributions	220,000	218,000
Employee contributions	56,000	56,000
Benefits paid	<u>(173,000)</u>	<u>29,000</u>
At 31 August	<u>4,155,000</u>	<u>4,046,000</u>

**23 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.