

Company Registration No. 07633408 (England and Wales)

**JOHN COLET SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

JOHN COLET SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 15
Independent reporting accountant's report on regularity	16 - 17
Statement of financial activities including income and expenditure account	18 - 19
Balance sheet	20
Statement of cash flows	21
Notes to the accounts including accounting policies	22 - 43

JOHN COLET SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Savin
P Dean
J K Martin
J Hodge (to 11 December 2018)
E M Lawrence (to 11 December 2018)
W Howell (from 11 December 2018)
C Brownhill (from 20 November 2018)
T J Ibbotson (from 20 November 2018)

Trustees

Mr P E Harty (Headteacher)
Dr J Savin (Chairman)
Mr W S Howell (Vice Chair)
Dr J Hodge (Resigned 9 July 2019)
Ms E M Lawrence
Dr P Dean
Dr J K Martin
Mr C Brownhill
Mrs H K Leather (Resigned 22 January 2019)
Mrs A Scully
Mr T J Ibbotson
Mr M T Johnson (Resigned 11 September 2018)
Mrs M Bowness (Resigned 20 November 2018)
Mr P F Gibson (Resigned 11 September 2018)
Ms E C Slade (Resigned 25 September 2018)
Mrs L Greco (Appointed 11 December 2018)
Mr P Naik (Appointed 11 December 2018)
Mr P Robinson (Appointed 1 January 2019)
Ms C Taylor (Appointed 11 December 2018)

Senior management team

- Headteacher	P Harty
- Deputy Headteacher	S Palmer
- Assistant Headteacher	L Abslom
- Assistant Headteacher	S Gould
- Assistant Headteacher	V Remmington
- Assistant Headteacher	D Fanchi (Appointed 1 September 2018)
- Assistant Headteacher	P Norris (Appointed 1 September 2018)
- Head of Finance and Business	K Hart (Resigned 23 August 2019)
- Head of Finance and Business	C Rawlinson (Appointed 23 September 2019)

Company secretary

Ms C Rawlinson

Company registration number

07633408 (England and Wales)

Principal and registered office

Wharf Road
Wendover
Bucks.
HP22 6HF
England

JOHN COLET SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Wilkins Kennedy Audit Services The Mill House Boundary Road Loudwater High Wycombe Bucks. HP10 9QN United Kingdom
Bankers	Lloyds Bank PLC Market Sqaure Aylesbury Bucks HP20 1TD
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

JOHN COLET SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (Governors) present their annual report together with the accounts and auditor's report of the Charitable Company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Wendover and South East Aylesbury. It had a roll of 1,045 in the school census in spring 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Charitable Company operates as John Colet School. The Charitable Company incorporated on 13 May 2011 and the Academy Trust commenced trading on 1 August 2011. The company registration number is 07633408.

The trustees of John Colet School 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

The Governors of the Academy Trust have made declaration that third party indemnity provisions were in place during the period and at the date of approval of the Governors' Report. Further details are given in Note 12.

Method of recruitment and appointment or election of trustees

The members may appoint up to nine Governors as Members plus the Headteacher. A maximum of two Staff Governors may be appointed and will be elected by the staff of the Academy Trust through such process as the Governors may determine. Up to four Parent Governors shall be elected by parents of registered pupils at the Academy Trust. All parents will be informed of the vacancy and will have the opportunity to stand as a candidate and vote in the election. The Governors may appoint up to Three Co-opted Governors to balance the skills set of the Governing Body.

Policies and procedures adopted for the induction and training of trustees

The Governing Body and the Headteacher provide new Governors with access to a comprehensive induction package covering a broad range of issues and topics.

The Academy Trust is a member of the National Governors' Association, which provides comprehensive guidance, training and assistance with all Governor matters.

JOHN COLET SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Governors of the Academy Trust are responsible for setting policies to be used within the Academy Trust. Governors can sit on one or more of the Academy Trust's two committees: the Finance, Personnel and General Purposes committee and the Curriculum committee. The Pay Review committee is a sub-committee of the Finance, Personnel and General Purposes committee. The Finance, Personnel and General Purpose, and Curriculum committees have their own Terms of Reference.

The current organisational structure consists of the Governors, the Senior Leadership Team and Departmental Heads. The Senior Leadership Team comprises the Headteacher (the Accounting Officer), Deputy Head, five Assistant Headteachers and the Head of Finance and Business. The Senior Leadership Team implements the policies laid down by the Governors and reports back to them. They are also responsible for the authorisation of spending within agreed budgets with some spending control being devolved to the Departmental Heads with limits set out within the Academy Trust's Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The national leadership pay range as published by STRB with pay progression determined through yearly appraisal reviews along with external student progress data as benchmark is used for the Deputy and Assistant Headteachers. A similar process is used by the Governors for the Headteacher with the addition of an external advisor. Bucks Pay Ranges with appraisal objectives are used for the Head of Finance and Business, and Head of Resources.

Related parties and other connected charities and organisations

The Academy Trust has a very strong link and mutual objectives with a registered charity, the John Colet School PTA (registered charity number 1180583). The PTA raises money to help the school achieve its objectives. It had a successful year in 2018-19 and its efforts are much appreciated by the School.

Funds held as custodian for others

The School acts as custodian to the 16-19 bursary fund. The fund represents monies paid by the ESFA to the School and is administered to provide financial assistance to those young people who face a financial barrier to continuing in education or training post 16.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information on trade union officials. John Colet School does not have any trade union officials on its staff, therefore there is nothing to report.

Objectives and activities

Objects and aims

The Academy Trust's principal activity 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 broad and balanced curriculum.

In addition, the Academy Trust will promote for the benefit of the inhabitants of Wendover and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the conditions of life of the said inhabitants.

Objectives, strategies and activities

GCSE results in 2018-19 were at national performance levels as assessed by the Progress 8 score. The level 5 subjects (A level and BTec) were slightly below national levels of expected progress.

JOHN COLET SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The Academy Trust has the charitable purpose of the advancement of education. In exercising their power and duties the Governors have taken due regard of the principles of public benefit published by the Charities Commission and the major factors within those principles.

Work in the local community further developed both with local primary schools and community groups. The Governors would like to thank the Headteachers of local primary schools for their continued support of primary liaison projects. There was additional emphasis placed on ensuring a successful transition from Primary schools to the John Colet and this work continues. The Governors would also like to thank local businesses who have offered financial support and/or their professional time to help with student activities.

Strategic report

Key performance indicators

	Year ended 31 August 2019	Year Ended 31 August 2018
Free School Meals (FSM)		
Academy level FSM	3.7%	3%
Income		
Restricted Grants	5,089,799	4,797,788
Expenditure		
Teaching and educational support staff costs	3,452,800	3,339,549
Support staff costs (Clerical/Premises/Support)	650,598	586,667

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 months ended 31 August 2019 and the associated expenditure is shown as restricted funds in the statement of financial activities.

Financial risk management

All schools are subject to a wide range of risks, many of which have financial implications. Reserves are appropriate to be held as mitigation against the effect of such risks. The school has a formalised approach to risk management which identifies major risks that it faces, assesses the severity in terms of impact and likelihood, and identifies mitigating actions. The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

Specifically, the school maintains sufficient cash in the current account to cover all immediate liabilities including payroll and tax liabilities. This normally amounts to at least £310,000 each month. The deficit on the pension reserve relates to the non-teaching staff pension scheme where separate assets are held to fund future liabilities and can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

The school has achieved its aim to return the GAG account to a credit balance. The school had a cash surplus in 2018-19 showing prudent management. The GAG fund shows a surplus of £10,335, which has been markedly improved from a deficit of £126,952 in 2017-18 (Note 18).

Reserves policy

The Academy Trust is required to consider what level of reserves it deems is appropriate for the school to hold in order to demonstrate appropriate financial management, stewardship and sustainability and reviews the levels annually. In doing this the Academy Trust has considered the following areas.

JOHN COLET SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Academy recorded a surplus of £532,426 during the year and therefore held fund balances as at 31 August 2019 of £4,422,232 which comprised:

Unrestricted		191,245
Restricted:	Fixed asset funds	6,960,662
	GAG	10,335
	Pension reserve	(2,801,000)
	Other	<u>60,990</u>
		<u>4,422,232</u>

Working Capital

The school's cash flow is strong due to the profile of its incoming resources. In particular, the receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

Investment policy

The Academy will normally, where possible, use its income in the academic year it is acquired: with the exception of that designated as Reserves. Investment therefore means placing that income in a low risk environment so as to be available when needed, but also maximising returns by making use of appropriate savings and other investment accounts.

Principal risks and uncertainties

The major risks to which the Academy is exposed have been identified and systems and procedures have been agreed and put in place to manage or mitigate those risks. A risk register is in place which identifies key risks and mitigation measures.

The following areas from the Academy Risk Register are the areas of financial risk which require acknowledgement and action:

- Overall financial control risk
- Financial systems risk
- Revenue and capital budgets risk
- Insurance risk
- Provisions and contingent liability risk
- Related party risk

An assessment has been made for each individual specific risk. The risk register is reviewed annually.

The Academy Trust has a comprehensive risk assessment strategy in place and it is considered that in the current economic climate, the principal risk and uncertainty is the change to various funding formulae, and the deficit of £2,801k (2018: £2,354k) which is being reported for the Local Government Pension scheme at 31 August 2019. Due to the continued uncertainty in the funding formulae the Trustees will continue to refuse to authorise a deficit budget.

Fundraising

The academy trust does not use any external fundraisers. The PTA, who are a separate entity and have their own charity status, carry out fundraising activities.

JOHN COLET SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

For 2019-20, the strategic aims in the Academy Improvement plan are as follows:

- Improve outcomes for all students with a focus on key groups: disadvantaged, SEN, high ability.
- Staff manage students' behaviour highly effectively with clear rules that are consistently enforced.
- Teachers encourage students to try hard, recognise their efforts and ensure that students take pride in all aspects of their work. Teachers have consistently high expectations of all students' attitudes to learning.
- Students demonstrate key features of successful learning including:
 - They love the challenge of learning and are resilient to failure.
 - They are curious, interested learners who seek out and use new information to develop, consolidate and deepen their knowledge, understanding and skills
 - They are eager to know how to improve their learning.
 - They capitalise on opportunities to use feedback, written or oral, to improve.
- Students participate in a wide range of extra-curricular activities that allow them to enjoy school and have opportunities to demonstrate leadership.

Auditor

In so far 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.

A process of re-tendering for audit services will be carried out in the 2019-20 financial year. The current auditors, Wilkins Kennedy Audit Services, will be invited to bid.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2019 and signed on its behalf by:

Dr J Savin
Chairman

JOHN COLET SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Colet School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing Body has two subcommittees: The Curriculum Committee and the Finance, Personnel and General Purposes Committee. All Governors can attend and vote at any committee but Governors are asked to support at least one subcommittee and attend its meetings to become an expert in the specific area.

The Full Governing Body has a strategic role in co-ordinating the two subcommittees and directly supervises the sixth form, behaviour and safeguarding. The Governing Body also monitors the high-level strategic plan for the school and engages with specific departments if additional support is needed.

The Curriculum Committee evaluates the exam results and assesses the ongoing performance of the school using data on the student progress produced across three learning cycles over the academic year. Detailed data systems track both individual student academic progress and their attitude to learning. By using a summary of this data, the Governing Body is able to question the senior management team and challenge departmental and overall school performance where necessary.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees (Governing Body) has formally met 13 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P E Harty (Headteacher)	13	13
Dr J Savin (Chairman)	13	13
Mr W S Howell (Vice Chair)	11	13
Dr J Hodge (Resigned 9 July 2019)	9	12
Ms E M Lawrence	10	13
Dr P Dean	12	13
Dr J K Martin	11	13
Mr C Brownhill	12	13
Mrs H K Leather (Resigned 22 January 2019)	2	3
Mrs A Scully	7	13
Mr T J Ibbotson	6	13
Mr M T Johnson (Resigned 11 September 2018)	0	0
Mrs M Bowness (Resigned 20 November 2018)	2	2
Mr P F Gibson (Resigned 11 September 2018)	0	0
Ms E C Slade (Resigned 25 September 2018)	0	0
Mrs L Greco (Appointed 11 December 2018)	7	8
Mr P Naik (Appointed 11 December 2018)	3	8
Mr P Robinson (Appointed 1 January 2019)	5	8
Ms C Taylor (Appointed 11 December 2018)	5	8

JOHN COLET SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Governing Body of John Colet school has been undertaking a rolling programme of governance review and improvement since the appointment of a new Chair in 2018. The immediate action was to focus the curriculum committee onto the strategies and actions needed to achieve long-term sustained improvements in academic performance. Accordingly, the Governing Body, undertook to review schoolwide issues including the sixth form, behaviour, and safeguarding as standing items leaving this curriculum committee to focus on individual subjects and overall learning. It was also decided to restructure the Academy Improvement Plan for 2019-20 so that individual governors would work with specific senior leadership team members. This was agreed in June 2019 and implemented from September 2019. A process whereby the Head and the chairs of the individual committees will meet to review strategic plans and actions has been instituted. Finally, succession planning has been an important matter. A new Chair and Vice Chair of the Finance, Personnel and General Purposes Committee were appointed in November 2018 and a new Vice-Chair of the Curriculum Committee was appointed in December 2019. The Governing Body will continue to examine the effectiveness of these arrangements and plans to conduct a formal review in March 2020. An external audit of these governance arrangements is being actively considered.

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr P E Harty (Headteacher)	3	3
Dr J Savin (Chairman)	3	3
Mr W S Howell (Vice Chair)	1	3
Dr J Hodge (Resigned 9 July 2019)	3	3
Ms E M Lawrence	3	3
Dr P Dean	2	3
Dr J K Martin	2	3
Mr C Brownhill	3	3
Mrs H K Leather (Resigned 22 January 2019)	1	1
Mr T J Ibbotson	3	3
Mr M T Johnson (Resigned 11 September 2018)	0	0
Mrs M Bowness (Resigned 20 November 2018)	0	1
Mr P F Gibson (Resigned 11 September 2018)	0	0
Ms E C Slade (Resigned 25 September 2018)	0	0
Mr P Naik (Appointed 11 December 2018)	1	2
Mr P Robinson (Appointed 1 January 2019)	2	2

Review of value for money

As accounting officer the principal 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 academy 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

The recruitment of supply teachers was kept to a minimum wherever possible.

The allocation of TLRs and allowance for recruitment and retention were reviewed.

Regular parent surveys were carried out to ensure the school was taking account of stakeholder views.

The costly use of alternative provision was reviewed and the number of placements reduced.

JOHN COLET SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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 board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to not undertake any internal audit for financial reasons but this decision will be changed and an internal scrutiny will be done termly from now on.

Review of effectiveness

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

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

Approved by order of the board of trustees on 10 December 2019 and signed on its behalf by:

Mr P E Harty
Headteacher

Dr J Savin
Chairman

JOHN COLET SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of John Colet School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Mr P E Harty
Accounting Officer

10 December 2019

JOHN COLET SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of John Colet School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 10 December 2019 and signed on its behalf by:

Dr J Savin
Chairman

JOHN COLET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN COLET SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of John Colet School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

JOHN COLET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN COLET SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

JOHN COLET SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN COLET SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

Mr Christopher Nisbet BA(Hons) ACA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

.....

Statutory Auditor

The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks.
United Kingdom
HP10 9QN

JOHN COLET SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN COLET SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 11 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Colet School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of John Colet School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of John Colet School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governor meeting minutes for any evidence of irregularity or impropriety and evidence of previously undisclosed related party transactions.
- Testing to confirm income and expenditure have been allocated to the correct funds.
- Detailed review of credit card expenditure during the year

JOHN COLET SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN COLET SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Wilkins Kennedy Audit Services
The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks.
HP10 9QN
United Kingdom

Dated:

JOHN COLET SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	4	-	397	1,106,238	1,106,635	296,490
Charitable activities:						
- Funding for educational operations	5	-	5,089,799	-	5,089,799	4,798,735
- Funding for school fund		-	175,614	-	175,614	136,184
Other trading activities	6	65,626	85,135	-	150,761	76,646
Investments	7	385	-	-	385	332
Total		<u>66,011</u>	<u>5,350,945</u>	<u>1,106,238</u>	<u>6,523,194</u>	<u>5,308,387</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	50,378	5,162,953	612,903	5,826,234	5,295,424
- School fund		-	157,235	7,299	164,534	124,990
Total	8	<u>50,378</u>	<u>5,320,188</u>	<u>620,202</u>	<u>5,990,768</u>	<u>5,420,414</u>
Net income/(expenditure)		15,633	30,757	486,036	532,426	(112,027)
Transfers between funds	18	-	(78,586)	78,586	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(258,000)	-	(258,000)	484,000
Net movement in funds before taxation		15,633	(305,829)	564,622	274,426	371,973
Taxation payable		-	-	-	-	(4,693)
Net movement in funds after taxation		15,633	(305,829)	564,622	274,426	367,280
Reconciliation of funds						
Total funds brought forward		175,612	(2,423,846)	6,396,040	4,147,806	3,780,526
Total funds carried forward		<u>191,245</u>	<u>(2,729,675)</u>	<u>6,960,662</u>	<u>4,422,232</u>	<u>4,147,806</u>

JOHN COLET SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	4	1,406	3,283	291,801	296,490
Charitable activities:					
- Funding for educational operations	5	-	4,798,735	-	4,798,735
- Funding for school fund		-	136,184	-	136,184
Other trading activities	6	73,441	3,205	-	76,646
Investments	7	332	-	-	332
Total		<u>75,179</u>	<u>4,941,407</u>	<u>291,801</u>	<u>5,308,387</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	48,949	4,923,357	323,118	5,295,424
- School fund		-	120,390	4,600	124,990
Total	8	<u>48,949</u>	<u>5,043,747</u>	<u>327,718</u>	<u>5,420,414</u>
Net income/(expenditure)		26,230	(102,340)	(35,917)	(112,027)
Transfers between funds	18	-	(140,759)	140,759	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	484,000	-	484,000
Net movement in funds before taxation		26,230	240,901	104,842	371,973
Taxation payable		(4,693)	-	-	(4,693)
Net movement in funds		21,537	240,901	104,842	367,280
Reconciliation of funds					
Total funds brought forward		154,075	(2,664,747)	6,291,198	3,780,526
Total funds carried forward		<u>175,612</u>	<u>(2,423,846)</u>	<u>6,396,040</u>	<u>4,147,806</u>

JOHN COLET SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		6,186,009		6,390,957
Current assets					
Debtors	14	402,973		180,668	
Cash at bank and in hand		1,114,183		478,035	
		<u>1,517,156</u>		<u>658,703</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(460,423)		(515,338)	
Net current assets			1,056,733		143,365
Total assets less current liabilities			<u>7,242,742</u>		<u>6,534,322</u>
Creditors: amounts falling due after more than one year	16		(19,510)		(32,516)
Net assets before defined benefit pension scheme liability			<u>7,223,232</u>		<u>6,501,806</u>
Defined benefit pension scheme liability	20		(2,801,000)		(2,354,000)
Total net assets			<u>4,422,232</u>		<u>4,147,806</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			6,960,662		6,396,040
- Restricted income funds			71,325		(69,846)
- Pension reserve			(2,801,000)		(2,354,000)
Total restricted funds			<u>4,230,987</u>		<u>3,972,194</u>
Unrestricted income funds	18		191,245		175,612
Total funds			<u>4,422,232</u>		<u>4,147,806</u>

The accounts on pages 18 to 43 were approved by the trustees and authorised for issue on 10 December 2019 and are signed on their behalf by:

Dr J Savin
Chairman

Company Number 07633408

JOHN COLET SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21	(131,497)		159,809	
Corporation tax paid		-		(4,693)	
		<u>(131,497)</u>		<u>155,116</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		385		332	
Capital grants from DfE Group		893,357		21,301	
Capital funding received from sponsors and others		11,576		-	
Purchase of tangible fixed assets		<u>(137,603)</u>		<u>(140,759)</u>	
Net cash provided by/(used in) investing activities			767,715		(119,126)
Cash flows from financing activities					
Finance costs		<u>(70)</u>		<u>(125)</u>	
Net cash used in financing activities			(70)		(125)
Net increase in cash and cash equivalents in the reporting period			636,148		35,865
Cash and cash equivalents at beginning of the year			478,035		442,170
Cash and cash equivalents at end of the year			<u>1,114,183</u>		<u>478,035</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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

John Colet School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.5 Tangible fixed assets and depreciation

Assets costing £2,500 (£500 for computer equipment) 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 that require 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.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:

Leasehold land and buildings	- Straight line over 10 years and straight line over 35 years
Computer equipment	- 33% on cost
Fixtures, fittings & equipment	- 33% on cost
Motor vehicles	- 20% on cost

The premises are subject to long term leasehold arrangements between the academy trust and Buckinghamshire County Council. The property is included in the accounts at the Buckinghamshire County Council valuation.

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

1.6 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 of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 on the basis of quadrennial valuations using a prospective unit credit method. The 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 are 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donated fixed assets	-	-	-	270,500
Capital grants	-	1,094,662	1,094,662	21,301
Other donations	-	11,973	11,973	4,689
	<u>-</u>	<u>1,106,635</u>	<u>1,106,635</u>	<u>296,490</u>

The donated fixed asset in 2018 of £270,500 included above is the cost of a building gifted to the school by Buckinghamshire County Council. This was as part of a transaction that saw the school and council exchange similar size pieces of land, the difference in value being the building on the land now under school control. The valuation used is the insurance valuation undertaken at the time of the transfer.

Capital Grants in 2019 and 2018 are DFE/ESFA Capital grants which consists of DFCEG of £88,139 (2018: £21,301) and a CIF Grant £1,006,523 (2018: £nil).

Other donations includes £11,576 (2018: £nil) from the Lionel Abel-Smith Trust for the renovation of the school long jump pit.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,806,143	4,806,143	4,587,200
Other DfE group grants	-	195,538	195,538	142,192
	<u>-</u>	<u>5,001,681</u>	<u>5,001,681</u>	<u>4,729,392</u>
Other government grants				
Local authority grants	-	88,118	88,118	69,343
	<u>-</u>	<u>88,118</u>	<u>88,118</u>	<u>69,343</u>
Other funding				
School fund	-	175,614	175,614	136,184
	<u>-</u>	<u>175,614</u>	<u>175,614</u>	<u>136,184</u>
Total funding	<u>-</u>	<u>5,265,413</u>	<u>5,265,413</u>	<u>4,934,919</u>

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	49,832	-	49,832	56,315
Music tuition	-	-	-	192
Other income	15,794	85,135	100,929	20,139
	<u>65,626</u>	<u>85,135</u>	<u>150,761</u>	<u>76,646</u>

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	385	-	385	332
	<u>385</u>	<u>-</u>	<u>385</u>	<u>332</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Academy's educational operations					
- Direct costs	3,441,736	-	622,532	4,064,268	3,760,536
- Allocated support costs	661,664	820,509	279,793	1,761,966	1,534,888
School fund					
- Direct costs	-	-	157,235	157,235	120,390
- Allocated support costs	-	-	7,299	7,299	4,600
	<u>4,103,400</u>	<u>820,509</u>	<u>1,066,859</u>	<u>5,990,768</u>	<u>5,420,414</u>

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	8,110	7,700
- Other services	6,440	2,600
Operating lease rentals	19,341	18,906
Depreciation of tangible fixed assets	342,551	301,704
Bank and loan interest	70	125
Net interest on defined benefit pension liability	60,000	66,000
	<u>60,000</u>	<u>66,000</u>

9 Charitable activities

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2019	2018
	£	£	£	£
Direct costs				
Educational operations	14,600	4,049,668	4,064,268	3,760,536
School fund	-	157,235	157,235	120,390
Support costs				
Educational operations	35,778	1,726,188	1,761,966	1,530,288
School fund	-	7,299	7,299	4,600
	<u>50,378</u>	<u>5,940,390</u>	<u>5,990,768</u>	<u>5,415,814</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

(Continued)

	School fund £	Educational operations £	Total 2019 £	Total 2018 £
Analysis of support costs				
Support staff costs	-	729,802	729,802	692,655
Depreciation	7,299	221,886	229,185	223,285
Technology costs	-	20,313	20,313	29,777
Premises costs	-	598,623	598,623	399,152
Other support costs	-	172,791	172,791	165,373
Governance costs	-	18,551	18,551	29,246
	<u>7,299</u>	<u>1,761,966</u>	<u>1,769,265</u>	<u>1,539,488</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,173,337	3,002,220
Social security costs	293,256	278,547
Pension costs	625,742	604,464
Amounts paid to employees	<u>4,092,335</u>	<u>3,885,231</u>
Agency staff costs	11,065	59,669
Amounts paid to staff	4,103,400	3,944,900
Staff development and other staff costs	68,138	44,319
Total staff expenditure	<u><u>4,171,538</u></u>	<u><u>3,989,219</u></u>

Staff numbers

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

	2019 Number	2018 Number
Teachers	59	53
Administration and support	41	42
Management	8	8
	<u>108</u>	<u>103</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u> </u>	<u> </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 employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £539,900 (2018: £441,398).

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

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

The value of Trustees' remuneration and other benefits was as follows:

P. Harty was the Headteacher throughout the year ended 31 August 2019. During the first four months of the year ended 31 August 2018, S Palmer was acting Headteacher and on the board of Governors. P. Harty was appointed as Headteacher on 1 January 2018 and replaced S. Palmer on the board of Governors from this date.

P Harty (Headteacher):

Remuneration £90,000 - £95,000 (8 months to 31 August 2018: £60,000 - £65,000)

Employer's pension contributions paid £15,000 - £20,000 (8 months to 31 August 2018: £5,000 - £10,000)

S. Palmer (Headteacher):

Remuneration £0 (4 months to 31 December 2017: £25,000 - £30,000)

Employer's pension contributions paid £0 (4 months to 31 December 2017: £0 - £5,000)

Overall Headteacher role (for comparison)

Remuneration £90,000 - £95,000 (2018: £85,000 - £90,000)

Employer's pension contributions paid £15,000 - £20,000 (2018: £10,000 - £15,000)

The value of staff Governors' remuneration and other benefits was:

H Leather (Staff Governor)

Remuneration £10,000 - £15,000 (2018: £30,000 - £35,000)

Employer's pension contributions paid £0 - £5,000 (2018: £5,000 - £10,000)

A Scully (Staff Governor)

Remuneration £20,000 - £25,000 (2018: £15,000 - £20,000)

Employer's pension contributions paid £0 (2018: £0)

P Robinson (Staff Governor)

Remuneration £25,000 - £30,000 (2018: £0)

Employer's pension contributions paid £0 - £5,000 (2018: £0)

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,066 (2018: £446) were reimbursed to 2 trustees (2018: 2).

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £970 (2018: £970). The cost of this insurance is included in the total insurance cost.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2018	7,480,556	301,747	402,056	24,750	8,209,109
Additions	-	49,611	69,997	17,995	137,603
At 31 August 2019	7,480,556	351,358	472,053	42,745	8,346,712
Depreciation					
At 1 September 2018	1,407,706	201,415	192,531	16,500	1,818,152
Charge for the year	221,886	59,572	53,444	7,649	342,551
At 31 August 2019	1,629,592	260,987	245,975	24,149	2,160,703
Net book value					
At 31 August 2019	5,850,964	90,371	226,078	18,596	6,186,009
At 31 August 2018	6,072,850	100,332	209,525	8,250	6,390,957

14 Debtors

	2019 £	2018 £
Trade debtors	3,251	10,404
VAT recoverable	55,720	44,939
Other debtors	1,406	9,131
Prepayments and accrued income	342,596	116,194
	402,973	180,668

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Other loans	13,007	13,007
Trade creditors	93,972	209,314
Other taxation and social security	80,656	77,621
Other creditors	78,161	68,691
Accruals and deferred income	194,627	146,705
	460,423	515,338

16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other loans	19,510	32,516

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

	(Continued)	
16 Creditors: amounts falling due after more than one year	2019	2018
Analysis of loans		
Wholly repayable within five years	32,517	45,523
Less: included in current liabilities	(13,007)	(13,007)
	<u> </u>	<u> </u>
Amounts included above	<u>19,510</u>	<u>32,516</u>
	<u> </u>	<u> </u>
Loan maturity		
Debt due in one year or less	13,007	13,007
Due in more than one year but not more than two years	13,007	13,007
Due in more than two years but not more than five years	6,503	19,509
	<u> </u>	<u> </u>
	<u>32,517</u>	<u>45,523</u>
	<u> </u>	<u> </u>

This is an interest free Salix loan. The amount repayable at the year end is £32,516 (2018: £45,523). The balance is repayable in seven instalments, the final instalment being payable on 1 September 2021.

17 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	118,145	57,362
	<u> </u>	<u> </u>
Deferred income at 1 September 2018	57,362	87,542
Released from previous years	(57,362)	(87,542)
Resources deferred in the year	118,145	57,362
	<u> </u>	<u> </u>
Deferred income at 31 August 2019	<u>118,145</u>	<u>57,362</u>
	<u> </u>	<u> </u>

At 31 August 2019 the academy trust was holding funds received in advance from the following sources:

Pupil Premium £26,795 (2018: £26,371),
Rates Relief £15,142 (2018: £14,811),
School Fund £67,771 (2018: £900)
Other Sources £8,437 (2018: £2,653)
Devolved Formula Capital Grant £0 (2018: £12,627)

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(126,952)	4,806,143	(4,608,265)	(60,591)	10,335
Other DfE / ESFA grants	-	195,538	(199,528)	3,990	-
Other government grants	-	88,118	(84,128)	(3,990)	-
School fund	57,106	175,614	(157,235)	(17,995)	57,490
Other income	-	85,532	(82,032)	-	3,500
Pension reserve	(2,354,000)	-	(189,000)	(258,000)	(2,801,000)
	<u>(2,423,846)</u>	<u>5,350,945</u>	<u>(5,320,188)</u>	<u>(336,586)</u>	<u>(2,729,675)</u>
Restricted fixed asset funds					
Inherited on conversion	5,880,206	-	(195,781)	-	5,684,425
DfE group capital grants	84,327	1,094,662	(271,150)	(63,847)	843,992
Capital expenditure from GAG	423,841	-	(129,566)	119,608	413,883
Capital Expenditure from School Fund	7,666	-	(7,299)	17,995	18,362
Lionel Abel-Smith Trust	-	11,576	(16,406)	4,830	-
	<u>6,396,040</u>	<u>1,106,238</u>	<u>(620,202)</u>	<u>78,586</u>	<u>6,960,662</u>
Total restricted funds	<u>3,972,194</u>	<u>6,457,183</u>	<u>(5,940,390)</u>	<u>(258,000)</u>	<u>4,230,987</u>
Unrestricted funds					
General funds	<u>175,612</u>	<u>66,011</u>	<u>(50,378)</u>	<u>-</u>	<u>191,245</u>
Total funds	<u>4,147,806</u>	<u>6,523,194</u>	<u>(5,990,768)</u>	<u>(258,000)</u>	<u>4,422,232</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward funds from one year to the next.

The balance of unrestricted funds at 31 August 2019 is £191,245 to ensure the school has sufficient funds available in the event of any unplanned expenses which cannot be funded by the GAG. The Governors will review the funds annually.

The pension reserve fund separately identifies the pension deficit inherited from the local authority upon conversion to academy status and is where all the pension scheme movements are recognised.

The other material restricted general funds represent incoming resources for the following specific purposes:

- a. ICT/capital refurbishment/health and safety
- b. Pupil progress
- c. Staff roles and development
- d. Free School Meals and Pupil Premium

Other DfE/EFA grant funds received include a Capital Improvement Fund for electrical and fire safety replacements, Devolved Formula Capital Grant, SEN, Pupil Premium and Catch-up Funding for identified students.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital Expenditure from GAG Fund has been set up to recognise the tangible assets purchased using GAG funding. Depreciation charged on these purchased assets is allocated to the fund.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The School Fund represents income and expenditure from John Colet School Fund which administers income and expenditure for school trips.

The transfers between funds during the year relate to the purchase of fixed assets.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(70,059)	4,587,200	(4,503,334)	(140,759)	(126,952)
Other DfE / ESFA grants	-	142,192	(142,192)	-	-
Other government grants	-	69,343	(69,343)	-	-
School fund	41,312	136,184	(120,390)	-	57,106
Other income	-	6,488	(6,488)	-	-
Pension reserve	(2,636,000)	-	(202,000)	484,000	(2,354,000)
	<u>(2,664,747)</u>	<u>4,941,407</u>	<u>(5,043,747)</u>	<u>343,241</u>	<u>(2,423,846)</u>
Restricted fixed asset funds					
Transfer on conversion	5,802,286	-	(192,580)	270,500	5,880,206
DfE group capital grants	98,945	21,301	(35,919)	-	84,327
Capital expenditure from GAG	377,701	-	(94,619)	140,759	423,841
Capital Expenditure from School Fund	12,266	-	(4,600)	-	7,666
Inherited building	-	270,500	-	(270,500)	-
	<u>6,291,198</u>	<u>291,801</u>	<u>(327,718)</u>	<u>140,759</u>	<u>6,396,040</u>
Total restricted funds	<u>3,626,451</u>	<u>5,233,208</u>	<u>(5,371,465)</u>	<u>484,000</u>	<u>3,972,194</u>
Unrestricted funds					
General funds	<u>154,075</u>	<u>75,179</u>	<u>(53,642)</u>	<u>-</u>	<u>175,612</u>
Total funds	<u>3,780,526</u>	<u>5,308,387</u>	<u>(5,425,107)</u>	<u>484,000</u>	<u>4,147,806</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	6,186,009	6,186,009
Current assets	193,134	488,325	835,697	1,517,156
Creditors falling due within one year	(1,889)	(417,000)	(41,534)	(460,423)
Creditors falling due after one year	-	-	(19,510)	(19,510)
Defined benefit pension liability	-	(2,801,000)	-	(2,801,000)
Total net assets	191,245	(2,729,675)	6,960,662	4,422,232

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	6,390,957	6,390,957
Current assets	182,896	445,091	30,716	658,703
Creditors falling due within one year	(7,284)	(482,421)	(25,633)	(515,338)
Creditors falling due after one year	-	(32,516)	-	(32,516)
Defined benefit pension liability	-	(2,354,000)	-	(2,354,000)
Total net assets	175,612	(2,423,846)	6,396,040	4,147,806

20 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 John Colet School. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £61,484 (2018: £58,762) were payable to the schemes at 31 August 2019 and are included within creditors.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest 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.

The employer's pension costs paid to the TPS in the period amounted to £329,175 (2018: £311,946).

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.8% for employers and 5.5%-12.5% for employees.

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

Total contributions made	2019	2018
	£	£
Employer's contributions	170,000	157,000
Employees' contributions	45,000	43,000
	<hr/>	<hr/>
Total contributions	215,000	200,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.85%	2.65%
Inflation assumption (CPI)	2.20%	2.30%
Commutations of pensions to lump sums	50.0%	50.0%
	<hr/> <hr/>	<hr/> <hr/>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	22.9	24.0
- Females	24.8	26.1
Retiring in 20 years		
- Males	24.6	26.3
- Females	26.7	28.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £	2018 £
Discount rate + 0.1%	5,590,000	4,896,000
Discount rate - 0.1%	5,837,000	5,111,000
Mortality assumption + 1 year	5,931,000	5,181,000
Mortality assumption - 1 year	5,502,000	4,829,000
CPI rate + 0.1%	5,832,000	5,106,000
CPI rate - 0.1%	5,594,000	4,900,000

The academy trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	1,564,000	1,390,000
Other bonds	414,000	325,000
Gilts	341,000	313,000
Cash	94,000	158,000
Property	199,000	194,000
Other assets	299,000	268,000
Total market value of assets	2,911,000	2,648,000

The actual return on scheme assets was £235,000 (2018: £85,000).

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	283,000	291,000
Past service cost	20,000	-
Interest cost	60,000	66,000
Administration expenses	2,000	2,000
Total operating charge	<u>365,000</u>	<u>359,000</u>
Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	5,002,000	5,197,000
Current service cost	283,000	291,000
Interest cost	131,000	133,000
Employee contributions	45,000	43,000
Actuarial loss/(gain)	422,000	(466,000)
Benefits paid	(273,000)	(196,000)
Past service cost	20,000	-
Effect of non-routine settlements and administration expenses	82,000	-
At 31 August 2019	<u>5,712,000</u>	<u>5,002,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	2,648,000	2,561,000
Interest income	71,000	67,000
Actuarial gain	164,000	18,000
Employer contributions	170,000	157,000
Employee contributions	45,000	43,000
Benefits paid	(273,000)	(196,000)
Effect of non-routine settlements	88,000	-
Administration expenses	(2,000)	(2,000)
At 31 August 2019	<u>2,911,000</u>	<u>2,648,000</u>

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	532,426	(112,027)
Adjusted for:		
Capital grants from DfE and other capital income	(1,106,238)	(291,801)
Investment income receivable	(385)	(332)
Finance costs payable	70	125
Defined benefit pension costs less contributions payable	129,000	136,000
Defined benefit pension scheme finance cost	60,000	66,000
Depreciation of tangible fixed assets	342,551	301,705
(Increase)/decrease in debtors	(21,000)	27,143
(Decrease)/increase in creditors	(67,921)	32,996
Net cash (used in)/provided by operating activities	(131,497)	159,809

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	9,904	13,168
Amounts due in two and five years	6,640	9,407
	<u>16,544</u>	<u>22,575</u>

23 Related party transactions

Owing to the nature of the Academy Trust'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 transactions are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year ending 31 August 2019 a donation of £4,510 (2018: £2,250) was received from John Colet School PTA, a registered charity which aims to support the school.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

JOHN COLET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Members' liability

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

25 Agency arrangements

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds on behalf of the EFA. In the period it received £6,203 (2018: £6,326) and disbursed £4,777 (2018: £5,000) with an amount of £12,046 (2018: £10,620) repayable by the Academy Trust at 31 August 2019 included in other creditors. The Academy Trust did not retain a beneficial interest in individual transactions in the current year or previous year.