

**REGISTERED COMPANY NUMBER: 07633408 (England and Wales)**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2018  
for  
John Colet School**

The Fish Partnership Audit Services  
Statutory Auditor  
Mill House  
Boundary Road  
Loudwater  
High Wycombe  
Bucks.  
HP10 9QN

**John Colet School**

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for the Year Ended 31 August 2018**

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## John Colet School

### Reference and Administrative Details for the Year Ended 31 August 2018

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#### MEMBERS

J Savin  
P Dean  
J K Martin  
J Hodge  
M T Johnson  
E M Lawrence

#### TRUSTEES

S R Palmer (appointed 1.9.17) (resigned 1.1.18)  
J Hodge  
E M Lawrence  
M T Johnson (resigned 11.9.18)  
J E Baxter (resigned 31.8.18)  
M Bowness (resigned 20.11.18)  
P Dean  
J K Martin  
J Savin  
C Brownhill  
W S Howell  
H K Leather  
A Scully  
T J Ibbotson (appointed 3.1.18)  
P F Gibson (appointed 3.1.18) (resigned 11.9.18)  
P E Harty (appointed 1.1.18)  
E C Slade (appointed 3.1.18) (resigned 25.9.18)

#### SENIOR LEADERSHIP TEAM

Headteacher	P Harty (appointed 01.01.18)
Deputy Headteacher	S Palmer
Assistant Headteacher	L Abslom
Assistant Headteacher	S Gould
Assistant Headteacher	V Remmington
Assistant Headteacher	D Fanchi (appointed 01.09.18)
Assistant Headteacher	P Norris (appointed 01.09.18)
Head of Finance and Business	K Hart
Head of Resources	C Knott (resigned 10.04.18)

#### COMPANY SECRETARY

K Hart

#### REGISTERED OFFICE

Wharf Road  
Wendover  
Bucks.  
HP22 6HF

#### REGISTERED COMPANY NUMBER

07633408 (England and Wales)

**John Colet School**

**Reference and Administrative Details  
for the Year Ended 31 August 2018**

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**INDEPENDENT AUDITORS**

The Fish Partnership Audit Services  
Statutory Auditor  
Mill House  
Boundary Road  
Loudwater  
High Wycombe  
Bucks.  
HP10 9QN

**SOLICITORS**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**BANKERS**

Lloyds TSB  
Market Square  
Aylesbury  
Buckinghamshire  
HP20 1TD

**John Colet School**  
**Report of the Trustees**  
**for the Year Ended 31 August 2018**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Wendover and South East Aylesbury. It has a pupil capacity of 1,020 and had a roll of 1,045 in the school census in Spring 2018.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives 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.

### **Public benefit**

The Governors are clear that 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.

## **ACHIEVEMENT AND PERFORMANCE**

### **Key financial performance indicators**

	Year ended 31 August 2018	Year Ended 31 August 2017
<b>Free School Meals (FSM)</b>		
Academy level FSM	3%	3%
<b>Income</b>		
Restricted Grants	4,797,788	4,763,057
<b>Expenditure</b>		
Teaching and educational support staff costs	3,339,549	3,346,286
Support staff costs (Clerical/Premises/Support)	586,667	640,805

Overall, GCSE results in 2017-18 were at national performance levels.

During the period, the School continued to perform at or above national averages.

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. The Governors would also like to thank local businesses who have offered financial support and/or their professional time to help with student activities.

## **FINANCIAL REVIEW**

### **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 2018 and the associated expenditure is shown as restricted funds in the statement of financial activities.

**John Colet School**  
**Report of the Trustees**  
**for the Year Ended 31 August 2018**

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**FINANCIAL REVIEW**

**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

**Reserves policy**

The Academy recorded a deficit of £116,720 during the year and therefore held fund balances as at 31 August 2018 of £4,147,806 which comprised:

Unrestricted		175,611
Restricted:	Fixed asset	6,396,040
	funds	
	GAG	(126,951)
	Pension reserve	(2,354,000)
	Other	<u>57,106</u>
		<u>4,147,806</u>

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.

**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.

**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 to have 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 Governors have reiterated their wish to return the GAG account to credit when able to do so. The school had a small cash surplus in 2017-18 showing prudent management. However, despite running an operational GAG surplus, GAG income again proved insufficient to cover both educational demands and essential maintenance works and targeted investments into buildings and IT systems. It is possible that this will also be the situation in the 2018-19 financial year. Given low GAG funding levels and uncertainties over the future funding of teachers salary rises and pension contributions, the Governors decided that it was important to retain maximum flexibility over limited cash reserves. It was therefore decided not to move funds from the unrestricted account, in effect lettings income and parental donations, to the restricted GAG account in the 2017-18 accounts. This will be reviewed annually.

## John Colet School

### Report of the Trustees for the Year Ended 31 August 2018

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#### **FINANCIAL REVIEW**

##### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

##### **FUTURE PLANS**

The plans for the future are articulated and published in the School Improvement plan, through 5 distinct strategic aims.

For 2018-19, the 5 strategic aims are as follows:

- Improve outcomes for all students and in particular the 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:
  - a. They love the challenge of learning and are resilient to failure.
  - b. They are curious, interested learners who seek out and use new information to develop, consolidate and deepen their knowledge, understanding and skills.
  - c. They are eager to know how to improve their learning.
  - d. 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.

To achieve the strategic aims above, recruitment of high quality staff is vital whilst keeping within the approved annual budget and this will be the key responsibility of the Governors.

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

##### **Charity 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 Governors act as trustees for the charitable activities of John Colet School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as John Colet School. The Charitable Company incorporated on 13 May 2011 and the Academy Trust commenced trading on 1 August 2011.

Details of the Governors who served throughout the period except as noted 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.

## John Colet School

### Report of the Trustees for the Year Ended 31 August 2018

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

##### **Principal activities**

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.

##### **Recruitment and appointment of new trustees**

The members may appoint up to nine Governors including the Members. 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. 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.

##### **Organisational structure**

The Governors of the Academy Trust are responsible for setting policies to be used within the Academy Trust. Each of the Governors are 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 which help to aid the policy making process and outlines the specific responsibilities of each committee.

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.

##### **Induction and training of new trustees**

The Governing Body and the Headteacher believe it is essential that all new Governors receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that new Governors are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Governors. The Academy Trust is a member of the National Governors' Association, which provides comprehensive guidance, training and assistance with all Governor matters.

##### **Key management remuneration**

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**

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 aims to raise money to help the school achieve its objectives.

##### **Risk management**

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, and this is reviewed on a termly basis.

#### **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.

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**John Colet School**

**Report of the Trustees  
for the Year Ended 31 August 2018**

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**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

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.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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 £2,354k (2017: £2,636k) which is being reported for the Local Government Pension scheme at 31 August 2018. Due to the continued uncertainty in the funding formulae the Trustees will continue to refuse to authorise a deficit budget.

**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 included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

- Relevant union officials
- Percentage of time spent on facility time
- Percentage of pay bill spent on facility time
- Paid trade union activities

John Colet School does not have any trade union officials on its staff, therefore there is nothing to report under the Regulations.

**AUDITORS**

The auditors, The Fish Partnership Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
J Hodge - Trustee

**John Colet School**  
**Governance Statement**  
**for the Year Ended 31 August 2018**

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**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 of loss.

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

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Hodge * (Chairman)	7	13
J Baxter * (resigned 31.08.18)	6	13
M Johnson *	12	13
E Lawrence * (Vice Chair)	12	13
J Savin *	13	13
P Dean *	9	13
J Martin *	10	13
M Bowness *	5	13
W Howell *	11	13
C Brownhill *	13	13
P Gibson * (appointed 03.01.18)	5	9
T Ibbotson * (appointed 03.01.18)	6	9
E Slade * (appointed 03.01.18)	5	9
H Leather *	7	13
A Scully *	7	13
S Palmer * (Acting Headteacher and Accounting Officer) (resigned 31.12.17)	4	4
P Harty * (Headteacher and Accounting Officer) (appointed 01.01.18)	9	9

\* members of the Finance, Personnel and General Purposes Committee

The Governing Body carried out an extensive review of its processes in Spring 2014. It now operates largely through two committees: The Curriculum Committee and the Finance, Personnel and General Purposes Committee. The overall Governing Body itself has a strategic role.

The curriculum committee evaluates the exam results and assesses the ongoing performance of the school using data on student progress produced across three learning cycles over the academic year. The effective use of data is believed to have strongly contributed to the Ofsted rating of the school as Good in its latest inspection.

- Detailed student tracking IT systems continue to be used intensively across the School. These 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 data is also used intensively by the Head and Senior Leadership Team in their management of the school. Importantly, over the last two academic years, the data has also become a crucial tool for departmental Subject Team Leaders to improve student progress in their specific areas.

**John Colet School**  
**Governance Statement**  
**for the Year Ended 31 August 2018**

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- The Deputy Head has a crucial role to the effective implementation of these systems and in the presentation of data to Governors.

The Finance, Personnel and General Purposes Committee (FPGP) continues to monitor the detail of all other aspects of the school.

- The pay review conducted in autumn 2017 was conducted thoroughly, smoothly and on time.

- It was decided in late 2017 to accept no further 'bulge classes' in September 2017, as had been accepted in 2016 and 2017, due to space limitations.

- The agreement with Wendover Swimming CIO for the 30-year lease on the swimming pool continues to work well. The CIO has completed renovations to the changing areas during the year. The School is pleased that this important community facility is going from strength to strength under the management of the CIO.

- During the academic year 2017 - 18 two staff remained on the governing body and three parent governors were appointed to the governing body.

- Following the resignation in March 2017 of the then Headteacher (Mrs C McLintock), the Deputy Headteacher Ms S Palmer took up the post of Acting Headteacher on 1 September 2017. Mr Patrick Harty took up the post of Headteacher on 1 January 2018, with Ms Palmer reverting to the role of Deputy Headteacher. The Governing Body would like to record its thanks to Ms Palmer for standing in as Acting Headteacher for the autumn term.

- In the 2017-18 academic year, the Governing Body has continued to monitor the high level strategic plan for the whole school and engaged with specific departments where additional support was felt to be needed to ensure good school progress.

- As with all schools, the Governing Body assessed the impact of the changes to the GCSE curriculum and new 1-9 grading system for all remaining subjects (English and Maths transitioned in 2017).

- The Senior Leadership Team was restructured with new roles commencing September 2018.

- At both GCSE and A Level student exam results in 2018 showed progress in line with national averages. The key groups identified for further improvement in the school Improvement Plan were Disadvantaged, SEN and High Prior Attainment.

- The Governors were disappointed that the attainment gap for FSM6 pupils increased from 2017. Governors remain focussed on reducing this and in due course eliminating it.

- The school reported good results at A-level in the summer 2018 examinations, with results in line with national progress measures.

The Governors would like to thank all the staff for their efforts in this time of transition and wishes students well in dealing with the new courses and grading structures.

The Finance, Personnel and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to monitor financial activity and to provide strategic guidance in the areas of finance, audit, health and safety and premises. Attendance at meetings in the period is as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Hodge	1	4
J Baxter	-	4
M Johnson	4	4
E Lawrence	4	4

**John Colet School**  
**Governance Statement**  
**for the Year Ended 31 August 2018**

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P Harty	3	3
S Palmer	1	1
J Savin (Chair)	4	4
P Dean	3	4
J Martin	3	4
M Bowness	2	4
C Brownhill	4	4
W Howell	2	4
P Gibson	1	3
T Ibbotson	2	3
E Slade	2	3
H Leather	3	4
A Scully	1	4

#### **Review of Value for Money**

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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:

- Reducing the number of teachers on agency contracts by appointing teachers from abroad.
- Retendering the cleaning contract with a result of a lower annual charge without compromise on service.
- Having regular budget review meetings with the Head of Finance and Business.

#### **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 charitable company 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. 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 monthly financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance, Personnel and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;

**John Colet School**  
**Governance Statement**  
**for the Year Ended 31 August 2018**

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**The Risk and Control Framework**

-identification and management of risks.

The board of trustees has decided to re-appoint The Fish Partnership Audit Services as internal auditor for 2018/19.

The internal audit will include giving advice on financial matters and performing a range of checks on the academy's financial systems. On a bi-annual basis, the internal auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period 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.

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

Approved by order of the members of the board of trustees on ..... and signed on its behalf by:

.....  
J Hodge - Trustee

.....  
P Harty - Accounting Officer

**John Colet School**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2018**

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As accounting officer of John Colet School I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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.

.....  
P Harty - Accounting Officer

Date: .....

**John Colet School**

**Statement of Trustees Responsibilities  
for the Year Ended 31 August 2018**

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The trustees (who act as governors of John Colet School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, 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 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on ..... and signed on it's behalf by:

.....  
J Hodge - Trustee

## Report of the Independent Auditors to the Members of John Colet School

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### **Opinion**

We have audited the financial statements of John Colet School (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 Academies Accounts Direction 2017 to 2018.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



**Report of the Independent Auditors to the Members of  
John Colet School**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

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

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Sheehy (Senior Statutory Auditor)  
for and on behalf of The Fish Partnership Audit Services  
Statutory Auditor  
Mill House  
Boundary Road  
Loudwater  
High Wycombe  
Bucks.  
HP10 9QN

Date: .....

**Independent Reporting Accountant's Assurance Report on Regularity to  
John Colet School and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Colet School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Colet School and the 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 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 charitable company's income and expenditure.

**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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Fish Partnership Audit Services  
Mill House  
Boundary Road  
Loudwater  
High Wycombe  
Bucks.  
HP10 9QN

Date: .....

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**John Colet School**

**Statement of Financial Activities  
for the Year Ended 31 August 2018**

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	Total 2018 funds £	Total 2017 funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	1,406	3,283	291,801	296,490	22,634
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	4,934,919	-	4,934,919	4,906,979
Other trading activities	4	73,441	3,205	-	76,646	110,149
Investment income	5	332	-	-	332	367
<b>Total</b>		<b>75,179</b>	<b>4,941,407</b>	<b>291,801</b>	<b>5,308,387</b>	<b>5,040,129</b>
<b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations	8	48,949	5,012,376	327,718	5,389,043	5,441,858
Governance costs		-	31,371	-	31,371	35,009
Other		4,693	-	-	4,693	4,544
<b>Total</b>	6	<b>53,642</b>	<b>5,043,747</b>	<b>327,718</b>	<b>5,425,107</b>	<b>5,481,411</b>
<b>NET INCOME/(EXPENDITURE)</b>						
		21,537	(102,340)	(35,917)	(116,720)	(441,282)
<b>Transfers between funds</b>	21	-	(140,759)	140,759	-	-
<b>Other recognised gains/(losses)</b>						
Return of fund assets in excess of interest		-	484,000	-	484,000	601,000
<b>Net movement in funds</b>		<b>21,537</b>	<b>240,901</b>	<b>104,842</b>	<b>367,280</b>	<b>159,718</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>154,075</b>	<b>(2,664,747)</b>	<b>6,291,198</b>	<b>3,780,526</b>	<b>3,620,808</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>175,612</u></b>	<b><u>(2,423,846)</u></b>	<b><u>6,396,040</u></b>	<b><u>4,147,806</u></b>	<b><u>3,780,526</u></b>

The notes form part of these financial statements

**John Colet School**

**Balance Sheet  
At 31 August 2018**

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	14	-	-	6,390,957	6,390,957	6,281,402
<b>CURRENT ASSETS</b>						
Debtors	15	10,303	170,365	-	180,668	207,811
Cash at bank and in hand		<u>172,592</u>	<u>274,728</u>	<u>30,715</u>	<u>478,035</u>	<u>442,170</u>
		182,895	445,093	30,715	658,703	649,981
<b>CREDITORS</b>						
Amounts falling due within one year	16	(7,284)	(482,422)	(25,632)	(515,338)	(495,347)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>						
		<u>175,611</u>	<u>(37,329)</u>	<u>5,083</u>	<u>143,365</u>	<u>154,634</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		175,611	(37,329)	6,396,040	6,534,322	6,436,036
<b>CREDITORS</b>						
Amounts falling due after more than one year	17	-	(32,516)	-	(32,516)	(19,510)
<b>PENSION LIABILITY</b>	22	-	(2,354,000)	-	(2,354,000)	(2,636,000)
<b>NET ASSETS/(LIABILITIES)</b>						
		<u>175,611</u>	<u>(2,423,845)</u>	<u>6,396,040</u>	<u>4,147,806</u>	<u>3,780,526</u>

The notes form part of these financial statements

**John Colet School**  
**Balance Sheet - continued**  
**At 31 August 2018**

	Notes	Unrestricted fund	Restricted funds	Endowment funds	Total	2018 funds	Total	2017 funds
	21	£	£	£	£	£	£	£
<b>FUNDS</b>								
Unrestricted funds:								
General fund					175,611		154,075	
Restricted funds:								
Pension reserve					(2,354,000)		(2,636,000)	
General annual grant					(126,951)		(70,059)	
School fund					<u>57,106</u>		<u>41,312</u>	
					(2,423,845)		(2,664,747)	
Endowment funds:								
DfE/EFA capital grants					84,327		98,945	
Inherited fixed assets funds					5,880,206		5,802,286	
Capital expenditure from GAG fund					423,841		377,701	
Capital expenditure from School Fund					<u>7,666</u>		<u>12,266</u>	
					<u>6,396,040</u>		<u>6,291,198</u>	
<b>TOTAL FUNDS</b>					<u><u>4,147,806</u></u>		<u><u>3,780,526</u></u>	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
 J Hodge -Trustee

The notes form part of these financial statements

**John Colet School**  
**Cash Flow Statement**  
**for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	154,967	135,227
Interest paid		(125)	(25)
Tax paid		<u>149</u>	<u>4,544</u>
<b>Net cash provided by (used in) operating activities</b>		<u>154,991</u>	<u>139,746</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(140,759)	(80,550)
Interest received		<u>332</u>	<u>367</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(140,427)</u>	<u>(80,183)</u>
<b>Cash flows from financing activities:</b>			
Non cash endowment income		(270,500)	-
Income attributable to endowment		<u>291,801</u>	<u>21,144</u>
<b>Net cash provided by (used in) financing activities</b>		<u>21,301</u>	<u>21,144</u>
<hr/>			
<b>Change in cash and cash equivalents in the reporting period</b>		35,865	80,707
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>442,170</u>	<u>361,463</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>478,035</u>	<u>442,170</u>

The notes form part of these financial statements

John Colet School

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2018

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1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(116,720)	(441,282)
<b>Adjustments for:</b>		
Depreciation	301,705	284,145
Interest received	(332)	(367)
Interest paid	125	25
Income attributable to endowment	(291,801)	(21,144)
Decrease/(increase) in debtors	27,143	(131,577)
Increase in creditors	32,847	184,427
Difference between pension charge and cash contributions	<u>202,000</u>	<u>261,000</u>
<b>Net cash provided by (used in) operating activities</b>	<u>154,967</u>	<u>135,227</u>

Notes to the Financial Statements  
for the Year Ended 31 August 2018

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

**Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval 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.

**Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgement 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.

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 material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.



**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

**Grants**

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

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

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

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity has provided the goods or services.

**Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

John Colet School

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

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1. ACCOUNTING POLICIES - continued

**Expenditure**

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

**Raising Funds**

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

**Charitable activities**

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

**Governance costs**

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- Straight line over 10 years and Straight line over 35 years
Fixtures and fittings	- 33% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Tangible fixed assets costing £2,500 (£500 for computer equipment) or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

**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 as detailed in note 15. Prepayments are not financial instruments.

- Cash at Bank: is classified as a basic financial instrument and is measured at face value.

- Financial Liabilities: trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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 no obligation to deliver such services rather than cash or another financial instrument.

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

**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 assets 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 of all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA and the DfE.

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

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1. **ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**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 future economic benefit will be required in settlement, and the amount of the settlement can be estimate reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

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

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

**Concessionary loans**

Salix loans are initially recognised and measured at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**2. DONATIONS AND CAPITAL GRANTS**

	2018 £	2017 £
Donated fixed assets	270,500	-
Donations	3,283	1,490
Gift aid	1,406	-
Capital maintenance grant	<u>21,301</u>	<u>21,144</u>
	<u>296,490</u>	<u>22,634</u>

The donated fixed asset 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 transfer.

Grants received, included in the above, are as follows:

	2018 £	2017 £
Other DfE/ESFA Grants	<u>21,301</u>	<u>21,144</u>

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
School trip donations	-	947	-	947	1,607
School fund income	-	136,184	-	136,184	142,317
Grants	<u>-</u>	<u>4,797,788</u>	<u>-</u>	<u>4,797,788</u>	<u>4,763,055</u>
	<u>-</u>	<u>4,934,919</u>	<u>-</u>	<u>4,934,919</u>	<u>4,906,979</u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
<b>DfE/ESFA revenue grant</b>					
General Annual Grant(GAG)	-	4,611,781	-	4,611,781	4,454,623
Other DfE/ESFA Grants	-	<u>116,664</u>	-	<u>116,664</u>	<u>121,041</u>
	-	4,728,445	-	4,728,445	4,575,664
<b>Other government grant</b>					
Local Authority grants	-	9,734	-	9,734	123,725
Special educational projects	-	<u>59,609</u>	-	<u>59,609</u>	<u>63,666</u>
	-	<u>69,343</u>	-	<u>69,343</u>	<u>187,391</u>
	-	<u><u>4,797,788</u></u>	-	<u><u>4,797,788</u></u>	<u><u>4,763,055</u></u>

**4. OTHER TRADING ACTIVITIES**

	2018 £	2017 £
Hire of facilities	56,315	54,311
Resale of items	16,197	7,940
Music lessons	192	1,501
Other income	<u>3,942</u>	<u>46,397</u>
	<u><u>76,646</u></u>	<u><u>110,149</u></u>

**5. INVESTMENT INCOME**

	2018 £	2017 £
Deposit account interest	<u>332</u>	<u>367</u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**6. EXPENDITURE**

		Non-pay expenditure		2018	2017
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	3,339,549	-	624,550	3,964,099	3,940,103
Allocated support costs	<u>586,667</u>	<u>587,197</u>	<u>251,080</u>	<u>1,424,944</u>	<u>1,499,755</u>
	3,926,216	587,197	875,630	5,389,043	5,439,858
Other	<u>-</u>	<u>-</u>	<u>4,693</u>	<u>4,693</u>	<u>4,544</u>
	<u><u>3,926,216</u></u>	<u><u>587,197</u></u>	<u><u>880,323</u></u>	<u><u>5,393,736</u></u>	<u><u>5,444,402</u></u>

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	301,704	284,145
Other operating leases	<u>18,906</u>	<u>19,172</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	Endowment funds	2018 Total funds	2017 Total funds
	£	£	£	£	£
<b>Direct costs</b>	16,195	3,864,885	83,019	3,964,099	3,940,103
<b>Support costs</b>	<u>32,754</u>	<u>1,147,491</u>	<u>244,699</u>	<u>1,424,944</u>	<u>1,499,755</u>
	<u><u>48,949</u></u>	<u><u>5,012,376</u></u>	<u><u>327,718</u></u>	<u><u>5,389,043</u></u>	<u><u>5,439,858</u></u>

	2018 Total	2017 Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	586,667	640,805
Premises costs	587,197	597,426
Other support costs	<u>251,080</u>	<u>261,524</u>
<b>Total support costs</b>	<u><u>1,424,944</u></u>	<u><u>1,499,755</u></u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**8. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs	Totals
	£	£	£
Academy's educational operations	3,964,099	1,424,944	5,389,043
Governance costs	-	<u>31,371</u>	<u>31,371</u>
	<u>3,964,099</u>	<u>1,456,315</u>	<u>5,420,414</u>

**9. AUDITORS' REMUNERATION**

	2018 £	2017 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	7,700	11,000
Other non-audit services	<u>2,600</u>	<u>6,000</u>

Included in auditor's remuneration for non-audit services is £NIL (2017: £3,250) in relation to Responsible Officer assurance services and £1,500 (2017: £1,500) in respect of services supplied to associated pension schemes (TPS).

**10. TRUSTEES' REMUNERATION AND BENEFITS**

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as governors.

During the first four months of the year S Palmer was acting Headteacher and on the board of Governors. During this period the remuneration was £25,861. Retirement benefits were accruing under the Teachers' Pension Scheme and contributions paid during the period were £4,262. From 1 January P Harty was appointed as Headteacher and to the board of Governors. During this period remuneration was £60,515. Retirement benefits were accruing under the Teachers' Pension Scheme and contributions paid during the period were £9,973. Therefore total remuneration for the position of Headteacher during the year was £86,376 and pension contributions were £14,235.

The value of the Headteacher's remuneration in 2017 (C McLintock - resigned 31 August 2017) was £92,099. Retirement benefits were accrued under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,178.

The aggregate value of staff Governors' remuneration was £49,888 (2017: £40,581) for H Leather and A Scully. H Leather is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £5,016 (2017: £4,120). No retirements benefits were accruing for A Scully during the year (2017: £nil).

**Trustees' expenses**

During the year ended 31 August 2018, travel and subsistence expenses totalling £446 (2017: £146) were reimbursed to 2 trustees (2017: 1).



**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**11. STAFF COSTS**

	2018 £	2017 £
Wages and salaries	2,985,536	2,926,101
Social security costs	278,547	281,113
Operating costs of defined benefit pension schemes	<u>602,464</u>	<u>670,004</u>
	3,866,547	3,877,218
Supply teacher costs	59,669	101,323
Compensation payments	-	8,550
Governance costs	<u>16,683</u>	<u>16,436</u>
	<u><u>3,942,899</u></u>	<u><u>4,003,527</u></u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2017: £8,550).

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

	2018	2017
Teachers	53	49
Administration and support	42	45
Management	<u>8</u>	<u>8</u>
	<u><u>103</u></u>	<u><u>102</u></u>

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

	2018	2017
£60,001 - £70,000	2	1
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>2</u></u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior leadership 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 £441,398 (2017: £544,406).

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

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2018 was £970 (2017: £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 2018

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	1,490	21,144	22,634
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	4,906,979	-	4,906,979
Other trading activities	64,391	45,758	-	110,149
Investment income	367	-	-	367
<b>Total</b>	<b>64,758</b>	<b>4,954,227</b>	<b>21,144</b>	<b>5,040,129</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	3,139	5,128,252	310,467	5,441,858
Governance costs	-	35,009	-	35,009
Other	4,544	-	-	4,544
<b>Total</b>	<b>7,683</b>	<b>5,163,261</b>	<b>310,467</b>	<b>5,481,411</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>57,075</b>	<b>(209,034)</b>	<b>(289,323)</b>	<b>(441,282)</b>
<b>Transfers between funds</b>	<b>(3,000)</b>	<b>(77,550)</b>	<b>80,550</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Return of fund assets in excess of interest	-	601,000	-	601,000
<b>Net movement in funds</b>	<b>54,075</b>	<b>314,416</b>	<b>(208,773)</b>	<b>159,718</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>100,000</b>	<b>(2,979,163)</b>	<b>6,499,971</b>	<b>3,620,808</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>154,075</b>	<b>(2,664,747)</b>	<b>6,291,198</b>	<b>3,780,526</b>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 September 2017	7,210,056	322,600	24,750	240,444	7,797,850
Additions	<u>270,500</u>	<u>79,456</u>	-	<u>61,303</u>	<u>411,259</u>
At 31 August 2018	<u>7,480,556</u>	<u>402,056</u>	<u>24,750</u>	<u>301,747</u>	<u>8,209,109</u>
<b>DEPRECIATION</b>					
At 1 September 2017	1,189,021	157,856	11,550	158,021	1,516,448
Charge for year	<u>218,684</u>	<u>34,676</u>	<u>4,950</u>	<u>43,394</u>	<u>301,704</u>
At 31 August 2018	<u>1,407,705</u>	<u>192,532</u>	<u>16,500</u>	<u>201,415</u>	<u>1,818,152</u>
<b>NET BOOK VALUE</b>					
At 31 August 2018	<u>6,072,851</u>	<u>209,524</u>	<u>8,250</u>	<u>100,332</u>	<u>6,390,957</u>
At 31 August 2017	<u>6,021,035</u>	<u>164,744</u>	<u>13,200</u>	<u>82,423</u>	<u>6,281,402</u>

During the year Buckinghamshire County Council gifted a building to the school, which is included above under freehold property additions. 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 transfer.

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	10,404	29,996
Other debtors	9,131	17,362
VAT	44,939	47,709
Prepayments and accrued income	<u>116,194</u>	<u>112,744</u>
	<u>180,668</u>	<u>207,811</u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Other loans (see note 18)	13,007	6,503
Trade creditors	209,311	193,313
Tax	4,693	4,544
Social security and other taxes	72,928	69,992
Other creditors	68,694	65,420
Accruals and deferred income	<u>146,705</u>	<u>155,575</u>
	<u>515,338</u>	<u>495,347</u>
Deferred income	2018	2017
	£	£
Deferred income at 1 September 2017	87,542	73,206
Released from previous years	(87,542)	(73,206)
Resources deferred in the year	<u>57,362</u>	<u>87,542</u>
Deferred income at 31 August 2018	<u>57,362</u>	<u>87,542</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Other loans (see note 18)	<u>32,516</u>	<u>19,510</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>13,007</u>	<u>6,503</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>32,516</u>	<u>19,510</u>

This is an interest free Salix loan. The amount repayable at the year end is £45,523 (2017: £26,013). The balance is repayable in seven instalments, the final instalment being payable on 1 September 2021.

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	13,168	13,168
Between one and five years	<u>9,407</u>	<u>22,575</u>
	<u><u>22,575</u></u>	<u><u>35,743</u></u>

**20. 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.

**21. MOVEMENT IN FUNDS**

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
<b>Unrestricted funds</b>				
General fund	154,075	21,536	-	175,611
<b>Restricted funds</b>				
Pension reserve	(2,636,000)	282,000	-	(2,354,000)
General annual grant	(70,059)	83,867	(140,759)	(126,951)
School fund	<u>41,312</u>	<u>15,794</u>	<u>-</u>	<u>57,106</u>
	(2,664,747)	381,661	(140,759)	(2,423,845)
<b>Endowment funds</b>				
DfE/EFA capital grants	98,945	(14,618)	-	84,327
Inherited fixed assets funds	5,802,286	77,920	-	5,880,206
Capital expenditure from GAG fund	377,701	(94,619)	140,759	423,841
Capital expenditure from School Fund	<u>12,266</u>	<u>(4,600)</u>	<u>-</u>	<u>7,666</u>
	6,291,198	(35,917)	140,759	6,396,040
	<u>3,780,526</u>	<u>367,280</u>	<u>-</u>	<u>4,147,806</u>
<b>TOTAL FUNDS</b>	<u><u>3,780,526</u></u>	<u><u>367,280</u></u>	<u><u>-</u></u>	<u><u>4,147,806</u></u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**21. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	75,179	(53,643)	-	21,536
<b>Restricted funds</b>				
General annual grant	4,593,689	(4,509,822)	-	83,867
Other DfE/EFA grants	31,362	(31,362)	-	-
Other government grants	9,734	(9,734)	-	-
SEN fund	59,609	(59,609)	-	-
Pupil premium	110,830	(110,830)	-	-
School fund	136,183	(120,389)	-	15,794
Pension reserve	-	(202,000)	484,000	282,000
	4,941,407	(5,043,746)	484,000	381,661
<b>Endowment funds</b>				
DfE/EFA capital grants	21,301	(35,919)	-	(14,618)
Inherited fixed assets funds	270,500	(192,580)	-	77,920
Capital expenditure from GAG fund	-	(94,619)	-	(94,619)
Capital expenditure from School Fund	-	(4,600)	-	(4,600)
	291,801	(327,718)	-	(35,917)
<b>TOTAL FUNDS</b>	<u>5,308,387</u>	<u>(5,425,107)</u>	<u>484,000</u>	<u>367,280</u>

John Colet School

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
<b>Unrestricted Funds</b>				
General fund	100,000	57,075	(3,000)	154,075
<b>Restricted Funds</b>				
Pension reserve	(2,976,000)	340,000	-	(2,636,000)
General annual grant	(78,570)	31,005	(22,494)	(70,059)
Other income	29,914	-	(29,914)	-
School fund	<u>45,493</u>	<u>20,961</u>	<u>(25,142)</u>	<u>41,312</u>
	(2,979,163)	391,966	(77,550)	(2,664,747)
<b>Endowment funds</b>				
DfE/EFA capital grants	114,030	(15,085)	-	98,945
Inherited fixed assets funds	5,990,357	(188,071)	-	5,802,286
Capital expenditure from GAG fund	378,718	(81,567)	80,550	377,701
Capital expenditure from School Fund	<u>16,866</u>	<u>(4,600)</u>	<u>-</u>	<u>12,266</u>
	6,499,971	(289,323)	80,550	6,291,198
<b>TOTAL FUNDS</b>	<u><u>3,620,808</u></u>	<u><u>159,718</u></u>	<u><u>-</u></u>	<u><u>3,780,526</u></u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**21. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	64,758	(7,683)	-	57,075
<b>Restricted funds</b>				
General annual grant	4,478,159	(4,447,154)	-	31,005
Other DfE/EFA grants	31,125	(31,125)	-	-
Other government grants	124,325	(124,325)	-	-
SEN fund	63,666	(63,666)	-	-
Pupil premium	114,635	(114,635)	-	-
School fund	142,317	(121,356)	-	20,961
Pension reserve	-	(261,000)	601,000	340,000
	4,954,227	(5,163,261)	601,000	391,966
<b>Endowment funds</b>				
DfE/EFA capital grants	21,144	(36,229)	-	(15,085)
Inherited fixed assets funds	-	(188,071)	-	(188,071)
Capital expenditure from GAG fund	-	(81,567)	-	(81,567)
Capital expenditure from School Fund	-	(4,600)	-	(4,600)
	21,144	(310,467)	-	(289,323)
<b>TOTAL FUNDS</b>	<u>5,040,129</u>	<u>(5,481,411)</u>	<u>601,000</u>	<u>159,718</u>



**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**21. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
<b>Unrestricted funds</b>				
General fund	100,000	78,611	(3,000)	175,611
<b>Restricted funds</b>				
Pension reserve	(2,976,000)	622,000	-	(2,354,000)
General annual grant	(78,570)	114,872	(163,253)	(126,951)
Other income	29,914	-	(29,914)	-
School fund	<u>45,493</u>	<u>36,755</u>	<u>(25,142)</u>	<u>57,106</u>
	(2,979,163)	773,627	(218,309)	(2,423,845)
<b>Endowment</b>				
DfE/EFA capital grants	114,030	(29,703)	-	84,327
Inherited fixed assets funds	5,990,357	(110,151)	-	5,880,206
Capital expenditure from GAG fund	378,718	(176,186)	221,309	423,841
Capital expenditure from School Fund	<u>16,866</u>	<u>(9,200)</u>	<u>-</u>	<u>7,666</u>
	<u>6,499,971</u>	<u>(325,240)</u>	<u>221,309</u>	<u>6,396,040</u>
<b>TOTAL FUNDS</b>	<u><u>3,620,808</u></u>	<u><u>526,998</u></u>	<u><u>-</u></u>	<u><u>4,147,806</u></u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**21. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	139,937	(61,326)	-	78,611
<b>Restricted funds</b>				
General annual grant	9,071,848	(8,956,976)	-	114,872
Other DfE/EFA grants	62,487	(62,487)	-	-
Other government grants	134,059	(134,059)	-	-
SEN fund	123,275	(123,275)	-	-
Pupil premium	225,465	(225,465)	-	-
School fund	278,500	(241,745)	-	36,755
Pension reserve	-	(463,000)	1,085,000	622,000
	<u>9,895,634</u>	<u>(10,207,007)</u>	1,085,000	773,627
<b>Endowment funds</b>				
DfE/EFA capital grants	42,445	(72,148)	-	(29,703)
Inherited fixed assets funds	270,500	(380,651)	-	(110,151)
Capital expenditure from GAG fund	-	(176,186)	-	(176,186)
Capital expenditure from School Fund	-	(9,200)	-	(9,200)
	<u>312,945</u>	<u>(638,185)</u>	-	<u>(325,240)</u>
<b>TOTAL FUNDS</b>	<u>10,348,516</u>	<u>(10,906,518)</u>	<u>1,085,000</u>	<u>526,998</u>

## John Colet School

### Notes to the Financial Statements - continued for the Year Ended 31 August 2018

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#### 21. MOVEMENT IN FUNDS - continued

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.

There was an operating surplus in the year of £76,437, but fixed asset additions of £140,759 were acquired from this fund during the year. In addition amounts totalling £7,429 were transferred to the GAG fund to help clear down the deficit. As a result the overall movement in the GAG fund for the year was a deficit of £56,892. As at 31 August 2018 the GAG fund remains in deficit.

The balance of unrestricted funds at 31 August 2018 is £175,611 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 the replacement of the science block roof, 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 2018.

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

#### 22. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by John Colet School.

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

Contributions amount to £58,762 were payable to the schemes at 31 August 2018 (2017: £58,270) and are included within creditors.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

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**22. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Teachers' pension scheme**

*Introduction*

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

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

*Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £311,946 (2017: £317,921).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £199,586 (2017: £199,416), of which employer's contributions totalled £156,859 (2017: £157,224). 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.

John Colet School

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

**22. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(5,002,000)	(5,197,000)
Fair value of plan assets	<u>2,648,000</u>	<u>2,561,000</u>
	<u>(2,354,000)</u>	<u>(2,636,000)</u>
Deficit	<u>(2,354,000)</u>	<u>(2,636,000)</u>
Liability	<u>(2,354,000)</u>	<u>(2,636,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	291,000	352,000
Net interest from net defined benefit asset/liability	66,000	64,000
Administration expenses	<u>2,000</u>	<u>2,000</u>
	<u>359,000</u>	<u>418,000</u>
Actual return on plan assets	<u>67,000</u>	<u>304,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	5,197,000	4,907,000
Current service cost	291,000	352,000
Contributions by scheme participants	43,000	42,000
Interest cost	133,000	108,000
Change in demographic assumptions	(466,000)	(12,000)
Actuarial losses/(gains)	-	(29,000)
Benefits paid	(196,000)	(80,000)
Change in financial assumptions	-	(91,000)
	<u>5,002,000</u>	<u>5,197,000</u>

John Colet School

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018

**22. PENSION AND SIMILAR OBLIGATIONS**  
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	2,561,000	1,931,000
Contributions by employer	157,000	157,000
Contributions by scheme participants	43,000	42,000
Pension administration costs	(2,000)	(2,000)
Expected return	67,000	44,000
Actuarial gains/(losses)	-	260,000
Benefits paid	(196,000)	(80,000)
Return on plan assets (excluding interest income)	18,000	209,000
	<u>2,648,000</u>	<u>2,561,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Change in financial assumptions	-	91,000
Return on plan assets (excluding interest income)	18,000	209,000
	<u>18,000</u>	<u>300,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Gilts	313,000	248,000
Equities	1,390,000	1,430,000
Other Bonds	325,000	334,000
Property	194,000	189,000
Cash	158,000	88,000
Alternative Assets	21,000	28,000
Hedge Funds	123,000	121,000
Absolute Return Portfolio	124,000	123,000
	<u>2,648,000</u>	<u>2,561,000</u>

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**22. PENSION AND SIMILAR OBLIGATIONS**  
- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Discount rate	2.65%	2.6%
Rate of increase in salaries	3.8%	4.2%
Rate of increase in pensions	2.3%	2.7%
Inflation assumption - CPI	2.3%	2.7%
Commutations of pensions to lump sums	50%	50%

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

**Principal Actuarial Assumptions**

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

**Sensitivity Analysis (impact on present value of current total obligations)**

	At 31 August 2018	At 31 August 2017
Discount rate +0.1%	4,896,000	5,087,000
Discount rate -0.1%	5,111,000	5,310,000
Mortality assumption +1 year	5,181,000	5,371,000
Mortality assumption -1 year	4,829,000	5,029,000
CPI rate +0.1%	5,106,000	5,300,000
CPI rate -0.1%	4,900,000	5,096,000

**23. RELATED PARTY DISCLOSURES**

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 organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During 2017/18 a donation of £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 10.

**John Colet School**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

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**24. 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 £6,326 (2017: £5,896) and disbursed £5,000 (2017: £7,950) with an amount of £10,620 (2017: £9,294) repayable by the Academy Trust at 31 August 2018 included in other creditors. The Academy Trust did not retain a beneficial interest in individual transactions in the current year or previous year.



**John Colet School**

**Detailed Statement of Financial Activities  
for the Year Ended 31 August 2018**

	2018 £	2017 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and capital grants</b>		
Donated fixed assets	270,500	-
Donations	3,283	1,490
Gift aid	1,406	-
Capital maintenance grant	<u>21,301</u>	<u>21,144</u>
	296,490	22,634
<b>Other trading activities</b>		
Hire of facilities	56,315	54,311
Resale of items	16,197	7,940
Music lessons	192	1,501
Other income	<u>3,942</u>	<u>46,397</u>
	76,646	110,149
<b>Investment income</b>		
Deposit account interest	332	367
<b>Charitable activities</b>		
School trip donations	947	1,607
School fund income	136,184	142,317
Grants	<u>4,797,788</u>	<u>4,763,055</u>
	<u>4,934,919</u>	<u>4,906,979</u>
<b>Total incoming resources</b>	<b>5,308,387</b>	<b>5,040,129</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	2,633,000	2,580,188
Social security	247,788	249,669
Pensions	399,092	406,556
Supply teacher costs	59,669	101,323
Compensation payments	-	8,550
Other operating leases	18,906	19,172
Technology costs	37,140	17,301
Educational supplies	290,575	280,011
Examination fees	77,815	78,596
Staff development	17,873	11,925
Educational consultancy	95,288	113,366
Fixtures and fittings	34,675	34,547
Motor vehicles	4,950	4,950
Computer equipment	43,394	30,470
Carried forward	3,960,165	3,936,624

This page does not form part of the statutory financial statements

