

Company Registration Number: 07750051 (England and Wales)

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
(A company limited by guarantee)

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**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Kirsten Rimmer (resigned 8 September 2016)  
Kevin Green  
Robert Bell  
Ron Babbage  
Barry Cooper

**Governors**

Robert Bell, Chair  
Kevin Green, Vice Chair<sup>1</sup>  
Ron Babbage, Executive Principal and Accounting Officer (ex-officio)<sup>1</sup>  
Michael Bonney<sup>1</sup>  
Anne Collins  
Barry Cooper, Responsible Officer<sup>2</sup>  
Gina Duffield, Staff Governor  
Julia Jones, Staff Governor  
Karen Kent  
David Sawford<sup>1</sup>  
Mojdeh Zand  
Laura Sherwood-King<sup>1</sup>  
Amanda Rizzo, Interim Headteacher (ex-officio)  
Rachel Caldwell  
Clare Sumner

<sup>1</sup> Member of the Finance and Premises Committee

<sup>2</sup> Responsible Officer (reporting to the Finance and Premises Committee)

**Company registered number**

07750051

**Company name**

St John's Special School and College

**Principal and registered office**

Bedford Road  
Kempston  
Bedfordshire  
MK42 8AA

**Secretary**

Val Pendall

**Senior management team**

Ron Babbage, Executive Principal  
Amanda Rizzo, Interim Headteacher  
Madeline Pugh, Assistant Headteacher  
Di Widdows, School Business Manager

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Independent auditors**

Streets Audit LLP  
Chartered Accountants  
Potton House  
Wyboston Lakes  
Bedford  
MK44 3BZ

**Bankers**

National Westminster Bank Plc  
231 Bedford Road  
Kempston  
Bedfordshire  
MK42 8DB

**Solicitors**

Freeths LLP  
Power House  
Harrison Close  
Knowhill  
Milton Keynes  
MK5 8PA

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

St John's Special School and College is a specialist school for pupils with Special Educational Needs, aged 3 to 19, serving a catchment area of Bedford Borough and neighbouring authorities. It has a pupil capacity of 170 and had a roll of 169 in the school census on November 2016.

On the 3 October 2016 the Academy donated all assets and liabilities to Bedford Inclusive Learning and Training Trust and formed a Multi Academy Trust with Greys Education Centre.

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

#### **CONSTITUTION**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of St John's Special School and College Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St John's Special School and College Academy.

Details of the trustees who served during the year 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.

#### **GOVERNORS' INDEMNITIES**

In accordance with normal commercial practice the Academy has purchased insurance to protect the 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.

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Governors are the Directors of the Academy Trust.

The recruitment and appointment of governors is in line with the arrangements set out in the articles and funding agreement as follows:

- The number of governors shall be not less than three and up to 20 governors, to include staff governors, 1 LA governor, minimum 2 parent governors, the headteacher, any further and additional governors and the trust may also have co-opted governors.
- Members may appoint staff governors through such process as they may determine provided that the total number does not exceed 1/3rd of the total number of governors.
- Bedford Borough Council may appoint an LA governor
- Parent governors shall be elected by parents of pupils registered at the academy, except where it is not reasonably practical to do so, where an elected parent governor may be the parent of a child of compulsory school age but not registered at the academy.
- 3 Co-opted governors may be appointed. At the end of August 2015 the Academy held 5 Co-opted governors.
- The secretary of state may appoint additional or further governors as he thinks fit.

A Governor term of office shall be 4 years, this time limit will not apply to the headteacher, any governor/ trustees may be re-appointed or re-elected.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

The training and induction provided for new Governor will depend on their existing experience. All new Governors are given a tour of the Academy and the chance to meet with staff and students.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally few new Governors each year, induction tends to be done informally and is tailored specifically to the individual.

**ORGANISATIONAL STRUCTURE**

Up to the date that the school become part of a MAT, the Academy structure consisted of three levels: the Members of the Academy, Governance and the Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels and avoid replication of works and roles.

The Members have delegated their powers to the Governors who are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team is the Acting Headteacher, two Heads of School and the School's Business Manager. Spending and budgetary control is maintained through the Delegated Authority Listing.

The Senior Leadership Team is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

There are no subsidiary companies or connected organisations.

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The pay and remuneration of all personnel is approved by the Pay Committee. Recommendations are made to the Committee by the Headteacher and School Business Manager in line with the pay policy and having undertaken appropriate benchmarking. The pay of the Headteacher is set by the Pay Committee, taking appropriate advice from HR specialists.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATION**

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

**FINANCIAL REPORT FOR THE YEAR**

On the 3 October 2016 all assets and liabilities of the Academy were donated to Bedford Inclusive Learning and Training Trust, as St John's Special School and College formed a Multi Academy Trust with Greys Education Centre.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

Auditors are appointed for a three term period, with no more than two consecutive terms (i.e. six years). Streets were appointed for an initial three year period, commencing with these accounts through to the accounts for 2016-17.

The Governors' report was approved by order of the Board of Governors, as the company directors, on 5 December 2017 and signed on its behalf by:

**Kevin Green**  
**Vice Chair and Chair of the Finance and Premises**  
**Committee**

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Governors has delegated the day-to-day responsibility to the Executive 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 St John's Special School and College and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors did not meet during the year as the decision had already been made to join a Multi Academy Trust (MAT), and on 3 October 2016 the Academy joined Bedford Inclusive Learning and Training Trust. On formation of the MAT new governing bodies were put in place by the new trust.

**REVIEW OF VALUE FOR MONEY**

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

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

The Academy was judged as Outstanding in September 2014. This is the fourth consecutive outstanding judgement achieved by St. John's and underscores the excellent practice and provision offered to pupils and families.

The Academy continues to develop a distributive leadership system to broaden and strengthen the organisation's management and provide for succession planning at all levels.

The Academy continues to invest much in the professional development of teachers. The in-class coaching and mentoring system continues to be enhanced and refined. Four teachers are now completing the post-graduate study in Autism.

September 2015 witnessed the implementation of the new Children and Families Act. The Academy is part of the Local Offer and is working to enhance outreach to mainstream schools within the Borough and outlying areas. Work is now underway in strengthening pupil entitlement to special education under the new Education Health Care Plans.

**FUTURE INITIATIVES**

The formation of the Bedford Inclusive Learning and Training Trust provides further opportunities to secure value for money in the use of public resources.



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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**GOVERNANCE STATEMENT (continued)**

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These values were all taken over to the new trust on formation of the MAT.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 St John's Special School and College for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**THE RISK AND CONTROL FRAMEWORK**

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

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

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises 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 Governors on 5 December 2017 and signed on their behalf, by:



**Robert Bell**  
Chair of Trustees



**Ron Babbage**  
Accounting Officer

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

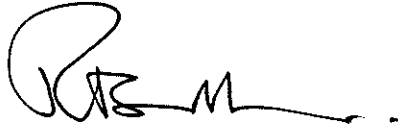
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As Accounting Officer of St John's Special School and College I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.

**Ron Babbage**  
**Accounting Officer**



Date: 5 December 2017

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors (who act as trustees of St John's Special School and College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

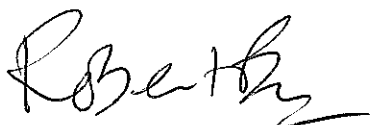
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 5 December 2017 and signed on its behalf by:



**Robert Bell**  
Chair of Governors

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST JOHN'S SPECIAL SCHOOL AND COLLEGE**

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**OPINION**

We have audited the financial statements of St John's Special School and College for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST JOHN'S SPECIAL SCHOOL AND COLLEGE**

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**OTHER INFORMATION**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 Governors' report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy's or to cease

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ST JOHN'S SPECIAL SCHOOL AND COLLEGE  
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST  
JOHN'S SPECIAL SCHOOL AND COLLEGE

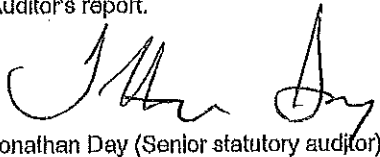
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operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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). The description forms part of our Auditor's report.



Jonathan Day (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants  
Statutory Auditors

Potton House  
Wyboston Lakes  
Bedford  
MK44 3BZ

Date:

15 December 2017

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST JOHN'S  
SPECIAL SCHOOL AND COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St John's Special School and College during the year 1 September 2016 to 31 August 2017 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 St John's Special School and College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St John's Special School and College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St John's Special School and College and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST JOHN'S SPECIAL SCHOOL AND COLLEGE'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of St John's Special School and College's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 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 academy's income and expenditure.



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST JOHN'S  
SPECIAL SCHOOL AND COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

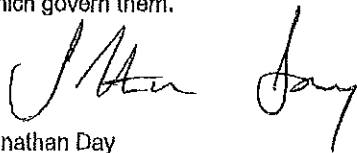
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The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of Invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Day

Streets Audit LLP

Chartered Accountants  
Statutory Auditors

Potton House  
Wyboston Lakes  
Bedford  
MK44 3BZ

Date:

15 December 2017.

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	442	-	-	442	77,068
Charitable activities	3	-	335,696	774	336,470	3,895,096
Other trading activities	4,5	402	-	-	402	36,774
Investments	6	61	-	-	61	744
<b>TOTAL INCOME</b>		<b>905</b>	<b>335,696</b>	<b>774</b>	<b>337,375</b>	<b>4,009,682</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5,7	216	2,370	-	2,586	67,169
Charitable activities:						
Charitable activities		-	310,036	9,276	319,312	4,138,506
Donation to MAT		339,400	(1,732,406)	3,277,460	1,884,454	-
Governance		-	3,706	-	3,706	27,946
<b>TOTAL EXPENDITURE</b>	8	<b>339,616</b>	<b>(1,416,294)</b>	<b>3,286,736</b>	<b>2,210,058</b>	<b>4,233,621</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(338,711)	1,751,990	(3,285,962)	(1,872,683)	(223,939)
Actuarial losses on defined benefit pension schemes	22	-	-	-	-	(942,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(338,711)</b>	<b>1,751,990</b>	<b>(3,285,962)</b>	<b>(1,872,683)</b>	<b>(1,165,939)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		338,711	(1,751,990)	3,285,962	1,872,683	3,038,622
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,872,683</b>

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**REGISTERED NUMBER: 07750051**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	15		-		3,285,963
<b>CURRENT ASSETS</b>					
Debtors	16	-		46,528	
Cash at bank and in hand		-		830,411	
				<u>876,939</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	-		<u>(162,219)</u>	
<b>NET CURRENT ASSETS</b>			-		<u>714,720</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	22		-		<u>4,000,683</u>
					<u>(2,128,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			-		<u><u>1,872,683</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	-		376,010	
Restricted fixed asset funds	18	-		3,285,962	
				<u>3,661,972</u>	
Restricted income funds excluding pension liability		-		<u>3,661,972</u>	
Pension reserve		-		<u>(2,128,000)</u>	
Total restricted income funds			-		<u>1,533,972</u>
Unrestricted income funds	18		-		<u>338,711</u>
<b>TOTAL FUNDS</b>			-		<u><u>1,872,683</u></u>

The financial statements on pages 16 to 41 were approved by the Governors, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:

**Robert Bell**  
Chair of Governors

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	<u>(830,471)</u>	<u>134,610</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		60	745
Purchase of tangible fixed assets		-	<u>(91,380)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>60</u>	<u>(90,635)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(830,411)</b>	<b>43,975</b>
Cash and cash equivalents brought forward		<u>830,411</u>	<u>786,436</u>
<b>Cash and cash equivalents carried forward</b>		<u>-</u>	<u>830,411</u>

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St John's Special School and College constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

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

Freehold property	-	2% on cost or valuation
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

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 incorporating income and expenditure account.

**1.6 Operating leases**

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

**1.7 Taxation**

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

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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



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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement 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 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in note 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 an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

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**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.13 Fund accounting**

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

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

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

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	442	-	-	442	76,039
Other voluntary income	-	-	-	-	1,029
	<u>442</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>77,068</u>
<i>Total 2016</i>	<u>23,020</u>	<u>54,048</u>	<u>-</u>	<u>77,068</u>	

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	149,312	149,312	1,579,586
Pupil Premium	-	5,065	5,065	37,578
Other DfE / EFA Grants	-	1,147	1,147	29,626
DFC / CIF Grant	-	774	774	9,179
	-	156,298	156,298	1,655,969
<b>Other government grants</b>				
SEN top up funding	-	178,664	178,664	2,225,437
Other government revenue	-	-	-	250
	-	178,664	178,664	2,225,687
<b>Other funding</b>				
Other Income	-	1,508	1,508	13,440
	-	1,508	1,508	13,440
	-	336,470	336,470	3,895,096
<i>Total 2016</i>	-	3,895,096	3,895,096	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	402	-	402	17,701
Sale of goods	-	-	-	2,792
Other income	-	-	-	16,281
	402	-	402	36,774
<i>Total 2016</i>	36,774	-	36,774	

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**5. TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
<b>Other trading activities expenses</b>				
Cost of lettings	216	-	216	4,436
Goods for resale	-	-	-	4,509
Other expenses	-	-	-	14,594
	<u>216</u>	<u>-</u>	<u>216</u>	<u>23,539</u>
Net expenditure from trading activities	<u>(216)</u>	<u>-</u>	<u>(216)</u>	<u>(23,539)</u>

**6. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Bank account interest	61	-	61	744
	<u>61</u>	<u>-</u>	<u>61</u>	<u>744</u>
<i>Total 2016</i>	<u>744</u>	<u>-</u>	<u>744</u>	

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Other expenses	-	2,370	2,370	43,630
	<u>-</u>	<u>2,370</u>	<u>2,370</u>	<u>43,630</u>
<i>Total 2016</i>	<u>-</u>	<u>43,630</u>	<u>43,630</u>	

ST JOHN'S SPECIAL SCHOOL AND COLLEGE  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Expenditure on raising voluntary income	-	-	2,370	2,370	43,630
Expenditure on fundraising trading	-	-	216	216	23,539
Academy's Educational Operations:					
Direct costs	235,496	-	20,517	256,013	2,874,944
Support costs	44,211	4,917	14,171	63,299	1,291,507
	<u>279,707</u>	<u>4,917</u>	<u>37,274</u>	<u>321,898</u>	<u>4,233,620</u>
<i>Total 2016</i>	<u>3,255,903</u>	<u>383,691</u>	<u>594,026</u>	<u>4,233,620</u>	

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. CHARITABLE ACTIVITIES**

	2017	2016
	£	£
<b>DIRECT COSTS</b>		
Wages and salaries	196,515	2,206,314
National insurance	12,148	126,762
Pension cost	26,833	301,510
Educational supplies	5,356	57,802
Technology costs	1,088	20,252
Staff development	4,737	28,223
Educational consultancy	-	23,473
Other costs	60	3,853
Depreciation	9,276	106,755
	<u>256,013</u>	<u>2,874,944</u>
<b>SUPPORT COSTS</b>		
Wages and salaries	38,472	454,730
National insurance	1,391	12,701
Pension costs	4,348	153,886
Net interest cost on pension scheme	-	42,000
Technology costs	15	8,574
Maintenance of premises and equipment	4,917	137,077
Cleaning	1,801	21,413
Rent and rates	-	11,598
Energy costs	3,392	57,893
Insurance	812	35,752
Transport	120	6,209
Telephone, postage and stationery	1,892	37,546
Catering	2,282	26,284
Other costs	3,857	80,342
Operating leases - other	-	4,879
CIF Expenditure	-	172,678
Governance costs	3,706	27,946
	<u>67,005</u>	<u>1,291,508</u>
	<u><u>323,018</u></u>	<u><u>4,166,452</u></u>

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ST JOHN'S SPECIAL SCHOOL AND COLLEGE  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	9,276	106,755
Auditors' remuneration - audit	2,300	6,000
Auditors' remuneration - other services	-	1,750
Operating lease rentals	4,879	6,823
	<u>4,879</u>	<u>6,823</u>



**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**11. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	234,987	2,661,044
Social security costs	13,539	139,463
Operating costs of defined benefit pension schemes	31,181	455,396
	<u>279,707</u>	<u>3,255,903</u>

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

	2017 No.	2016 No.
Teachers	27	27
Teaching assistants	102	102
Management	1	1
Administration and other support staff	73	73
	<u>203</u>	<u>203</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	25	25
Teaching assistants	89	89
Management	1	1
Administration and other support staff	28	28
	<u>143</u>	<u>143</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1

The above employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme.

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their service to the academy trust was £18,614 (2016 £203,027).

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**12. GOVERNORS' REMUNERATION AND EXPENSES**

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

		2017	2016
		£	£
Ron Babbage, Executive Principal	Remuneration	0-5,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
Gina Duffield, Staff Governor	Remuneration	0-5,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000
Julia Jones, Staff Governor	Remuneration	0-5,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000
Amanda Rizzo, Staff Governor	Remuneration	5,000-10,000	60,000-65,000
	Pension contributions paid	0-5,000	10,000-15,000

During the year, no Governors received any benefits in kind (2016 - £NIL).

During the year, no Governors received any reimbursement of expenses (2016 - £NIL).

**13. GOVERNORS' AND OFFICERS' INSURANCE**

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

**14. OTHER FINANCE INCOME**

	2017	2016
	£	£
Interest income on pension scheme assets	-	77,000
Interest on pension scheme liabilities	-	(119,000)
	<u>-</u>	<u>(42,000)</u>

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**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2016	3,373,678	191,684	61,659	3,627,021
Transfers out	(3,373,678)	(191,684)	(61,659)	(3,627,021)
At 31 August 2017	-	-	-	-
<b>Depreciation</b>				
At 1 September 2016	220,770	80,410	39,878	341,058
Charge for the year	4,306	3,994	976	9,276
Transfers out	(225,076)	(84,404)	(40,854)	(350,334)
At 31 August 2017	-	-	-	-
<b>Net book value</b>				
At 31 August 2017	-	-	-	-
At 31 August 2016	3,152,908	111,274	21,781	3,285,963

**16. DEBTORS**

	2017 £	2016 £
Trade debtors	-	6,626
VAT debtor	-	13,905
Other debtors	-	277
Prepayments and accrued income	-	25,720
	-	46,528

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

	2017 £	2016 £
Trade creditors	-	58,719
Other creditors	-	42,295
Accruals and deferred income	-	61,205
	-	162,219

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17. CREDITORS: Amounts falling due within one year (continued)

	2017	2016
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2016	13,446	10,964
Amounts released from previous years	(13,446)	(10,964)
Devolved formula capital	-	5,416
Universal infant free school meals	-	8,030
	<hr/>	<hr/>
Deferred income at 31 August 2017	-	13,446
	<hr/> <hr/>	<hr/> <hr/>

**ST JOHN'S SPECIAL SCHOOL AND COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>				
General Fund	338,711	905	(339,616)	-
<b>Restricted funds</b>				
General Annual Grant (GAG)	340,262	149,312	(489,574)	-
Other DfE/EFA Grants	-	6,212	(6,212)	-
Government grants	-	178,664	(178,664)	-
Other restricted income	-	1,508	(1,508)	-
Music therapy income	35,748	-	(35,748)	-
Pension reserve	(2,128,000)	-	2,128,000	-
	<u>(1,751,990)</u>	<u>335,696</u>	<u>1,416,294</u>	<u>-</u>
Tangible Fixed Assets	3,285,962	-	(3,285,962)	-
DfE/EFA capital grants	-	774	(774)	-
	<u>3,285,962</u>	<u>774</u>	<u>(3,286,736)</u>	<u>-</u>
Total restricted funds	<u>1,533,972</u>	<u>336,470</u>	<u>(1,870,442)</u>	<u>-</u>
Total of funds	<u><u>1,872,683</u></u>	<u><u>337,375</u></u>	<u><u>(2,210,058)</u></u>	<u><u>-</u></u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>					
General Fund	301,712	60,538	(23,539)	-	338,711
	<u>301,712</u>	<u>60,538</u>	<u>(23,539)</u>	<u>-</u>	<u>338,711</u>

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

**Restricted funds**

General Annual Grant (GAG)	302,497	1,579,586	(1,452,138)	-	340,262
Other DfE/EFA Grants	-	67,204	(67,204)	-	-
Government grants	-	2,225,687	(2,225,687)	-	-
Other restricted income	-	14,346	(14,346)	-	-
Music therapy income	11,880	53,142	(29,274)	-	35,748
Pension reserve	(1,044,000)	-	(142,000)	(942,000)	(2,128,000)
	<u>(729,623)</u>	<u>3,939,965</u>	<u>(3,930,649)</u>	<u>(942,000)</u>	<u>(1,751,990)</u>

**Restricted fixed asset funds**

	<i>Balance at 1 September 2015</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2016</i>
	£	£	£	£	£
Tangible Fixed Assets	3,301,337	-	(106,755)	-	3,285,962
DfE/EFA capital grants	165,195	9,179	(172,677)	-	-
	<u>3,466,532</u>	<u>9,179</u>	<u>(279,432)</u>	<u>-</u>	<u>3,285,962</u>
Total restricted funds	<u>2,736,909</u>	<u>3,949,144</u>	<u>(4,210,081)</u>	<u>(942,000)</u>	<u>1,533,972</u>
Total of funds	<u><u>3,038,621</u></u>	<u><u>4,009,682</u></u>	<u><u>(4,233,620)</u></u>	<u><u>(942,000)</u></u>	<u><u>1,872,683</u></u>

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

All funds were donated to Bedford Inclusive Learning and Training Trust on 3 October 2017, as part of St John's Special School and College joining the multi academy trust.

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

	<b>Unrestricted funds 2017</b>	<b>Restricted funds 2017</b>	<b>Restricted fixed asset funds 2017</b>	<b>Total funds 2017</b>
	£	£	£	£
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	3,285,962	3,285,962
Current assets	338,711	538,228	-	876,939
Creditors due within one year	-	(162,218)	-	(162,218)
Provisions for liabilities and charges	-	(2,128,000)	-	(2,128,000)
	<u>338,711</u>	<u>(1,751,990)</u>	<u>3,285,962</u>	<u>1,872,683</u>

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

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(1,872,683)	(223,939)
<b>Adjustment for:</b>		
Depreciation charges	9,276	106,755
Non-cash donation of assets and liabilities to the MAT	1,148,687	-
Dividends, interest and rents from investments	(61)	(744)
Decrease in debtors	46,528	50,348
(Decrease)/increase in creditors	(162,218)	60,190
Defined benefit pension scheme cost less contributions payable	-	100,000
Defined benefit pension scheme finance cost	-	42,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(830,471)</u>	<u>134,610</u>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Cash in hand	-	830,411
<b>Total</b>	<u>-</u>	<u>830,411</u>

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

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £10,480 (2016 - £210,000).



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**22. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £27,000 (2016 - £330,000), of which employer's contributions totalled £20,000 (2016 - £246,000) and employees' contributions totalled £7,000 (2016 - £84,000). The agreed contribution rates for future years are 16.6% for employers and varying% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.10 %	2.10 %
Rate of increase in salaries	3.10 %	3.10 %
Rate of increase for pensions in payment / inflation	- %	2.10 %
Proportion of employees opting for early retirement	2.10 %	- %

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

	2017	2016
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	-	1,947,000
Gilts	-	253,000
Corporate bonds	-	253,000
Derivatives	-	-
Total market value of assets	<u>-</u>	<u>2,529,000</u>

The actual return on scheme assets was £0 (2016 - £345,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	-	(346,000)
Interest income	-	77,000
Interest cost	-	(119,000)
Total	<u>-</u>	<u>(388,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,538,000	2,920,000
Transferred out on existing academies leaving the trust	(4,538,000)	-
Current service cost	-	346,000
Interest cost	-	84,000
Actuarial losses	-	1,210,000
Effect of non-routine settlements	-	(22,000)
Closing defined benefit obligation	<u>-</u>	<u>4,538,000</u>

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**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	2,368,000	1,876,000
Transferred out on existing academies leaving the trust	(2,368,000)	-
Actuarial losses	-	268,000
Employer contributions	-	246,000
	<hr/>	<hr/>
Closing fair value of scheme assets	-	2,368,000
	<hr/> <hr/>	<hr/> <hr/>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	-	2,141
Between 1 and 5 years	-	488
	<hr/>	<hr/>
Total	-	2,629
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**24. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

**25. CONTROLLING PARTY**

The Trustees have ultimate control of the Academy.

**26. MEMBERS' LIABILITY**

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

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