

Company Registration No. 10482806 (England and Wales)

JAMES MONTGOMERY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018

JAMES MONTGOMERY ACADEMY TRUST

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JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

A De'ath
CJ Fitch
MP Harrison (Chair)
AA Price
AJ Richards
K Hewitt (Appointed 4 December 2017)
R Moody (Appointed 19 March 2018)

Members

Bishop P Burrows
H Thomas
Reverend S Gardner
D Grover
Reverend M Fitzgerald
M Harrison

Senior management team

- Chief Executive Officer	D Silvester
- Deputy Chief Executive Officer	A Benbow
- Finance Officer	H Johnson
- Finance Officer	J Wood
- Project Manager	J Oliver

Company secretary

J Oliver

Company registration number

10482806 (England and Wales)

Registered office

Ellis House
C/O Brampton Ellis Primary School
Wath-Upon-Dearne
South Yorkshire
S63 6BB

Academies operated

	Location	Head of Academy
Mexborough St John The Baptist C of E Primary School	Doncaster	A Minor
Wath C of E Primary School	Rotherham	P Beevor
Brampton The Ellis C of E Primary School	Rotherham	A Benbow
Brampton Cortonwood Infant School	Rotherham	S Aston
Wath Victoria Primary School	Rotherham	C Miller
Hooton Pagnell All Saints C of E Primary School	Doncaster	L Carr
Wath Central Primary School	Rotherham	J Gray

Independent auditor

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Royal Bank of Scotland
5 church Street
Sheffield
S1 1HF

Yorkshire Bank PLC
56 High Street
Wombwell
S73 8DA

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

James Montgomery Academy Trust present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 01 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust continued to grow with the completion of the conversion process for All Saints Hooton Pagnell C of E Primary School and Wath Central Primary School within this accounting period. The academy trust now operates 7 primary schools in the South Yorkshire area. The trust has a combined pupil capacity of 2,100 at the end of this accounting period and had a roll of 1867 in the school summer term census.

Structure, Governance and Management

Constitution

The Academy Trust is a charitable 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 James Montgomery Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as James Montgomery Academy Trust.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

The members of the Charitable Company are Bishop P Burrows, H Thomas, Reverend M Fitzgerald, Reverend S Gardner, M Harrison and D Grover. 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 they cease to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Charitable Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default of breach of trust or breach of duty of which they may be guilty in relation to the Trust provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Charitable Company.

Method of recruitment and appointment or election of Trustees

All new Trustees are appointed by the members. Full details relating to the appointment and removal of trustees are contained in the Articles of Association with a brief summary given below.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement with their term of office being 4 years.

- Up to 10 Trustees appointed by the Members.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Board of Trustees has appointed a Local Governing Body (LGB) for each Academy, which has delegated powers to oversee the day to day running of that Academy. That LGB constitutes as follows:

A suggested total of 12 Governors to be:

- 1 Head of Academy (Ex Officio)
- 1 staff
- 3 parents
- 4 co-opted Governor
- 4 foundation Governor

Governors will have a term of office of 4 years, with the exception of co-opted governors who hold office for a 1 year term and the Head of Academy whose term of office will fall in line with their role.

Subject to remaining eligible to be a particular type of Trustee or Governor any Trustee or Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

All Trustees and Governors have access to training as required, including Local Governing Body training provided by Rotherham Metropolitan Borough Council through services provided by ROSIS. Trustees and Governors are encouraged to access all their training requirements.

Organisational structure

James Montgomery Academy Trust consists of a board of Trustees who have the overall responsibility to ensure the effective and efficient running of the Academies. A Local Governing Body (LGB) at each academy report to the board of Trustees. Each LGB has responsibilities along with those of the CEO and Heads at each Academy. These are detailed in the Finance Policy and the Academies Financial Handbook. All the LGB's are reviewed annually and a skills based audit is carried out when appointing new members.

The Trustees are responsible for the following; setting policies, reviewing the development plan of the trust and ensuring that budgets are maintained in accordance with the Academies Financial Handbook. They do this by consulting with the CEO and deputy CEO in conjunction with LGB information including the Assurance Register outcomes.

The Trustees are appointed in line with Articles 45 - 64 within the Memorandum and Articles of Association. When appointing new Trustees, the Board recognises the need to have a wide range of skills amongst the Trustees.

The appointed Accounting Officer of the Academy Trust is Mr David Silvester.

Our Trustees ensure that James Montgomery Academy Trust complies with charity and company law. The Board of Trustees has core functions to set the strategic direction of the James Montgomery Academy Trust and to ensure balanced budget are maintained. As a multi-academy trust, the Trustees are responsible for all the academies within the Trust. They do this by delegating functions to the Local Governing Body of each Academy through a scheme of delegation. The level of delegation may be proportionate to the strength of the Academy – an 'earned autonomy' model.

The core business of the Local Governing Body is to:

- Review and monitor the Academy Improvement Plan
- Monitor and review standards of attainment and progress
- Review and monitor the curriculum and educational provision

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The Trust will review its pay policy annually and all salary pay scales are set out in the policy. The criteria for pay groups, bands and pay progression are set out in the Teachers Pay and Conditions document this forms the remit for the Academy Trusts pay structure for its Key management personnel.

Academy trustees are non-executives and are not remunerated for their role as a trustee.

As a Trust we have recommended that schools buy back into Local Authority Trade Union Facility time. We also have adopted LA approved pay policy.

Employees and disabled persons

The Trust has an Equality Strategy which states that they are committed to valuing diversity, tackling discrimination, promoting equality and fostering good relationships between people.

Through the Equality Strategy the Trust aim to achieve the above by:

1. Providing the highest standards of equality and inclusion of all pupils, staff, governors, volunteers and parents of children in JMAT in order to achieve excellence for all - regardless of age, special educational need, sexual orientation, sex, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender reassignment or disability.
2. Empathising and working with the issues pertinent to the personal, social and economic lives of both school and the wider community, including those relating to children that are looked after.
3. Striving to ensure that inclusion and diversity remains at the heart of our practice across all schools in JMAT.

The Trust's equality objectives and accessibility plans are reviewed and published annually, on the Trust website.

The Trust has committed to ensuring that they strive to eliminate all discrimination and create an inclusive school environment. Therefore, during the employment process all candidates are reviewed based upon their suitability for the role, their experience and qualifications. Their disability status is not regarded during the decision making process.

For existing employees who become disabled, we undertake to make reasonable adjustments in areas such as physical environment, duties, working pattern etc. Employees with disabilities also have dispensation under the Special Leave of Absence Policy for paid time off from work for appointments related to their disability.

All staff members are entitled to training and career development opportunities regardless of whether they are disabled. JMAT work hard in ensuring that all staff members are aware of opportunities available to them.

JMAT strongly supports an ethos of inclusivity and consults regularly with staff on matters which may affect them. Regular meetings are held with senior leaders and trade union representatives as a communication channel between staff and leaders, and staff governors are elected for each individual Local Governing Body.

For all new converting academies the staff are spoken to in person to ensure they are up to date and fully aware of all matters that may be of concern to them.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Trust website is regularly updated, and staff can also use this as a tool for reviewing relevant information.

The Trust also hold a whistleblowing policy, which all staff members are made aware of, and encouraged to follow in any potential instances.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	-
Provide the total pay bill	N/A
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	-
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Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details

Connected organisations including related party transactions

The Academies work in collaboration with the Local Authority who place pupils and fund Top-up and Looked After Children (LAC) elements for pupil placements.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Risk management

The Trustees have assessed the major risks to which the Academy is exposed and a risk register namely our assurance register has been established. The Trustees continue to implement robust systems to assess risk to our academies in a number of areas including that of Safeguarding.

The Trustees have established key controls to manage risk:

- Agendas for all meetings
- Strategic planning, budgeting and management reporting
- A formal organisational structure
- Written policies and procedures
- Authorisation and approval levels
- DBS checks
- Assurance register

Objectives and activities

Objects and aims

The Academy Trust's objectives are to restrict the operations to the pursuance of the following:

- "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 Academies which shall offer a broad and balanced curriculum and which shall include:
- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

It is the responsibility of the trustees to ensure that the Trust only pursues activities which further this educational purpose. These objects are drafted widely to enable the Trust to establish, manage, and provide a balanced curriculum to a range of different academies within the Trust.

Vision and values

- To live and reflect core JMAT values which are:
 - To raise standards for all students by sustaining and enhancing performance and to develop the whole child.
 - To work collaboratively to improve the life-chances of all young people in our schools.
 - To enable all young people to succeed and thrive by raising aspirations and create a positive impact within the communities our schools are based.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, Strategies and activities

We aim to ensure that each academy in our Trust:

- Offers an outstanding education through an exciting, innovative and broad based curriculum
- Adds value to the attainment of its pupils
- Continues to develop its own unique characteristics and ethos, maintaining its individual identity within the local community
- Removes the barriers of low aspiration and achievement in all our academies and communities in which we work
- Provides an ordered, purposeful and stimulating learning environment
- Works in partnership with pupils, parents and the wider community to achieve success for all
- Works closely with other JMAT academies to create a sustainable model of education for all pupils
- Is recognised nationally as an educational organisation of high quality, producing outstanding results within an inclusive culture.

The main objectives between 1 September 2017 and 31 August 2018 were:

- To deliver an engaging and inspiring broad curriculum which drives learning.
- To raise the standard of educational attainment and achievement for all learners
- To develop and invest in a high quality staffing.
- To develop effective self-evaluation and accountability frameworks whilst providing robust support to enable leaders to focus on the core purpose of education.
- To formulate effective and meaningful data analysis that impacts on pupils learning and that continually pursues raised standards
- To develop partnerships and networks to sustain growth of both the Trust and leadership within it.
- To ensure leaderships programmes are established that support the recruitment of new HTs and SLT across the Trust.
- To impact upon phonics standards at Year 1 to meet or exceed National Averages.
- To develop SEND services across the Trust to ensure consistent reporting and thus appropriate targeted support for identified vulnerable children.
- Training in and implementation of innovative curriculum experiences through research led groups which lead to sharing of best practice – Joint Practice Development.
- The development of assessment systems linked to the new curriculum and assessment without levels using O'Track
- Continuing links with locality schools and well-being partnerships i.e. foodbank
- Our Designated Safeguarding Lead to ensure consistency of process and support to ensure all children's needs are met.
- Developing the Teaching School offer trading under the name of Forge TSA.

Public benefit

The Trustees confirm that the Trust have complied with the requirement in the Charities Commission's public benefit requirements during the period.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Key Stage 1 results 2018

	Wath C of E	Brampton Ellis Primary	Wath Victoria Primary	Brampton Cortonwood Infants	Mexborough St Johns	Wath Central	Hooton Pagnell	National Average
EYFS Percentage achieving GLD (Good Level Development)	78	78	74	75	70	78	60	72
Year 1 - Percentage achieving expected standard phonics	93	83	87	83	77	86	82	83
Year 2 Percentage achieving expected standard Reading	80	90	78	80	80	69	64	76
Year 2 Percentage achieving expected standard Writing	76	85	78	80	80	64	79	70
Year 2 Percentage achieving expected standard Maths	86	83	73	75	65	81	50	76

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 results 2018

	Wath C of E	Brampton Ellis Primary	Wath Victoria Primary	Mexborough St Johns	Wath Central	Hooton Pagnell	National Average
Percentage of pupils achieving the expected standard in reading, writing and mathematics combined	71	74	53	75	71	70	64
Percentage of pupils achieving the expected standard in reading	77	77	61	79	77	100	75
Percentage of pupils achieving the expected standard in writing	84	91	72	79	79	80	78
Percentage of pupils achieving the expected standard in Mathematics	81	86	67	83	85	90	75
Percentage Grammar Punctuation & Spelling at expected level	81	79	72	83	77	100	77
Average progress in reading	+1.2	-1.4	-3.2	-2.1	+0.2	+3.7	0.0
Average progress in writing	+1.2	+1.7	-0.3	+1.1	-0.2	-3.3	0.0
Average progress in mathematics	+0.6	-0.2	-3.1	-0.3	+0.6	+2.7	0.0
Percentage of pupils achieving a high level of attainment in reading, writing and mathematics	16%	8%	3%	4%	8%	0%	10%
Percentage of pupils achieving a high score in reading	29%	20%	6%	21%	39%	60%	28%
Percentage of pupils achieving greater depth in writing	23%	30%	14%	29%	18%	0%	20%
Percentage of pupils achieving a high score in mathematics	23%	15%	6%	8%	15%	50%	23%
Percentage of pupils achieving a high score in Grammar Punctuation & Spelling	52%	36%	14%	42%	41%	70%	34%

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Narrative from CEO

It has been a very successful second year for JMAT, our profile continues to strengthen across all schools. Trust resources were deployed to target key areas of focus including leadership development, phonics teaching, Y1 readiness, a writing project, mathematics assessment and our reading curriculum.

Following the Executive solution put into Mexborough St Johns, a new Headteacher has been appointed to take the school forward. The school saw an improvement of standards achieved following last years sharp increase. A new Headteacher was appointed at Hooton Pagnell School and a staff team built. Hooton Pagnell All Saints school had received a RI Ofsted judgement in early 2017 and remained a LA school of concern. 2017 – 2018 saw a rapid increase in their attainment at KS2 and they have since ceased to be a Doncaster school of concern. Brampton Ellis, Wath C of E and Brampton Cortonwood's standards remain strong across all areas. Wath Central saw strong improvement in their targeted KS2 areas, whilst Wath Victoria combined data fell and is below National Averages. Brampton Cortonwood and Mexborough St Johns have resolved finances and they are now on an even keel.

As a Trust we have implemented systems across the schools to add a robust focus on key drivers. Health and Safety Audits have been rolled out and clear action plans identified. The online safeguarding system has been rolled out and compliments our termly audits. Finance systems are continuing to become more consistent and regular monitoring and support offered to ensure we meet best practise models. Individual school and cross school moderation has built a greater consistency. Our Assurance register and

Developing Excellence Meetings provide an accountability structure which enable the producing of a clear Trust timetable.

From teaching school accreditation in June 2017, we have built a wider partnership of schools. We continue to train new teachers to the profession and supported 17 trainees in the school year 2017 – 2018. We worked with an alliance of 9 other teaching schools to offer National Professional Qualifications for leadership. In this manner the teaching school is providing a cohort of new teachers and also supporting colleagues to take the next steps in their career. We have recruited 25 Specialist Leaders of Education through the teaching school, who can provide the Trust and the wider school community with added capacity.

We appointed an additional teaching and learning consultant called Sue McVicar, who worked across the group of schools in a targeted manner. She has left the Trust in the summer 2018 to take up a post of Headteacher in a school in the local authority.

Data Profile

The data profile of the trust schools showed significant strengths, with the most vulnerable school improving considerably from 2017 data.

The combined profile of Early Years Good Level of Development has continued to strengthen and remains 3% greater than National Averages. Combined KS1 reading, writing and maths have strengthened, with particular note of mathematics age related standards, which increased by a combined 4%, which widened the gap with National Averages. Our focus across the schools to improve Y1 Phonics attainment was highly successful with 5 of the 7 schools achieving a 5 yr high and from a profile in 2017 of being 4% below National Averages in 2018 the combined total places the Trust average 3% higher than National.

The combined Reading, Writing and Maths profile of KS2 outcomes strengthened again increasing the gap to National averages to 6%. Improvements were made by children attaining greater depth in all areas and a very notable achievement in Spelling and Punctuation which increased by 17%, reading by 9%, maths by 7% and writing by 5%. However to improve progress data these improvements need to be continued, especially in maths.

Our Trust Improvement Plan will focus on mathematics higher attainment, our continued focus on Maths Mastery will look to the 'Fast Grasper' groups within our schools.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Assurance Register

The Trust has in place a risk register (assurance register) which is reviewed termly by the Trustees. Each area of risk being ranked as to the likelihood of it occurring and the impact of this. The Trustees scrutinize the risk and determine actions to be taken to address this.

Key performance indicators

To ensure that standards are maintained year on year the Academy operates a programme of target setting, and curriculum monitoring and review that feed into the Academy development plan. During the 2017 – 2018 academic year, all seven Academies were subject to an external review of their performance and areas for improvement were identified. These were addressed in the individual School Improvement Plans, (Developing Excellence Plans).

The Trust is impacting in raising attainment in its academies resulting in outcomes for pupils being sustained and improved.

See Financial Review section below for details of the key financial performance indicators.

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The Academy Trust's accounting period is from 1 September 2017 to 31 August 2018.

The majority of the Academy Trust's funding is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

The grants from the ESFA and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive High Needs funding and Early Years funding from the Local Authority. The High Needs funding supports pupils who are eligible for additional support based on their Special Educational Needs. The Early Years funding is based on the hours taken by pupils in the nursery. These grants are treated as restricted income.

The Academy each year will bid for Conditional Improvement Funding and where successful will be treated as restricted income.

During the period ended 31 August 2018 total expenditure of £9,417,460 was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £9,435,616. The excess of the in year income over expenditure was £18,156 for the period ended 31 August 2018. All figures exclude fixed asset reserves, transfers, pension liability and movements and donations on conversion.

A key financial performance indicator is salary costs as a percentage of educational income which are currently 86%, which exceeds both the trust expectations and DFE guidance. The trust are exploring methods to address this.

The total in year deficit for 2017-2018 is £130,666.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The total of restricted and unrestricted funds as at 31 August 2018 are £756,417 (2017: £887,083) There have been two new academies joining the trust this year, Wath Central Primary and Hooton Pagnell Primary, to the financial effect of £6,125,979. No other significant events have occurred during the year.

The Trust's principle sources of funding in 2017/18 were General Annual Grant, Pupil Premium, Universal Infant Free School Meals, Early Education Funding and Pupil Growth Funding, all being restricted funds.

The primary source of unrestricted funding was generated by the Trust offering support for other educational establishments, alongside numerous other sources of unrestricted funding.

The Trust has a material pension liability, which has arisen from obligations to the LGPS defined benefit pension scheme. This was inherited on conversion, there is no direct impact of this liability on the academy other than for the monitoring of the deficit for budgeting purposes.

Reserves policy

The Trustees acknowledge that it is good practice to review the reserves throughout the year. Reserves can be "restricted" and "unrestricted" balances. Charity law requires that any income received by the Trust be spent within a reasonable period of its receipt.

In order for the trust to fulfil its obligations to its academies, assist those in need as well as plan for future activities, it essential to carry a central reserve and its academies contribute 0.5% of grant income for this purpose.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2018 was £606,457. This has been reviewed by the trust and is in line with the reserves policy.

The restricted pension fund reserve is in deficit to the value of £4,612,000 as at 31 August 2018. The majority of this deficit has been inherited upon conversion to Academy status and the Trustees will continue to monitor this situation closely.

Investment policy

The Trustees have established that any surplus funds are invested well with best financial returns against minimum risks. The trustees accept responsibility for any investments made and will ensure that adequate cash balances are maintained in each academy.

Financial and risk management objectives and policies

The Trust Finance Officers conduct regular reviews of the actual expenditure and income against budget. The Trust Finance Officers report to the Trustees the position at each Academy.

The role of the internal auditor is conducted by the Trust's auditors, Hart Shaw LLP, and their outcomes are reported directly to the board of Trustees.

One area of risk the trustees have assessed is consistency in Quality of Teaching and Learning, which is being addressed through termly Developing Excellence Meetings headed up by a Trustee. Another area of risk is the standards of attainment at one or more of the Trust academies resulting in a potential Ofsted judgement of requiring improvement. The trust carries out an external annual review of its academies in order to accurately assess the performance of each academy and take early intervention to address any identified issues.

The academy has implemented the requirements of the Safer Recruitment procedures and most staff have received training in this area in addition to training on Child Protection. The academy has a designated safeguarding lead who will ensure all staff receive relevant training within the next accounting period.

Cash flow is monitored daily by the individual academies and budgets are presented to the trust finance officers who consider the cash flow and liquidity in detail.

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The main risks and uncertainties faced by the Trust are regarding future income. The Trust is funded mainly from the ESFA, which is based on pupil numbers. Future pupil numbers are difficult to predict with a great degree of accuracy and this therefore results in an element of uncertainty surrounding future financing. The Trust believes the partner schools it is working collaboratively with will look to convert to academy status and join the MAT, thereby increasing the pupil numbers and providing sustainability in income over the next 12 months. The CEO is also exploring other funding streams and the newly gained Teaching School Status will prove an additional revenue stream.

Cash flow

The Trust considers that it has sufficient cash reserves for normal day to day operations.

Fundraising

The Trust works collaboratively and proactively with partners and stakeholders to generate additional funds, any funds generated through this method are paid straight over to the Trust.

There is minimal fundraising within the Trust and this is generated by the Parent Teacher Association, who will raise money and run specific events for the children as treats, for example the school discos.

All fundraising that takes place within the Trust conforms to recognised standards and monitoring of funds raised through fundraising is carried out. This is recognised within the school fund account, so as to keep funds separate from other unrestricted income, or alternatively highlighted within the school budget account.

The Trust has not received any complaints in regard to their fundraising activities, and any fundraising that is carried out is done so at the protection of the public. There is no persistent fundraising or undue pressure upon potential donors to donate towards funds.

Trustees may also find it helpful to refer to the Charity Commission publication "Charity fundraising : a guide to trustee duties (CC20)" which has been updated to reflect new requirement

Plans for future periods

James Montgomery Academy Trust will strive to meet key objectives and deliver outstanding opportunities for its pupils. There will be a strong focus on governance, leadership, succession planning and accountability.

The Trust is committed to sustaining 'Good' Ofsted judgements and maintaining and working towards 'Outstanding' in all academies. The Trust is now in a position where it is able to look towards expansion so that it can impact on a higher number of schools.

Strategic Aims:

1. **Attainment and Progress**
 - To continue with accelerating the progress for all pupils
 - To impact upon standards for Pupil Premium across the Trust
 - To increase the % of pupils achieving greater depth
 - To improve attendance in the Trust to 95% and above
 - To continue to share best practice across our Trust
 2. **Finance Strategy and Control**
 - To implement findings from annual audits to continue to improve efficiencies
 - To continue to ensure that balanced budgets are held
 - To build a strong alliance as a Teaching School Alliance to create further income streams
 3. **Quality Assurance and Data**
 - To review and improve findings from our Assurance Register
-

JAMES MONTGOMERY ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

- To moderate findings from the data tool
- To see impact of termly audits as procedures are tightened across the Trust
- 4. Governance
 - To complete re-alignment of on conversion
 - To action LGB skills audit to seize associate HT skills
 - To hold further Trustee and LGB meetings to continue to strengthen the links and ensure systems are robust and effective.
- 5. Vision and Values
 - To continue to develop an infrastructure that manages and supports schools and offers added value.
- 6. Workforce
 - Further strengthen recruitment and retention systems including the ITT Schools Direct through partnership with Sheffield Hallam University
 - Strengthen coaching to enhance teaching and learning
 - Commence future leaders programme.
- 7. Maintain and improve our buildings to ensure that we offer outstanding facilities
 - Engage services of professionals to submit CIF bids on behalf of the Trust based on individual academy Property Data Survey
 - Improve facilities at Mexborough St Johns to enable delivery of 2 year old provision.

Auditor

The auditors, Hart Shaw LLP, are willing to continue in office and a resolution to reappoint them will be proposed in the annual general meeting.

Statement as to disclosure of Information to the auditor

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 17 December 2018 and signed on its behalf by:



A De'ath
Trustee

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As directors we acknowledge we have overall responsibility for ensuring that James Montgomery Academy Trust 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 directors has delegated the day-to-day responsibility to the chief executive officer, 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 James Montgomery Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities. The board of directors has formally met 3 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
A De'ath	2	3
CJ Fitch	3	3
MP Harrison (Chair)	3	3
AA Price	3	3
AJ Richards	2	3
K Hewitt (Appointed 4 December 2017)	3	3
R Moody (Appointed 19 March 2018)	2	2

In the academic year ending 31 August 2018, our board of trustees increased from 5 in number to 7 with the welcome to the board of Katie Hewitt who is assistant manager of the Youth Justice Service in Sheffield and Richard Moody who is Operations Manager of Dearne Valley Boxed.

The functions of the board of trustees has covered working with the Designated Safeguarding Lead in the Trust to ensure both compliance with our statutory obligations and that a best practice model is deployed within our academy schools. Trustees have been pivotal in the work towards conversion of schools to academy status and have been engaged within the performance assessment of our schools in our Developing Excellence Meetings.

The board, still relatively new in real terms are yet to formally assess their own effectiveness, however the challenges faced by rapid growth and implementing systems has been met with resolve and a philosophy which ensures structures enhance, challenge and support always. The Trust holds an open door policy to its trustees and board members are now invited and encouraged to make inquiry visits.

The data from our schools is shared using systems to provide transparency not just at board level but school to school, allowing for collaboration and competition. We regularly benchmark against national and local standards to demonstrate the effectiveness of our structures and resources. All data shared but quantitative and qualitative is collated at regular intervals and retained for comparison, therefore scrutiny is welcomed and appreciated by the board. Trustees have imposed ways of demonstrating trends in data that give clear indications of impact.

The trust board now a full complement, will undertake a self evaluation in the Spring term of 2019. We have a trustee with expertise in governance who will guide the board through the most valued process, with outcomes shared in late Spring and any necessary actions implemented appropriately.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors 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:

- aligning job specifications with roles,
- reviewing budgets and;
- sourcing shared resources across 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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in James Montgomery Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

The risk and control framework

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

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

The board of directors has considered the need for a specific internal audit function and has decided to appoint Hart Shaw LLP as internal auditor.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

Testing of the controls of the following systems:

- testing of purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of the payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;
- testing of VAT reporting;
- testing of procedures for the recording of financials and reporting to governors.

On a termly basis, the Hart Shaw LLP reports to the board of directors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of directors.

Hart Shaw LLP have delivered their schedule of work as planned. During the period, Hart Shaw LLP have scheduled recommendations to improve the systems and controls in place, all of which have either been implemented prior to the year end or are in the process of being implemented.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external 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 board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 17 December 2018 and signed on its behalf by:



A De'ath
Trustee



D Silvester
Accounting Officer

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of James Montgomery Academy Trust I have considered my responsibility to notify the academy trust board of directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of directors 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 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 directors and ESFA.



D Silvester
Accounting Officer

17 December 2018

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The directors (who also act as trustees for James Montgomery Academy Trust) are responsible for preparing the directors report and the accounts in accordance with the Academies Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the directors 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of directors on 17 December 2018 and signed on its behalf by:



A De'ath
Trustee

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Qualified opinion

We have audited the accounts of James Montgomery Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of our report, the accounts:

- 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 the Academies Accounts Direction 2017 to 2018.

Basis for qualified opinion

In respect solely of our work relating to land and buildings and income inherited on conversion the audit evidence available to us was limited because, as set out in note 13, valuations of the land and buildings on conversion will not be made available until January 2019, which falls after the Education and Skills Funding Agency's accounts submission deadline. As such, no value for land and buildings has been included for 1 out of the 2 schools which converted to academy status during the period. Owing to the lack of the information available, we were unable to obtain sufficient appropriate audit evidence regarding the value of land and buildings inherited on conversion and the associated income.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 directors use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

In respect solely of the limitation on our work relating to land and buildings and completeness of conversion income described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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:

- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the statement of directors responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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



Martin McDonagh (Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

17 December 2018

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JAMES MONTGOMERY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

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

Respective responsibilities of James Montgomery Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of James Montgomery Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- the review for any transactions requiring prior approval from the Secretary of State and ensuring approval has been received where required;
- confirming that the academy trust has not sought borrowings that contravene section 3.4 of the Handbook;
- reviewing for connected party transactions and ensuring the academy has complied with section 3.2 of the Handbook;
- reviewing meeting minutes for indications of irregular transactions; and
- carrying out systems and controls testing and considering the effectiveness of such controls.

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JAMES MONTGOMERY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Hart Shaw LLP

Reporting Accountant

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 17 December 2018

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 as restated £
Income and endowments from:						
Donations and capital grants	3	9,832	2,000	131,397	143,229	438,847
Donations - transfer from local authority on conversion	27	89,050	(1,147,000)	7,183,929	6,125,979	8,240,559
Charitable activities:						
- Funding for educational operations	4	291,013	8,466,509	-	8,757,522	3,319,893
- Funding for teaching school	26	-	366,877	-	366,877	-
Other trading activities	5	208,495	-	-	208,495	174,021
Investments	6	1,840	-	-	1,840	517
Total		600,230	7,688,386	7,315,326	15,603,942	12,173,837
Expenditure on:						
Raising funds	7	-	10,588	-	10,588	8,374
Charitable activities:						
- Educational operations	9	653,316	8,946,639	448,964	10,048,919	3,251,474
- Teaching school	26	-	216,917	-	216,917	-
Total	7	653,316	9,174,144	448,964	10,276,424	3,259,848
Net income/(expenditure)		(53,086)	(1,485,758)	6,866,362	5,327,518	8,913,989
Transfers between funds	18	(176,011)	27,189	148,822	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	625,000	-	625,000	(69,000)
Net movement in funds		(229,097)	(833,569)	7,015,184	5,952,518	8,844,989
Reconciliation of funds						
Total funds brought forward		835,554	(3,628,471)	11,637,906	8,844,989	-
Total funds carried forward		606,457	(4,462,040)	18,653,090	14,797,507	8,844,989

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative information ended 31 August 2017 As restated	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2017 £
Income and endowments from:					
Donations and capital grants	3	6,527	26,670	405,650	438,847
Donations - transfer from local authority on conversion	27	544,300	(3,501,000)	11,197,259	8,240,559
Charitable activities:					
- Funding for educational operations	4	110,189	3,209,704	-	3,319,893
Other trading activities	5	174,021	-	-	174,021
Investments	6	517	-	-	517
Total		835,554	(264,626)	11,602,909	12,173,837
Expenditure on:					
Raising funds	7	-	8,374	-	8,374
Charitable activities:					
- Educational operations	9	-	3,160,528	90,946	3,251,474
Total	7	-	3,168,902	90,946	3,259,848
Net income/(expenditure)		835,554	(3,433,528)	11,511,963	8,913,989
Transfers between funds	18	-	(125,943)	125,943	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(69,000)	-	(69,000)
Net movement in funds		835,554	(3,628,471)	11,637,906	8,844,989
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		835,554	(3,628,471)	11,637,906	8,844,989

JAMES MONTGOMERY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		18,622,963		11,616,219
Current assets					
Stocks	14	49,459		17,011	
Debtors	15	317,190		633,563	
Cash at bank and in hand		1,363,716		806,742	
			<u>1,730,365</u>	<u>1,457,316</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(943,821)		(548,546)	
Net current assets			786,544		908,770
Net assets excluding pension liability			<u>19,409,507</u>		<u>12,524,989</u>
Defined benefit pension scheme liability	20		(4,612,000)		(3,680,000)
Net assets			<u>14,797,507</u>		<u>8,844,989</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			18,653,090		11,637,906
- Restricted income funds			149,960		51,529
- Pension reserve			(4,612,000)		(3,680,000)
Total restricted funds			<u>14,191,050</u>		<u>8,009,435</u>
Unrestricted income funds	18		606,457		835,554
Total funds			<u>14,797,507</u>		<u>8,844,989</u>

The accounts set out on pages 26 to 58 were approved by the board of directors and authorised for issue on 17 December 2018 and are signed on its behalf by:



A De'ath
Trustee

Company Number 10482806

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		717,537		521,145
Cash funds transferred on conversion			144,545		544,300
			<u>862,082</u>		<u>1,065,445</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1,840		517	
Capital grants from DfE Group		50,388		22,497	
Capital funding received from sponsors and others		71,462		149,421	
Purchase of tangible fixed assets		(428,798)		(431,138)	
			<u>(305,108)</u>		<u>(258,703)</u>
Net cash used in investing activities					
Net increase in cash and cash equivalents in the reporting period			<u>556,974</u>		<u>806,742</u>
Cash and cash equivalents at beginning of the year			806,742		-
			<u>1,363,716</u>		<u>806,742</u>
Cash and cash equivalents at end of the year			<u><u>1,363,716</u></u>		<u><u>806,742</u></u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

James Montgomery Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the state maintained schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 the receipt is probable and the amount can be reliably measured.

Other income

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold land and buildings	Land: Straight line over 125 years. Building: Straight line over 50 years.
Freehold land and buildings	Land: Not depreciated. Building: Straight line over 50 years.
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% reducing balance

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

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

1.12 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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

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

1.13 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 directors.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donated fixed assets	-	9,547	9,547	233,732
Capital grants		121,850	121,850	171,918
Other donations	9,832	2,000	11,832	33,197
	<u>9,832</u>	<u>133,397</u>	<u>143,229</u>	<u>438,847</u>

£9,547 of donated assets is dining room refurbishments, paid for by the local authority.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,446,177	6,446,177	2,165,177
Start up grants	-	150,000	150,000	302,000
Other DfE group grants	-	1,289,750	1,289,750	363,889
	-	7,885,927	7,885,927	2,831,066
Other government grants				
Local authority grants	-	908,399	908,399	378,638
Special educational projects	-	5,000	5,000	-
	-	913,399	913,399	378,638
Other funding				
Teaching school income (excluding DFE grants)	-	34,060	34,060	-
Other incoming resources	291,013	-	291,013	110,189
	291,013	34,060	325,073	110,189
Total funding	291,013	8,833,386	9,124,399	3,319,893

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Unrestricted lettings income	11,056	-	11,056	4,187
Unrestricted sundry income	3,050	-	3,050	14,500
Unrestricted staff absence income	47,656	-	47,656	7,120
Unrestricted support for other educational establishments	108,060	-	108,060	148,214
Other income	38,673	-	38,673	-
	208,495	-	208,495	174,021

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,840	-	1,840	517

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2018 £	Total 2017 £
Expenditure on raising funds	-	-	10,588	10,588	8,374
Academy's educational operations					
- Direct costs	5,800,749	361,859	482,743	6,645,351	2,088,315
- Allocated support costs	1,712,920	718,195	972,453	3,403,568	1,163,159
Teaching school					
- Direct costs	158,922	-	44,223	203,145	-
- Allocated support costs	13,081	-	691	13,772	-
	<u>7,685,672</u>	<u>1,080,054</u>	<u>1,510,698</u>	<u>10,276,424</u>	<u>3,259,848</u>

Net income/(expenditure) for the period includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	31,550	20,550
- Assurance services other than audit	2,750	-
Operating lease rentals	9,080	2,895
Depreciation of tangible fixed assets	448,964	90,946
Net interest on defined benefit pension liability	105,000	36,000

8 Central services

The academy trust has provided the following central services to its academies during the year:

- financial and legal infrastructure
- school standards oversight through the CEO
- school improvement support through the CEO and consultants
- value for money through contract negotiations
- toolkit for effective governance
- audits on compliance and best practice in health & safety and safeguarding
- estate management planning
- website compliance and management
- collaborative professional network
- access to ongoing professional development
- centralised community services to support vulnerable children and families.
- PE and ICT support

The academy trust charges for these services based on a flat percentage of income (3.5%).

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

(Continued)

The amounts charged during the year were as follows:	2018 £	2017 £
Mexborough St John The Baptist C of E Primary School	38,115	17,878
Wath C of E Primary School	49,315	17,238
Brampton The Ellis C of E Primary School	64,712	21,224
Brampton Cortonwood Infant School	33,376	5,572
Wath Victoria Primary School	48,910	8,324
Hooton Pagnell All Saints C of E Primary School	11,671	-
Wath Central Primary School	42,231	-
	<u>288,330</u>	<u>70,236</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	128,665	6,516,686	6,645,351	2,088,315
Direct costs - teaching school	-	203,145	203,145	-
Support costs - educational operations	524,651	2,878,917	3,403,568	1,163,159
Support costs - teaching school	-	13,772	13,772	-
	<u>653,316</u>	<u>9,612,520</u>	<u>10,265,836</u>	<u>3,251,474</u>
		Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs				
Support staff costs	13,081	1,712,920	1,726,001	612,339
Depreciation and amortisation	-	87,105	87,105	90,082
Premises costs	-	586,857	586,857	119,020
Other support costs	691	893,926	894,617	249,186
Governance costs	-	122,760	122,760	92,532
	<u>13,772</u>	<u>3,403,568</u>	<u>3,417,340</u>	<u>1,163,159</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	5,764,833	1,889,881
Social security costs	462,617	151,493
Pension costs	1,313,129	414,630
Staff costs	<u>7,540,579</u>	<u>2,456,004</u>
Agency staff costs	71,138	21,434
Staff restructuring costs	19,403	19,090
Staff development and other staff costs	54,552	32,916
Total staff expenditure	<u><u>7,685,672</u></u>	<u><u>2,529,444</u></u>

Staff restructuring costs comprise:

Redundancy payments	9,856	19,090
Severance payments	9,547	-
	<u>19,403</u>	<u>19,090</u>

Non statutory/non-contractual staff severance payments

The severance payment of £9,547 (2017 £19,090) is a non-statutory/non-contractual payment and was made on 26/09/2017.

Staff numbers

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

	2018 Number	2017 Number
Teachers	90	33
Administration and support	208	85
Management	5	4
	<u>303</u>	<u>122</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	2	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
	<u>2</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £328,222 (2017 - £132,971).

11 Directors 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 directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme.

12 Directors remuneration and expenses

None of the directors have been under employment contracts with the academy trust during the period, therefore no remuneration has been paid.

No expenses were reimbursed or paid directly to directors during the period.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2017	6,924,154	4,528,635	150,555	103,821	11,707,165
Transfer on conversion	-	7,100,000	55,923	7,411	7,163,334
Additions	180,001	-	68,095	44,278	292,374
At 31 August 2018	7,104,155	11,628,635	274,573	155,510	19,162,873
Depreciation					
At 1 September 2017	116	59,962	23,789	7,079	90,946
Charge for the year	137,354	194,612	87,103	29,895	448,964
At 31 August 2018	137,470	254,574	110,892	36,974	539,910
Net book value					
At 31 August 2018	6,966,685	11,374,061	163,681	118,536	18,622,963
At 31 August 2017	6,924,038	4,468,673	126,766	96,742	11,616,219

Included in Leasehold land and buildings is £36,284 for assets under construction. This has not been depreciated in accordance with accounting standards.

There has been a material prior period adjustment in relation to tangible fixed assets assets, as disclosed later in the accounts.

Upon conversion of Hooton Pagnell All Saints C Of E Primary School, leasehold land and buildings were transferred by the local authority.

The land and buildings valuation is not available, as this will be issued by the Education and Skills Funding Agency in January 2019.

Although the academy could have paid for an additional valuation to be carried out, the trustees did not believe that this was an efficient use of educational funds, nor was it for public benefit, given that the valuation will be available shortly.

14 Stocks	2018	2017
	£	£
Educational supplies	49,459	17,011

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors	2018	2017
	£	£
Trade debtors	15,977	111,545
VAT recoverable	73,244	60,574
Other debtors	5,710	-
Prepayments and accrued income	222,259	461,444
	<u>317,190</u>	<u>633,563</u>
	<u><u>317,190</u></u>	<u><u>633,563</u></u>
16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	299,042	226,728
Other taxation and social security	82,527	69,998
Other creditors	4,091	12,291
Accruals and deferred income	558,161	239,529
	<u>943,821</u>	<u>548,546</u>
	<u><u>943,821</u></u>	<u><u>548,546</u></u>
17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>474,991</u>	<u>85,300</u>
	<u><u>474,991</u></u>	<u><u>85,300</u></u>
Deferred income at 1 September 2017	85,300	-
Released from previous years	(85,300)	-
Resources deferred in the year	474,991	85,300
	<u>474,991</u>	<u>85,300</u>
Deferred income at 31 August 2018	<u><u>474,991</u></u>	<u><u>85,300</u></u>

At the balance sheet date, the academy trust was holding funds received in advance for Universal Infant Free School Meals, Rates Relief, Pupil Growth Funding and trip income, all of which are attributable to the 2018/19 academic year.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	51,529	6,446,177	(6,524,895)	27,189	-
Start up grants	-	150,000	(150,000)	-	-
Other DfE / ESFA grants	-	956,933	(956,933)	-	-
Other government grants	-	913,399	(913,399)	-	-
Teaching school	-	366,877	(216,917)	-	149,960
Other restricted funds	-	2,000	(2,000)	-	-
Pension reserve	(3,680,000)	(1,147,000)	(410,000)	625,000	(4,612,000)
	<u>(3,628,471)</u>	<u>7,688,386</u>	<u>(9,174,144)</u>	<u>652,189</u>	<u>(4,462,040)</u>
Restricted fixed asset funds					
Transfer on conversion	11,116,117	7,183,929	(390,132)	-	17,909,914
DfE group capital grants	171,172	84,664	(13,446)	-	242,390
Capital expenditure from GAG	116,885	-	(37,392)	148,822	228,315
Private funding - Awards for All	-	19,537	(1,060)	-	18,477
Local authority capital grants	-	14,649	(73)	-	14,576
Private funding - Tesco Bags of Help	-	3,000	-	-	3,000
Local Authority property donation in kind	233,732	9,547	(6,861)	-	236,418
	<u>11,637,906</u>	<u>7,315,326</u>	<u>(448,964)</u>	<u>148,822</u>	<u>18,653,090</u>
Total restricted funds	<u>8,009,435</u>	<u>15,003,712</u>	<u>(9,623,108)</u>	<u>801,011</u>	<u>14,191,050</u>
Unrestricted funds					
General funds	835,554	600,230	(653,316)	(176,011)	606,457
Total funds	<u>8,844,989</u>	<u>15,603,942</u>	<u>(10,276,424)</u>	<u>625,000</u>	<u>14,797,507</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2018.

Other DfE/ESFA Grants

This includes Pupil Premiums funding, Universal Infant Free School Meals and PE & Sports Grants.

The Pupil Premium is additional funding given to academies so that they can support their disadvantaged pupils and close the gap between them and their peers.

The Universal Infant Free School Meals grant is to provide free school meals for all infant pupils.

The PE & Sports grant is funding received to support the sporting facilities of the academy.

Other Government Grants

This includes Early Years Funding, High Needs Funding and Pupil Growth Funding.

The Early Years Funding is to support the Early Years provision of the academy.

The High Needs Funding is to support pupils with additional needs.

The Pupil Growth Funding is additional funding received to support the larger intake of children to the school within the Trust.

Other Trading Activities

Other trading activities includes income for hire of facilities, staff absence income and funds generated from the provision of academy staff to other educational establishments.

Restricted Fixed Asset Funds

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the academy. A total of £148,822 (2017 - £125,943) has been transferred from restricted general funds to restricted fixed asset funds, as permitted by the Academies Accounts Direction 2017 to 2018.

Unrestricted funds

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust. During the year, there was a transfer of £176,011 (2017 - £nil) from unrestricted funds to restricted general funds to support the charitable activities of the academy trust.

Pension Reserve

The restricted pension fund is in deficit to the value of £4,612,000 as at 31 August 2018. However the majority of this deficit has been inherited on conversion to Academy status. The Trustees will continue to monitor this situation closely.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 17 November 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	2,165,177	(1,987,705)	(125,943)	51,529
Start up grants	-	302,000	(302,000)	-	-
Other DfE / ESFA grants	-	363,889	(363,889)	-	-
Other government grants	-	378,638	(378,638)	-	-
Other restricted funds	-	26,670	(26,670)	-	-
Pension reserve	-	(3,501,000)	(110,000)	(69,000)	(3,680,000)
	-	(264,626)	(3,168,902)	(194,943)	(3,628,471)
Restricted fixed asset funds					
Transfer on conversion	-	11,197,259	(81,142)	-	11,116,117
DfE group capital grants	-	171,918	(746)	-	171,172
Capital expenditure from GAG	-	-	(9,058)	125,943	116,885
Local Authority property donation in kind	-	233,732	-	-	233,732
	-	11,602,909	(90,946)	125,943	11,637,906
Total restricted funds	-	11,338,283	(3,259,848)	(69,000)	8,009,435
Unrestricted funds					
General funds	-	835,554	-	-	835,554
Total funds	-	12,173,837	(3,259,848)	(69,000)	8,844,989

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 17 November 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	8,611,354	(8,512,600)	(98,754)	-
Start up grants	-	452,000	(452,000)	-	-
Other DfE / ESFA grants	-	1,320,822	(1,320,822)	-	-
Other government grants	-	1,292,037	(1,292,037)	-	-
Teaching school	-	366,877	(216,917)	-	149,960
Other restricted funds	-	28,670	(28,670)	-	-
Pension reserve	-	(4,648,000)	(520,000)	556,000	(4,612,000)
	-	7,423,760	(12,343,046)	457,246	(4,462,040)
Restricted fixed asset funds					
Transfer on conversion	-	18,381,188	(471,274)	-	17,909,914
DfE group capital grants	-	256,582	(14,192)	-	242,390
Capital expenditure from GAG	-	-	(46,450)	274,765	228,315
Private funding - Awards for All	-	19,537	(1,060)	-	18,477
Local authority capital grants	-	14,649	(73)	-	14,576
Private funding - Tesco Bags of Help	-	3,000	-	-	3,000
Local Authority property donation in kind	-	243,279	(6,861)	-	236,418
	-	18,918,235	(539,910)	274,765	18,653,090
Total restricted funds	-	26,341,995	(12,882,956)	732,011	14,191,050
Unrestricted funds					
General funds	-	1,435,784	(653,316)	(176,011)	606,457
Total funds	-	27,777,779	(13,536,272)	556,000	14,797,507

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds	(Continued)	
Total funds analysis by academy		
	2018	2017
Fund balances at 31 August 2018 were allocated as follows:	£	£
Mexborough St John The Baptist C of E Primary School	89,453	48,613
Wath C of E Primary School	122,289	173,077
Brampton The Ellis C of E Primary School	135,627	186,143
Brampton Cortonwood Infant School	62,898	76,446
Wath Victoria Primary School	109,430	258,331
Wath Cental Primary School	(4,408)	-
Hooton Pagnell All Saints C of E Primary School	26,546	-
Central Services	64,622	144,473
Forge TSA	149,960	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	756,417	887,083
Restricted fixed asset fund	18,653,090	11,637,906
Pension reserve	(4,612,000)	(3,680,000)
	<hr/>	<hr/>
Total funds	<u>14,797,507</u>	<u>8,844,989</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Mexborough St John The Baptist C of E Primary School	608,959	173,688	13,374	191,693	987,714
Wath C of E Primary School	936,789	245,496	19,986	291,164	1,493,435
Brampton The Ellis C of E Primary School	1,290,796	359,454	23,734	431,727	2,105,711
Brampton Cortonwood Infant School	582,151	154,765	11,569	174,146	922,631
Wath Victoria Primary School	1,055,409	266,902	25,567	291,434	1,639,312
Wath Cental Primary School	1,006,421	191,411	7,868	421,158	1,626,858
Hooton Pagnell All Saints C of E Primary School	111,036	30,158	2,335	33,240	176,769
Central Services	209,188	291,046	4,339	153,540	658,113
Forge TSA	158,922	13,081	38,123	6,791	216,917
	<u>5,959,671</u>	<u>1,726,001</u>	<u>146,895</u>	<u>1,994,893</u>	<u>9,827,460</u>

Expenditure incurred by each academy during the previous year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Mexborough St John The Baptist C of E Primary School	444,987	144,218	8,898	168,385	766,488
Wath C of E Primary School	433,483	82,004	2,502	145,022	663,011
Brampton The Ellis C of E Primary School	552,682	133,623	13,085	125,796	825,186
Brampton Cortonwood Infant School	155,153	33,246	914	31,411	220,724
Wath Victoria Primary School	243,203	69,828	2,761	47,826	363,618
Central Services	87,597	149,420	1,852	91,006	329,875
	<u>1,917,105</u>	<u>612,339</u>	<u>30,012</u>	<u>609,446</u>	<u>3,168,902</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2018 £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	18,622,963	18,622,963
Current assets	655,473	985,628	89,264	1,730,365
Creditors falling due within one year	(49,016)	(835,668)	(59,137)	(943,821)
Defined benefit pension liability	-	(4,612,000)	-	(4,612,000)
	<u>606,457</u>	<u>(4,462,040)</u>	<u>18,653,090</u>	<u>14,797,507</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	11,616,219	11,616,219
Current assets	838,058	597,571	21,687	1,457,316
Creditors falling due within one year	(2,504)	(546,042)	-	(548,546)
Defined benefit pension liability	-	(3,680,000)	-	(3,680,000)
	<u>835,554</u>	<u>(3,628,471)</u>	<u>11,637,906</u>	<u>8,844,989</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that 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' 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.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £498,148 (2017:£165,942).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.5% - 16.6% for employers and 5.5% - 12.5% for employees.

The academy trust has entered in to an agreement with the Trustees to make additional contributions in addition to normal funding levels. These amount to £1,333 for Mexborough St John the Baptist C of E Primary School, £1,892 for Wath C of E Primary School, £2,850 for Brampton Ellis C of E Primary School, £1,133 for Brampton Cortonwood Infant School, £2,373 for Wath Victoria Primary School, £808 for Hooton Pagnell All Saints C of E Primary School and £2,480 for Wath Central Primary School.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations (Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	510,000	133,000
Employees' contributions	145,000	36,000
Total contributions	<u>655,000</u>	<u>169,000</u>

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.35	3.45
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	<u>2.10</u>	<u>2.20</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	25.8	25.7
Retiring in 20 years		
- Males	25.2	25.1
- Females	<u>28.1</u>	<u>28.0</u>

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

	2018 £'000	2017 £'000
Discount rate + 0.1%	-187	-132
Mortality assumption + 1 year	136	94
CPI rate + 0.1%	<u>195</u>	<u>136</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pension and similar obligations

(Continued)

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

	2018 Fair value £	2017 Fair value £
Equities	1,646,000	981,000
Government bonds	443,000	222,000
Other bonds	226,000	111,000
Cash	144,000	32,000
Property	302,000	146,000
Other assets	339,000	121,000
	<u>3,100,000</u>	<u>1,613,000</u>

The actual return on scheme assets was £127,000 (2017: £64,000).

Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	806,000	205,000
Interest income	(63,000)	(16,000)
Interest cost	168,000	52,000
Benefit changes, curtailments and settlements gains or losses	9,000	2,000
	<u>920,000</u>	<u>243,000</u>

Changes in the present value of defined benefit obligations

	2018 £
At 1 September 2017	5,293,000
Obligations acquired on conversion	1,876,000
Current service cost	806,000
Interest cost	168,000
Employee contributions	145,000
Actuarial (gain)/loss	(561,000)
Benefits paid	(15,000)
	<u>7,712,000</u>
At 31 August 2018	<u>7,712,000</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20	Pension and similar obligations	(Continued)	
	Changes in the fair value of the academy trust's share of scheme assets		2018
			£
	At 1 September 2017		1,613,000
	Assets acquired on conversion		729,000
	Interest income		63,000
	Actuarial gain		64,000
	Employer contributions		510,000
	Employee contributions		145,000
	Benefits paid		(15,000)
	Effect of non-routine settlements		(9,000)
	At 31 August 2018		3,100,000
21	Reconciliation of net income to net cash flow from operating activities		
		2018	2017
		£	£
	Net income for the reporting period (as per the Statement of Financial Activities)	5,327,518	8,913,989
	Adjusted for:		
	Net surplus on conversion to academy	(6,125,979)	(8,240,559)
	Capital grants from DfE/ESFA and other capital income	(131,397)	(405,650)
	Investment income receivable	(1,840)	(517)
	Defined benefit pension costs less contributions payable	305,000	74,000
	Defined benefit pension net finance cost	105,000	36,000
	Depreciation of tangible fixed assets	448,964	90,946
	(Increase) in stocks	(32,448)	(17,011)
	Decrease/(increase) in debtors	316,373	(633,563)
	Increase in creditors	541,247	703,510
	Stocks, debtors and creditors transferred on conversion	(34,901)	-
	Net cash provided by operating activities	717,537	521,145

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Commitments under operating leases

At 31 August 2018 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2018 PFI	2018 Operating Leases	2017 PFI	2017 Operating Leases
	£	£	£	£
Amounts due within one year	135,969	8,717	-	9,111
Amounts due in two and five years	543,875	11,688	-	10,565
Amounts due after five years	1,325,694	-	-	-
	<u>2,005,538</u>	<u>20,405</u>	<u>-</u>	<u>19,676</u>

The commitment to PFI relates to the relevant proportion of the PFI (Private Finance Initiative) agreement with RMBC. This ends in 2034.

This will be funded via ESFA and other grant income.

23 Related party transactions

No related party transactions took place in the period of account.

24 Post balance sheet events

RMBC recently funded and built 3 classrooms at Wath Church of England Primary School. This was completed on 5 September 2018. The donation in kind from the local authority is £669,931.

On 1 October 2018 Laughton Junior and Infant School converted from a state maintained school to academy status and has joined James Montgomery Academy Trust. The fund balances transferred on conversion are not yet available.

On 1 December 2018 Kiveton Park Infant School converted from a state maintained school to academy status and has joined James Montgomery Academy Trust. The fund balances transferred on conversion are not yet available.

25 Members' liability

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Teaching school trading account	2018		2017	
	£	£	£	£
Direct income				
Fee income		34,060		-
Government grants		332,817		-
		<u>366,877</u>		<u>-</u>
		366,877		-
Direct costs				
Direct staff costs	158,922		-	
Educational supplies and services	38,123		-	
Educational consultancy	6,100		-	
	<u>203,145</u>		<u>-</u>	
	203,145		-	
Other costs				
Support staff costs	13,081		-	
Recruitment and support	530		-	
Catering	161		-	
	<u>13,772</u>		<u>-</u>	
	13,772		-	
Total expenditure		(216,917)		-
Surplus/(deficit) from all sources		<u>149,960</u>		<u>-</u>
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		<u>149,960</u>		<u>-</u>

27 Conversion to an academy

On 1 December 2017 Wath Central Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to James Montgomery Academy Trust from the Rotherham Metropolitan Borough Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy

(Continued)

Net assets transferred:

2018

£

Freehold land and buildings	7,100,000
Other tangible fixed assets	55,906
Cash	168,861
Borrowing obligations	(34,901)
LGPS pension surplus/(deficit)	(934,000)
	<u>6,355,866</u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£	£	£	£
Fixed assets funds			7,166,132	7,166,132
LA budget funds	99,864			99,864
School private fund	23,870			23,870
LGPS pension funds		(934,000)		(934,000)
Other funds				-
	<u>123,734</u>	<u>(934,000)</u>	<u>7,166,132</u>	<u>6,355,866</u>

The freehold land and buildings transferred are subject to provisions included as part of the private finance initiative (PFI) agreement.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy

(Continued)

On 1 April 2018 Hooton Pagnell All Saints C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to James Montgomery Academy Trust from Doncaster Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Net assets transferred:				2018
				£
Other tangible fixed assets				7,428
Cash				17,751
LGPS pension surplus/(deficit)				(213,000)
				<u>(187,821)</u>
				<u><u>(187,821)</u></u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£	£	£	£
Fixed assets funds	-	-	17,797	17,797
LA budget funds	6,576	-	-	6,576
School private fund	806	-	-	806
LGPS pension funds	-	(213,000)	-	(213,000)
Other funds	-	-	-	-
	<u>7,382</u>	<u>(213,000)</u>	<u>17,797</u>	<u>(187,821)</u>
	<u><u>7,382</u></u>	<u><u>(213,000)</u></u>	<u><u>17,797</u></u>	<u><u>(187,821)</u></u>

No building has been transferred on conversion as no ESFA valuation was available at the time of these accounts being filed, as explained in note 13.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

Reconciliation of funds	Notes	1 September 2016 £	31 August 2017 £
Funds as previously reported		-	784,114
Adjustments arising:			
Increase in land and buildings valuation - Mexborough St John The Baptist C of E Primary School		-	1,690,000
Increase in land and buildings valuation - Wath C of E Primary School		-	2,001,000
Increase in land and buildings valuation - Brampton The Ellis C of E Primary School		-	1,855,000
Increase in land and buildings valuation - Brampton Corton Wood Infant School		-	1,332,000
Increase in land and buildings valuation - Wath Victoria Primary School		-	1,182,875
Funds as restated		<u>-</u>	<u>8,844,989</u>
			2017
			£
Reconciliation of net income for the previous financial period	Notes		
Net income as previously reported			853,114
Adjustments arising:			
Increase in land and buildings valuation - Mexborough St John The Baptist C of E Primary School			1,690,000
Increase in land and buildings valuation - Wath C of E Primary School			2,001,000
Increase in land and buildings valuation - Brampton The Ellis C of E Primary School			1,855,000
Increase in land and buildings valuation - Brampton Corton Wood Infant School			1,332,000
Increase in land and buildings valuation - Wath Victoria Primary School			1,182,875
Net income as restated			<u>8,913,989</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

28 Prior period adjustment

(Continued)

Notes to restatement

Increase in land and building valuations

The ESFA land and buildings valuations for 4 out of 5 academies within the trust were unavailable at the time the previous accounts were submitted. These valuations were received in January 2018 and so adjustments have now been made to introduce the value of land and buildings on conversion for these academies.

For 1 out of the 5 academies a local authority value was available and introduced into the accounts in the prior year. However upon receiving the ESFA valuation, which is materially different, the decision has been made to uplift the value to such value for both reliability and consistency within the trust.