

**JAMES MONTGOMERY ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORTS AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Company Registration No: 10482806 (England and Wales)

# JAMES MONTGOMERY ACADEMY TRUST

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# JAMES MONTGOMERY ACADEMY TRUST

## REFERENCE & ADMINISTRATION DETAILS

### Directors

A De'Ath (resigned 01/09/2020)  
CJ Fitch  
MP Harrison (Chair)  
AA Price  
AJ Richards  
C Hewitt  
J Gray (appointed 18/12/2019)  
R Puncheon (appointed 18/12/2019)

### Members

Bishop S Jelley  
H Thomas  
Reverend S Gardner  
D Grover  
M Harrison

### Senior management team

- Chief Executive Officer
- Deputy Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Financial Officer

D Silvester  
A Benbow  
H Headleand  
P Haynes

### 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

Brampton Cortonwood Infant  
Brampton the Ellis CofE Primary  
Brinsworth Howarth Primary  
Harthill Primary  
Hooton Pagnell All Saints CofE Primary  
Kiveton Park Infant  
Kiveton Park Meadows Junior  
Laughton Junior and Infant  
Mexborough St John the Baptist CofE Primary  
Wath CofE Primary  
Wath Central Primary  
Wath Victoria Primary

### Location

Doncaster  
Rotherham  
Rotherham  
Rotherham  
Doncaster  
Rotherham  
Rotherham  
Rotherham  
Doncaster  
Rotherham  
Rotherham  
Rotherham

### Head of Academy

S Aston  
A Benbow  
M Crawford  
A Krabbendam  
L Carr  
A Krabbendam  
J Elstone  
C Hill  
A Minor  
P Beevor  
J Gray  
C Miller

### Independent auditor (external)

BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

# JAMES MONTGOMERY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor (internal)**

Hart Shaw LLP  
Europa Link  
Sheffield  
S9 1XU

**Bankers**

Royal Bank of Scotland  
5 Church Street  
Sheffield  
S1 1HF

**Solicitors**

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG

# **JAMES MONTGOMERY ACADEMY TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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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 2019 to 31 August 2020. 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 Brinsworth Howarth Primary School, Harthill Primary School and Kiveton Park Meadows Junior School within this accounting period. The academy trust now operates 12 primary schools in the South Yorkshire area with a combined pupil capacity of 3,155 at the year-end and a roll of 2,887 (full time pupils).

#### **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 S Jelley, H Thomas, 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.

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

# JAMES MONTGOMERY ACADEMY TRUST

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### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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- 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 to aid and inform 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 of 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 budgets are maintained. 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

#### **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 and this forms the remit for the Academy Trusts pay structure for its Key management personnel.

In determining senior management pay at school level the Trust applies a criteria based on the size and composition of the school. The Trust has conducted a benchmarking exercise, reviewing organisations of a similar size and nature. As the Trust continues to grow the Board will continue to review pay structures with due consideration to what the DfE considers appropriate levels of pay for public servants.

Academy Trustees are non-executives and are not remunerated for their role as a Trustee.

# **JAMES MONTGOMERY ACADEMY TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **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.

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**

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. No employee in the Trust has trade union facilities time.

#### **Connected Organisations including Related Party Transactions**

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

# **JAMES MONTGOMERY ACADEMY TRUST**

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### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Risk Management**

The Trustees have assessed the major risks to which the Academy Trust 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**

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.

#### **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



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- Is recognised nationally as an educational organisation of high quality, producing outstanding results within an inclusive culture.

The main objectives between 1 September 2019 and 31 August 2020 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 embed the 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 – including recruiting to vacant leadership roles and developing aspiring leaders.
- To ensure effective CPD programmes are established that support the recruitment and retention of quality staff – both teaching and non-teaching.
- 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. In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

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#### **Strategic Report**

##### **Achievements and Performance**

Due to the COVID-19 virus the Department for Education took the decision to suspend all academic testing in the academic year 2019-20. The trust therefore does not have any performance data to report in relation to pupil attainment.

However, despite an extended period of closure, the trust has taken significant steps to ensure support is available for pupils and families. Some schools have remained open for vulnerable and key worker children, as well as supporting pupils and families from neighbouring schools. During the period of closure, staff have been involved in developing plans to support staff and pupils back into school following the lifting of restrictions. Key areas of focus have been:

- Developing curriculum recovery
- Creating a safe environment for staff and pupils
- Continuing to provide support to those most vulnerable
- Contingency planning to ensure schools are ready to open in the Autumn Term

The key priority of the trust is to ensure all available resources are utilised to ensure pupil progress is not substantially impacted by the pandemic. In addition to academy performance, the trust has a responsibility to manage the anxiety some families inevitably feel when schools reopen.

##### **Going Concern**

After making appropriate enquiries, the Board of Trustees has 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.

##### **Promoting the Success of the Company**

The Board of Trustees has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to the Audit & Risk Committee and Local Governing Bodies. Financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. When making decisions, each Trustee ensures he/she acts in a way he/she considers, in good faith, would most likely promote the Trust's success for the benefit of all stakeholders. In doing so Trustees have regard for the following matters:

- *S172 (1) (A) the likely consequences of any decision in the long term* – Trustees recognise the challenges the Trust faces in dealing with significant growth against the backdrop of growing uncertainty caused by the coronavirus outbreak. The decisions taken by the Board take into account the overall strategic aims of the Trust – predominantly the educational progress and wellbeing of the pupils in its care. By supporting growth the Trust Board hopes to further develop the capacity of the Trust to support the wider community in the coming years.
- *S172 (1) (B) the interests of the company's employees* – Trustees recognise the vital role employees play in delivering the best possible outcomes for all stakeholders. The Trust has invested significantly in staff training and wellbeing programmes to ensure everyone reaches their full potential and feels supported in their roles.
- *S172 (1) (C) the need to foster the Trust's business relationships with suppliers, customers and others* – as a publicly funded organisation the Trust has a duty to ensure all partner organisations are aligned to the Trust's principles and ethical standards. In recent months the Trust has also adopted a more flexible approach in dealing with businesses to ensure support is provided during the period of uncertainty caused by the pandemic.
- *S172 (1) (D) the impact of the Trust's operations on the community and the environment* – as the hub of the community all Trust schools work with local community groups to ensure a cohesive approach is taken to tackle local priorities. This is partly achieved through local representation on governing bodies. The Trust is also investing capital funds in improving energy efficiency in schools, part of a wider strategy to reduce carbon emissions.

# JAMES MONTGOMERY ACADEMY TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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- *S172 (1) (E) the desirability of the company maintaining a reputation for high standards of business conduct* – the Trust has an obligation to ensure the highest possible ethical standards are applied when carrying out its core business. The Trust is passionately committed to equality of opportunity and this is reflected in its policies and procedures that underpin employee recruitment. The Trust also operates a strong governance framework that is open and transparent.

#### **Financial Review**

The Academy Trust's accounting period is from 1 September 2019 to 31 August 2020.

#### **Restricted General Funds**

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 balance on restricted general funds at 31 August 2020 was £18,000 (2019: £149,000). During the period ended 31 August 2020 total expenditure of £15,238,000 was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £14,608,000. The in-year deficit for the period was £630,000. This deficit was offset by a transfer of £499,000 from unrestricted funds. All figures exclude fixed asset reserves and pension liability movements/transfers.

A key financial performance indicator is salary costs as a percentage of educational income which are currently 85%, which exceeds both the trust expectations and DfE guidance. The trust are exploring methods to address this.

#### **Restricted Fixed Asset Funds**

The balance on restricted fixed asset funds at 31 August 2020 was £23,162,000 (2019: £18,068,000). This is made up of assets (predominantly land and buildings) of £23,009,000 and £153,000 unspent capital grant funding. The balance in the year has increased due to the transfer of land and buildings as follows:

- Brinsworth Howarth Primary (converted 01/12/19) - £2,325,000
- Harthill Primary (converted 01/04/20) - £1,570,000
- Kiveton Park Meadows Junior (converted 01/12/19) - £1,540,000

Land and buildings were transferred from Rotherham MBC to the trust at their fair value on conversion. Additionally, the value of fixed assets for 2019 year was restated to take account of land and buildings transferred when Kiveton Park Infant and Laughton J&I joined the Trust (valuations were not available at the time). Total assets transferred in the previous year from RMBC totalled £2,905,000.

In the year the trust was successful in obtaining bid funding through the Condition Improvement Fund (CIF). The successful bids include:

- Brinsworth Howarth Primary – window replacement
- Hooton Pagnell All Saints CofE Primary – roof replacement

# JAMES MONTGOMERY ACADEMY TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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- Kiveton Park Meadows Junior – roof replacement
- Laughton Junior and Infant – repairs to external façade

Capital funding is treated as restricted income and any unspent capital balances will be included in restricted fixed asset funds. At 31 August 2020 the trust held unspent capital balances of £153,000. This is made up of £149,000 Devolved Formula Capital and £4,000 Healthy School Capital.

#### Unrestricted Funds

The total of unrestricted funds at 31 August 2020 was £615,000 (2019: £747,000). The reduction in unrestricted funds is partly due to a deficit balance of £87,000 inherited when Brinsworth Howarth Primary joined the trust on 1 December 2019. Additionally, the period of school closures following the government announcement on 23<sup>rd</sup> March has meant schools have seen a reduction in fundraising income and voluntary contributions from parents (breakfast and after school clubs).

Total unrestricted income in the year was £431,000 – largely made up of catering income (pupil meals), rental income, supply teacher insurance reimbursements and parental contributions.

In the year £563,000 of unrestricted funds were transferred to restricted general funds to support school activities.

#### Restricted Pension Funds

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.

The pension liability at 31 August 2020 was £11,315,000 (2019: £8,448,000). In the year the trust inherited £708,000 pension liabilities (transfers on conversion) and saw an increase in the overall liability due to movements and pension finance costs.

#### **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.

A key priority of the trust is to develop financial resilience to mitigate the risks associated with fluctuations in pupil numbers and the impact of nationally agreed pay awards. The trust therefore aims to carry a reserve equivalent to a 3% reduction in pupil numbers and an additional 1% increase in pay. For the academic year 2019/20, this equates to £433,000.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2020 was £633,000. This has been reviewed by the trust and is in line with the reserves policy.

#### **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**

School Business Managers carry out regular budget monitoring and report any variances to the Headteacher, LGB and Chief Financial Officer (CFO). The CFO also produces monthly management accounts for the Chair of the Trust. The role of the internal auditor is conducted by, Hart Shaw LLP, and their outcomes are reported

# JAMES MONTGOMERY ACADEMY TRUST

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### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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directly to Trustees. An Audit & Risk Committee has also been established to help strengthen internal scrutiny.

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. 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 challenge for the coming year is the potential impact of COVID-19 on staff and pupil performance/wellbeing.

The Trust 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 Trust has a Designated Safeguarding Lead who will ensure all staff receive relevant training within the next accounting period.

#### **Principal Risks and Uncertainties**

The main risks and uncertainties faced by the trust are regarding the long term impact of COVID-19. Whilst government funding has been guaranteed during the period of lockdown, there is uncertainty around the financial impact on supply agency costs needed to cover staff absence due to self-isolation. There are also further financial risks associated with the likely reduction in parental contributions from extended provision and other income generating activities.

The government has taken steps to reduce the immediate uncertainty caused by COVID-19 – including the COVID Catch-up Premium and providing support where schools face exceptional costs. However, the longer term impact on staff wellbeing and pupil progress has yet to be realised. The trust is working with Headteachers to mitigate these risks by investing in additional capacity to target pupils who are 'falling behind' as well as revising curriculum plans.

The trust also faces the risks associated with expansion. In the academic year 2020/21, an additional 5 schools are expected to join the trust and additional investment is required in staffing resource to effectively operate as a 17 school multi-academy trust.

#### **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.

#### **Strategic Aims:**

1. Attainment and Progress
  - To continue with accelerating the progress for all pupils
  - To introduce measures to mitigate the impact of COVID-19
  - 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 audit recommendations to ensure full compliance
  - To continue to ensure that balanced budgets are held
  - To build a strong alliance as a Teaching School Alliance to create further income streams
  - To build greater financial resilience through effective financial management
  - To harness the purchasing power of the trust to drive down costs
3. Quality Assurance and Data

# JAMES MONTGOMERY ACADEMY TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

- To review and improve findings from our Assurance Register
- 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 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
  - Develop a 5 year strategic plan to underpin investment through School Condition Allocation
  - Improve facilities at Mexborough St Johns to enable delivery of 2 year old provision.

### **Streamlined Energy and Carbon Reporting**

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	<b>3,541,353</b>
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>• gas, 2,717,607</li> <li>• electricity, 820,332</li> <li>• transport fuel 3,414</li> </ul>	
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption	511.24
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	109.19
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	3.41
Total gross emissions in metric tonnes CO2e	<b>623.84</b>
<u>Intensity ratio</u> Tonnes CO2e per pupil	<b>0.21</b>

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#### Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is the total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### Measurements taken to improve energy efficiency

The Trust has taken a number of steps to reduce carbon emissions, including:

- Encouraging staff to hold meetings via video conferencing, thus reducing travel between sites.
- Successfully bid for a number of capital projects (replacements roofs/windows) to reduce energy consumption in schools.
- Carried out a condition review of boilers to identify opportunities for upgrading, thus reducing energy consumption.

#### **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 2020 and signed on its behalf by:

  
Martin Harrison (Dec 17, 2020 12:50 GMT)

**M Harrison**  
Trustee

# JAMES MONTGOMERY ACADEMY TRUST

## GOVERNANCE STATEMENT

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Scope of Responsibility**

As Trustees 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 Trustees 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 Trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of</b>
A De'Ath (resigned 01/09/2020)	1	4
CJ Fitch	1	4
MP Harrison (Chair)	4	4
AA Price	3	4
AJ Richards	4	4
C Hewitt	4	4
R Puncheon (appointed 18/12/2019)	3	3
J Gray (appointed 18/12/2019)	3	3

In the academic year ending 31 August 2020 the trust had one resignation and two appointments.

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 have been involved in performance management of key personnel and have been instrumental in helping to develop best practice across the MAT in sharing information. 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 Board of Trustees aim to meet at least 6 times per academic year, however recognise that this is not always possible, therefore communication is maintained throughout the year by sharing reports, Trustees meeting with trust key personnel and the sharing of monthly management accounts via a secure portal. The Board of Trustees evaluated its performance over the year and recruitment to ensure succession planning and sustainability of the Board.



# **JAMES MONTGOMERY ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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In the year the Trust also established an Audit & Risk Committee. As per the Terms of Reference the committee is required to meet 3 times in the academic year. In 2019-20 the committee met once, with all members in attendance. However, the Chair of the Trust Board and committee members have received regular updates from the Chief Financial Officer to ensure effective oversight. The intention is to ensure a minimum of 3 meetings take place each year moving forward.

#### **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 Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer has delivered improved value for money during the year by:

- Re-tendering external audit services, saving the trust £20,000 per annum
- Reducing staffing costs by introducing shared roles across schools
- Procuring ICT licences and hardware in bulk to generate greater savings

Following the coronavirus outbreak the Department for Education issued guidance to academy trusts in relation to payment of suppliers. Public Procurement Notices 02/20 and 04/20 are designed to ensure service continuity during the coronavirus outbreak, protecting 'at risk' suppliers and jobs. During the period of school closures (March – August 2020) the Trust reached agreement with the local authority to honour existing contractual obligations. Agreements were reached with local authority providers for catering and cleaning services. As local authorities were unable to furlough staff there was a real risk that a number of traded services would become unviable during the period of closure. Without financial support from customers these services would cease to exist and would severely compromise the ability of schools to reopen in time for the new academic year.

#### **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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

# JAMES MONTGOMERY ACADEMY TRUST

## GOVERNANCE STATEMENT

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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#### **The risk and control framework**

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

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

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

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 Hart Shaw LLP reports to the Board of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

Hart Shaw LLP have delivered their schedule of work as planned. After the internal audit, the auditors scheduled recommendations to improve the systems and controls in place, all of which were either implemented in the period, 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 Chief Financial Officer who has 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 Trustees on 17 December 2020 and signed on its behalf by:

# JAMES MONTGOMERY ACADEMY TRUST

## GOVERNANCE STATEMENT

*FOR THE YEAR ENDED 31 AUGUST 2020*

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Martin Harrison (Dec 17, 2020 12:50 GMT)

M P Harrison  
**Chair**



David Silvester (Dec 17, 2020 12:57 GMT)

D Silvester  
**Accounting Officer**

# JAMES MONTGOMERY ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

### *FOR THE YEAR ENDED 31 AUGUST 2020*

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As Accounting Officer of James Montgomery Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

*David Silvester*

David Silvester (Dec 17, 2020 12:57 GMT)

D Silvester  
**Accounting Officer**

17 December 2020

# JAMES MONTGOMERY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The Trustees (who also act as Trustees for James Montgomery Academy Trust) are responsible for preparing the Trustees 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 Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2020 and signed on its behalf

  
Martin Harrison (Dec 17, 2020 12:50 GMT)

M P Harrison  
**Chair**

# **JAMES MONTGOMERY ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST**

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### **Opinion**

We have audited the financial statements of James Montgomery Academy Trust (the 'academy') for the Year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

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

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

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

# **JAMES MONTGOMERY ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST**

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### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

# JAMES MONTGOMERY ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST

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### Responsibilities of trustees

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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

*Philip Allsop*

Philip Allsop (Dec 17, 2020 14:21 GMT)

### Philip Allsop (Senior statutory auditor)

for and on behalf of  
**BHP LLP**  
Chartered Accountants  
Statutory Auditors  
2 Rutland Park  
Sheffield  
S10 2PD

Date: Dec 17, 2020



# **JAMES MONTGOMERY ACADEMY TRUST**

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

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In accordance with the terms of our engagement letter dated 12 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 Year 1 September 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Year 1 September 2019 to 31 August 2020 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 2019 to 2020 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's income and expenditure.

Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately

- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

# JAMES MONTGOMERY ACADEMY TRUST

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

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### Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the Year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Philip Allsop*

Philip Allsop (Dec 17, 2020 14:21 GMT)

Philip Allsop (Reporting Accountant)

### **BHP LLP**

Chartered Accountants  
Statutory Auditors  
2 Rutland Park Sheffield  
S10 2PD

Date: Dec 17, 2020

# JAMES MONTGOMERY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2020 £000	Total 2019 as restated £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	163	110	273	919
Donations - transfer from local authority on conversion	32	41	(708)	5,450	4,783	2,413
Charitable activities:						
- Funding for educational operations	4	-	14,171	-	14,171	11,737
- Funding for teaching school	31	-	274	-	274	230
Other trading activities	5	387	-	-	387	411
Investments	6	3	-	-	3	3
<b>Total</b>		<u>431</u>	<u>13,900</u>	<u>5,560</u>	<u>19,891</u>	<u>15,713</u>
<b>Expenditure on:</b>						
Raising funds	7	-	-	-	-	21
Charitable activities:						
- Educational operations	9	-	15,804	530	16,334	13,245
- Teaching school	31	-	274	-	274	370
<b>Total</b>	<b>7</b>	<u>-</u>	<u>16,078</u>	<u>530</u>	<u>16,608</u>	<u>13,636</u>
<b>Net income/(expenditure)</b>		431	(2,178)	5,030	3,283	2,077
Transfers between funds	19	(563)	499	64	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,319)	-	(1,319)	(2,393)
<b>Net movement in funds</b>		(132)	(2,998)	5,094	1,964	(316)
<b>Reconciliation of funds</b>						
Total funds brought forward		747	(8,299)	18,068	10,516	10,830
Total funds carried forward		<u>615</u>	<u>(11,297)</u>	<u>23,162</u>	<u>12,480</u>	<u>10,516</u>

# JAMES MONTGOMERY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019 as restated	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	13		23,009		17,959
<b>Current assets</b>					
Stocks	14	-		8	
Debtors	15	880		396	
Cash at bank and in hand		1,143		1,495	
			2,023		1,899
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,150)		(894)	
<b>Net current assets</b>			873		1,005
<b>Total assets less current liabilities</b>			23,882		18,964
Creditors: amounts falling due after more than one year	18		(87)		-
<b>Net assets excluding pension liability</b>			<b>23,795</b>		<b>18,964</b>
Defined benefit pension scheme liability	20		(11,315)		(8,448)
<b>Net assets</b>			<b>12,480</b>		<b>10,516</b>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	19				
- Fixed asset funds			23,162		18,068
- Restricted income funds			18		149
- Pension reserve			(11,315)		(8,448)
<b>Total restricted funds</b>			11,865		9,769
<b>Unrestricted income funds</b>	19		615		747
<b>Total funds</b>			<b>12,480</b>		<b>10,516</b>

The accounts set out on pages 25 to 56 were approved by the board of directors and authorised for issue on 17 December 2020 and are signed on its behalf by:

  
Martin Harrison (Dec 17, 2020 12:50 GMT)

M P Harrison  
Chair

Company Number 10482806

# JAMES MONTGOMERY ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

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		2020	2019
	Notes	£000	as restated £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	(379)	(7)
		<u>(379)</u>	<u>(7)</u>
<b>Cash flows from investing activities</b>	24	(18)	(64)
<b>Cash flows from financing activities</b>	23	3	-
<b>Cash flows from academy conversions</b>	25	42	202
		<u>42</u>	<u>202</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		(352)	131
Cash and cash equivalents at beginning of the year		1,495	1,364
		<u>1,495</u>	<u>1,364</u>
<b>Cash and cash equivalents at end of the year</b>		<u>1,143</u>	<u>1,495</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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 2019 to 2020 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 i.e. 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. Government assurances around school funding during coronavirus pandemic has reduced financial uncertainty faced by schools and the ongoing situation is not expected to compromise the financial viability of the Trust moving forward. 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 32.

##### 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 2020

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#### 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 2020

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#### 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: Not depreciated. 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% straight line

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 2020

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#### 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 prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

##### 1.13 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 2020

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#### 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 19, 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 2020. 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 £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Donated fixed assets	-	-	-	700
Capital grants	-	110	110	183
Other donations	-	163	163	36
	<u>-</u>	<u>273</u>	<u>273</u>	<u>919</u>

In the year the Trust received £110,000 DfE group capital funding (2019: 167,000).

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	10,353	10,353	8,503
Start up grants	-	50	50	65
Teaching School Grants	-	49	49	46
Other DfE group grants	-	2,167	2,167	1,402
	-	12,619	12,619	10,016
<b>Other government grants</b>				
Local authority grants	-	1,559	1,559	1,660
Teaching School (non-DfE)	-	225	225	184
	-	1,784	1,784	1,844
<b>Other funding</b>				
Coronavirus exceptional costs	-	42	42	-
<b>Other incoming resources</b>				
	-	-	-	107
	-	42	42	107
<b>Total funding</b>	-	14,445	14,445	11,967

### 5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Unrestricted lettings income	9	-	9	15
Catering income	101	-	101	148
Unrestricted staff absence income	75	-	75	40
Other income	202	-	202	208
	387	-	387	411

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	3	-	3	3

7 Expenditure	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds	-	-	-	-	21
Academy's educational operations					
- Direct costs	10,503	342	1,624	12,469	8,616
- Allocated support costs	1,664	713	1,488	3,865	4,590
Teaching school					
- Direct costs	67	-	207	274	296
- Allocated support costs	-	-	-	-	73
	<u>12,234</u>	<u>1,055</u>	<u>3,319</u>	<u>16,608</u>	<u>13,596</u>

Net income/(expenditure) for the period includes:	2020 £000	2019 £000
Fees payable to auditor for:		
- Audit	18	39
- Assurance services other than audit	11	6
Legal fees - academy conversion costs	57	40
Legal fees - other	2	-
Operating lease rentals	33	14
Depreciation of tangible fixed assets	530	452
Net interest on defined benefit pension liability	840	139

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 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

The academy trust charges for these services based on a flat percentage of income (3.5%) and an additional agreed fee for ICT and support services.

The amounts charged during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Brampton Cortonwood Infant	40	26
Brampton the Ellis CofE Primary	76	62
Brinsworth Howarth Primary	16	-
Harthill Primary	25	-
Hooton Pagnell CofE All Saints Primary	27	14
Kiveton Park Infant	32	18
Kiveton Park Meadows Junior	23	-
Laughton J&I	35	23
Mexborough St John the Baptist CofE Primary	46	32
Wath CofE Primary	64	45
Wath Central Primary	73	58
Wath Victoria Primary	60	43
	<u>517</u>	<u>321</u>

#### 9 Charitable activities

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Direct costs - educational operations	-	12,743	12,743	8,948
Support costs - educational operations	-	3,865	3,865	4,667
	<u>-</u>	<u>16,608</u>	<u>16,608</u>	<u>13,615</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 9 Charitable activities

<b>Analysis of costs</b>	<b>Teaching School £000</b>	<b>Educational operations £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
<b>Direct costs</b>				
Teaching and educational support staff costs	44	10,526	10,570	7,685
Staff development	-	41	41	52
Depreciation and amortisation	-	477	477	352
Technology costs	-	106	106	182
Educational supplies and services	13	224	237	239
Examination fees	-	-	-	-
Educational consultancy	189	278	467	171
Other direct costs	-	845	845	267
	<u>246</u>	<u>12,497</u>	<u>12,743</u>	<u>8,948</u>
<b>Support costs</b>				
Support staff costs	23	1,641	1,664	2,484
Depreciation and amortisation	-	53	53	100
Maintenance of premises and equipment	-	122	122	500
Cleaning	-	128	128	103
Energy costs	-	190	190	155
Rent and rates	-	94	94	72
Insurance	-	51	51	47
Security and transport	-	30	30	42
Catering	-	622	622	602
Finance costs	-	-	-	139
Other support costs	5	810	815	209
Governance costs	-	96	96	214
	<u>28</u>	<u>3,837</u>	<u>3,865</u>	<u>4,667</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 10 Staff

#### Staff costs

Staff costs during the year were:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	9,199	7,472
Social security costs	796	620
Pension costs	2,088	2,005
Apprenticeship levy	40	-
Holiday leave accrual	6	-
	<hr/>	<hr/>
Amounts paid to employees	12,129	10,097
Agency staff costs	63	59
Staff restructuring costs	42	4
	<hr/>	<hr/>
Total staff expenditure	<u>12,234</u>	<u>10,160</u>

Staff restructuring costs comprise:

Redundancy payments	-	1
Severance payments	17	3
Other restructuring costs	25	-
	<hr/>	<hr/>
	<u>42</u>	<u>4</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2019: £2,850). This is for 1 payment.

#### Staff numbers

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Teachers	166	113
Administration and support	376	263
Management	16	5
	<hr/>	<hr/>
	<u>558</u>	<u>381</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 10 Staff

#### Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	4	2
£70,001 - £80,000	2	-
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
	<u>          </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 £1,233,573 (2019: £358,505).

### 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 2020

### 13 Tangible fixed assets

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2019	11,291	7,069	319	195	18,874
Transfer on conversion	5,435	-	9	6	5,450
Additions	37	-	65	26	128
At 31 August 2020	16,763	7,069	393	227	24,452
<b>Depreciation</b>					
At 1 September 2019	343	297	207	66	913
Charge for the year	379	-	95	56	530
At 31 August 2020	722	297	302	122	1,443
<b>Net book value</b>					
At 31 August 2019	10,946	6,772	112	129	17,959
At 31 August 2020	16,041	6,772	91	105	23,009

There has been a material prior period adjustment in relation to tangible fixed assets, as disclosed in note 33.

Upon conversion, land and buildings were transferred to Brinsworth Howarth Primary, Harthill Primary and Kiveton Park Meadows Junior on a 125 year lease from Rotherham MBC. The land and buildings valuations are included in the accounts based on valuations carried out by Rotherham MBC Property Services.

Please refer to note 32 for further details regarding the transfer of assets and liabilities on conversion.

14 Stocks	2020 £000	2019 £000
Educational supplies	-	8

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>15 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	164	9
VAT recoverable	114	89
Other debtors	-	92
Prepayments and accrued income	602	206
	<u>880</u>	<u>396</u>

<b>16 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	274	161
Other taxation and social security	442	320
Other creditors	4	5
Accruals and deferred income	430	408
	<u>1,150</u>	<u>894</u>

<b>17 Deferred income</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Deferred income is included within:		
Creditors due within one year	<u>343</u>	<u>475</u>
Deferred income at 1 September 2019	343	475
Released from previous years	(343)	(475)
Resources deferred in the year	<u>314</u>	<u>343</u>
<b>Deferred income at 31 August 2020</b>	<u>314</u>	<u>343</u>

At the balance sheet date, the academy trust was holding funds received in advance for Universal Infant Free School Meals £223,306 (2019: £193,594) , Rates Relief £25,693 (2019: £20,626), Pupil Growth Funding £56,076 (2019: £112,152) and unspent insurance income £9,000 (2019: £nil).

<b>18 Creditors: amounts falling due in greater than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other creditors	87	-

On conversion Brinsworth Howarth Primary inherited a deficit of £87,268. An agreement has been reached with the Department for Education to repay the deficit over a three year period.

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	139	10,353	(10,991)	499	-
Start Up grants	-	50	(50)	-	-
Pupil Premium	-	893	(893)	-	-
Other DfE / ESFA grants	-	1,316	(1,316)	-	-
Other government grants	-	1,722	(1,714)	-	8
Teaching school	10	274	(274)	-	10
Pension reserve	(8,448)	(708)	(840)	(1,319)	(11,315)
	<u>(8,299)</u>	<u>13,900</u>	<u>(16,078)</u>	<u>(820)</u>	<u>(11,297)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	17,404	5,450	(397)	-	22,457
DfE group capital grants	406	110	(4)	-	512
Capital expenditure from GAG	209	-	(124)	64	149
Private funding	35	-	(5)	-	30
Local authority capital grants	14	-	-	-	14
	<u>18,068</u>	<u>5,560</u>	<u>(530)</u>	<u>64</u>	<u>23,162</u>
<b>Total restricted funds</b>	<u>9,769</u>	<u>19,460</u>	<u>(16,608)</u>	<u>(756)</u>	<u>11,865</u>
<b>Unrestricted funds</b>					
General funds	<u>747</u>	<u>431</u>	<u>-</u>	<u>(563)</u>	<u>615</u>
<b>Total funds</b>	<u>10,516</u>	<u>19,891</u>	<u>(16,608)</u>	<u>(1,319)</u>	<u>12,480</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 19 Funds

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 2020.

##### **Start Up Grant**

This is funding allocated to meet the legal costs for Ferham Primary & St Ann's J&I, both Rotherham based primary schools joining the Trust in 2020-21 academic year.

##### **Pupil Premium Grant**

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.

##### **Teaching School Grant**

Forge Teaching School Alliance received £49,000 funding from the DfE in 2019-20 to help promote teacher training and recruitment. In addition to this the Trust also received additional funds from Rotherham MBC to support a number of local school improvement projects.

##### **Other Grants**

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

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

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.

*Exceptional funding* to support with the costs associated with the coronavirus pandemic.

##### **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 £64,000 (2019: £27,420) has been transferred from restricted general funds to restricted fixed asset funds. At 31 August 2020 the Trust had unspent capital funds of £153,000 which will be utilised in the academic year 2020-21 to support building works and investment in ICT infrastructure.

##### **Unrestricted Funds**

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust. In the year income of £431,000 was received – largely relating to parental contributions, insurance reimbursements and catering income. In the year £563,000 was transferred to restricted general funds to support the purchase of key educational resources.

##### **Pension Reserve**

The restricted pension fund has a deficit of £11,315,000 (2019: £8,448,000). The deficit has increased largely due to the conversion of Brinsworth Howarth Primary (£333,000), Harthill Primary (£158,000) and Kiveton Park Meadows Junior (£217,000). Additionally, the Trust experienced an increase of £1,319,000 in the overall liability and £840,000 pension finance charges.

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Funds

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

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019 as restated
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	8,503	(8,336)	(28)	139
Start up grants	-	65	(65)	-	-
Pupil Premium	-	688	(688)	-	-
Teaching school	150	230	(370)	-	10
Other grants	-	2,175	(2,175)	-	-
Pension reserve	(4,689)	(672)	(771)	(2,316)	(8,448)
	<u>(4,539)</u>	<u>10,989</u>	<u>(12,405)</u>	<u>(2,344)</u>	<u>(8,299)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,943	2,923	(377)	-	16,489
DfE group capital grants	242	167	(4)	-	405
Capital expenditure from GAG	229	-	(47)	27	209
Local authority capital grants	251	700	(20)	-	931
Private funding	21	16	(3)	-	34
	<u>14,686</u>	<u>3,806</u>	<u>(451)</u>	<u>27</u>	<u>18,068</u>
<b>Total restricted funds</b>	<u>10,147</u>	<u>14,795</u>	<u>(12,856)</u>	<u>(2,317)</u>	<u>9,769</u>
<b>Unrestricted funds</b>					
General funds	<u>606</u>	<u>919</u>	<u>(778)</u>	<u>-</u>	<u>747</u>
<b>Total funds</b>	<u>10,753</u>	<u>15,714</u>	<u>(13,634)</u>	<u>(2,317)</u>	<u>10,516</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 19 Funds

#### Total funds analysis by academy

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fund balances at 31 August 2020 were allocated as follows:		
Brampton Cortonwood Infant	11	80
Brampton the Ellis CofE Primary	99	198
Brinsworth Howarth Primary	(92)	-
Harthill Primary	27	-
Hooton Pagnell CofE All Saints Primary	97	49
Kiveton Park Infant	31	15
Kiveton Park Meadows Junior	70	-
Laughton J&I	91	99
Mexborough St John the Baptist CofE Primary	68	63
Wath CofE Primary	69	107
Wath Central Primary	(4)	7
Wath Victoria Primary School	148	213
Forge Teaching School Alliance	11	10
Central services	7	55
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	633	896
Restricted fixed asset fund	23,162	18,068
Pension reserve	(11,315)	(8,448)
	<hr/>	<hr/>
Total funds	12,480	10,516
	<hr/> <hr/>	<hr/> <hr/>

In the year two schools reported a deficit - Brinsworth Howarth Primary (£92,000) and Wath Central Primary (£4,000). Brinsworth Howarth Primary inherited a deficit on conversion of £87,000 – largely due to pre-conversion restructuring costs. The benefit of the restructure will be realised in the academic year 2020-21 and the deficit is likely to be recovered by August 2021.

Wath Central Primary continues to feel the financial impact of reducing pupil numbers. The Trust is currently working with the school leadership to restructure staffing and look at strategies for increasing pupil numbers.

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

### 19 Funds

#### Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Brampton Cortonwood Infant	687	134	8	234	1,063	973
Brampton the Ellis CofE Primary	1,607	282	26	547	2,462	2,341
Brinsworth Howarth Primary	606	68	6	180	860	-
Harthill Primary	261	33	3	75	372	-
Hooton Pagnell CofE All Saints Primary	274	85	12	123	494	462
Kiveton Park Infant	653	123	8	209	993	727
Kiveton Park Meadows Junior	564	85	7	134	790	-
Laughton Junior and Infant School	689	123	10	257	1,079	921
Mexborough St John the Baptist CofE Primary	726	160	27	273	1,186	1,166
Wath CofE Primary	1,185	177	22	494	1,878	1,732
Wath Central Primary	1,396	142	14	666	2,218	2,215
Wath Victoria Primary	1,246	136	23	395	1,800	1,667
Forge Teaching School Alliance	44	254	-	(23)	275	370
Central services	577	29	21	(19)	608	609
	<u>10,515</u>	<u>1,831</u>	<u>187</u>	<u>3,545</u>	<u>16,078</u>	<u>13,183</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 2016, and that of the LGPS 31 March 2019.

There were outstanding contributions of £233,156 at the end of the accounting period.

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 20 Pension and similar obligations (continued)

##### Teachers' Pension Scheme

###### Introduction

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

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

###### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £1,268,000 (2019: £674,000).

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.



# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Pension and similar obligations (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2020 and prior year are detailed below. The agreed contribution rate for the future year are 15.5% and 5.5% - 12.5% for employees.

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

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	791	609
Employees' contributions	222	166
Total contributions	<u>1,013</u>	<u>775</u>

<b>Principal actuarial assumptions</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.55	3.27
Rate of increase for pensions in payment/inflation	2.40	2.12
Discount rate for scheme liabilities	1.80	1.80
Inflation assumption (CPI)	<u>2.30</u>	<u>2.02</u>

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.4	23.1
- Females	25.2	25.9
Retiring in 20 years		
- Males	23.9	25.3
- Females	<u>27.1</u>	<u>28.3</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Pension and similar obligations (continued)

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate + 0.1%	(440)	(306)
Discount rate - 0.1%	451	312
Mortality assumption + 1 year	536	223
Mortality assumption - 1 year	(520)	(219)
CPI rate + 0.1%	455	318
CPI rate - 0.1%	(444)	(311)

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

	<b>2020</b>	<b>2019</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£000</b>	<b>£000</b>
Equities	3,644	2,244
Government bonds	1,126	613
Other bonds	676	315
Cash	276	137
Property	643	371
Other assets	1,312	608
Total market value of assets	7,677	4,288

The actual return on scheme assets was £47,000 (2019: £279,000).

#### Amount recognised in the Statement of Financial Activities

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Current service cost	1,256	874
Past service cost	7	355
Interest income	-	(103)
Interest cost	260	242
Admin expenses	17	12
Total operating charge	1,540	1,380

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 20 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations	2020 £000
At 1 September 2019	12,814
Obligations acquired on conversion	2,163
Current service cost	1,478
Interest cost	260
Employee contributions	222
Actuarial loss/(gain)	2,178
Benefits paid	(130)
Past service cost	7
	<hr/>
At 31 August 2020	<u>18,992</u>

#### Changes in the fair value of the academy trust's share of scheme assets

	2020 £000
At 1 September 2019	4,366
Assets acquired on conversion	1,455
Interest income	107
Actuarial gain	883
Employer contributions	791
Employee contributions	222
Benefits paid	(130)
Admin expenses	(17)
	<hr/>
At 31 August 2020	<u>7,677</u>

#### 21 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2020 £000
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	23,009	23,009
Current assets	615	1,255	153	2,023
Creditors falling due within one year	-	(1,150)	-	(1,150)
Creditors falling due in greater than one year	-	(87)	-	(87)
Defined benefit pension liability	-	(11,315)	-	(11,315)
	<hr/>	<hr/>	<hr/>	<hr/>
	615	(11,297)	23,162	12,480
	<hr/>	<hr/>	<hr/>	<hr/>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>22</b>	<b>Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	3,283	2,077
	Adjusted for:		
	Depreciation (note 13)	530	451
	Capital grants from DfE and other capital income	(110)	(883)
	Assets inherited on conversion (note 32)	(5,450)	(2,923)
	Investment income receivable	(3)	(3)
	Defined benefit pension scheme obligation inherited (note 32)	708	672
	Defined benefit pension costs less contributions payable	-	632
	Defined benefit pension scheme finance cost	840	139
	Cash inherited on conversion	(42)	(162)
	Stocks, debtors and creditors transferred on conversion	-	(37)
	(Increase)/decrease in stocks	7	40
	(Increase)/decrease in debtors (note 15)	(485)	(79)
	Increase/(decrease) in creditors (note 16)	343	69
	<b>Net cash (used in)/provided by operating activities</b>	<b>(379)</b>	<b>(7)</b>
<b>23</b>	<b>Cash flows from financing activities</b>		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Cash inflows – interest receivable	3	3
	<b>Net cash flows provided by/(used in) financing activities</b>	<b>3</b>	<b>3</b>
<b>24</b>	<b>Cash flows from investing activities</b>		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Purchase of tangible fixed assets	(128)	(250)
	DfE/other capital grants	110	183
	<b>Net cash flows provided by/(used in) investing activities</b>	<b>(18)</b>	<b>(67)</b>
<b>25</b>	<b>Transfers on conversion</b>		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Cash transferred on conversion to academy status	42	162
	<b>Total cash transferred on conversion</b>	<b>42</b>	<b>162</b>
<b>26</b>	<b>Analysis of cash and cash equivalents</b>		
		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	Cash in hand and at the bank	1,143	1,364
	<b>Total cash and cash equivalents</b>	<b>1,143</b>	<b>1,364</b>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 27 Commitments under operating leases and PFI agreements

At 31 August 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020 PFI £000	2020 Operating Leases £000	2019 PFI £000	2019 Operating Leases £000
Amounts due within one year	143	33	139	11
Amounts due in two and five years	573	60	557	23
Amounts due after five years	1,229	-	1,220	-
	<u>1,945</u>	<u>93</u>	<u>1,916</u>	<u>34</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.

#### 28 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees and key management personnel being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees and key management personnel have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

##### Expenditure related party transactions

Dee Bee's DIY - a shop owned by the brother in law of J Holliday (School Business Manager):

- The academy trust purchased a number of small purchases for repairs totalling £550 (2019: £1,333).
- The academy trust made the purchases at arms length, which J Holliday neither participated in, nor influenced.

RD Removals – a waste disposal company owned by the nephew of J Holliday (School Business Manager):

- The academy trust purchased waste removal services totalling £870 (2019: £300).
- The academy trust made the purchases at arms length, which J Holliday neither participated in, nor influenced.

##### Related employments

- Freya Hamilton, a teaching assistant at Harthill Primary, is the sister of Andrew Krabbendam, Headteacher at Harthill Primary.
- Layla Preece, a teaching assistant at Brampton Cortonwood Infant, is the daughter of the Chair of Governors.
- Neil Pacheco, a teacher at Kiveton Park Meadows Junior, is the husband of Jennifer Pacheco, a member of the Senior Leadership Team in school.
- Karen King, a teaching assistant at Brampton the Ellis CofE Primary, is the wife of Richard King, a member

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 29 Post balance sheet events

On 1 October 2020 St Ann's J&I converted to academy status and joined James Montgomery Academy Trust.

### 30 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.

31 Teaching school trading account	2020		2019	
	£000	£000	£000	£000
<b>Direct income</b>				
Fee income		49		46
Government grants		226		184
		<hr/>		<hr/>
<b>Total income</b>		275		230
<b>Direct costs</b>				
Direct staff costs	44		190	
Educational supplies and services	-		54	
Educational consultancy	203		52	
	<hr/>		<hr/>	
<b>Total direct costs</b>	247		296	
	<hr/>		<hr/>	
<b>Other costs</b>				
Support staff costs	23		72	
Other support costs	5		2	
	<hr/>		<hr/>	
	28		74	
	<hr/>		<hr/>	
<b>Total operating costs</b>		275		370
		<hr/>		<hr/>
<b>(Deficit)/surplus from teaching school</b>		-		(140)
Teaching school balances at 1 September 2019		10		150
		<hr/>		<hr/>
<b>Teaching school balances at 31 August 2020</b>		10		10
		<hr/>		<hr/>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 32 Conversion to an academy

On 1 December 2019 Brinsworth Howarth Primary 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 Local Authority 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.

	<b>2020</b>
<b>Net assets transferred:</b>	<b>£000</b>
Tangible fixed assets	2,339
Cash	(87)
LGPS pension surplus/(deficit)	(333)
	<u>1,919</u>

	<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Funds surplus/(deficit) transferred:</b>	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fixed assets funds	-	-	2,339	2,339
LA budget funds	(87)	-	-	(87)
School private fund	-	-	-	-
LGPS pension funds	-	-	-	-
Other funds	-	(333)	-	(333)
	<u>(87)</u>	<u>(333)</u>	<u>2,339</u>	<u>1,919</u>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 32 Conversion to an academy (continued)

On 1 December 2019 Kiveton Park Meadows Junior 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 Rotherham 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.

	<b>2020</b>
<b>Net assets transferred:</b>	<b>£000</b>
Tangible fixed assets	1,540
Cash	77
LGPS pension surplus/(deficit)	(217)
	<u>1,400</u>

	<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2020</b>
<b>Funds surplus/(deficit) transferred:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fixed assets funds	-	-	1,540	1,540
LA budget funds	67	-	-	67
School private fund	10	-	-	10
LGPS pension funds	-	-	-	-
Other funds	-	(217)	-	(217)
	<u>77</u>	<u>(217)</u>	<u>1,540</u>	<u>1,400</u>



# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 32 Conversion to an academy (continued)

On 1 April 2020 Harthill Primary 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 Rotherham 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.

	<b>2020</b>
<b>Net assets transferred:</b>	<b>£000</b>
Tangible fixed assets	1,571
Cash	52
LGPS pension surplus/(deficit)	(158)
	<hr/>
	1,465
	<hr/>

	<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2020</b>
<b>Funds surplus/(deficit) transferred:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fixed assets funds	-	-	1,571	1,571
LA budget funds	52	-	-	52
School private fund	-	-	-	-
LGPS pension funds	-	-	-	-
Other funds	-	(158)	-	(158)
	<hr/>	<hr/>	<hr/>	<hr/>
	52	(158)	1,571	1,465
	<hr/>	<hr/>	<hr/>	<hr/>

# JAMES MONTGOMERY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 33 Prior period adjustment

		<b>1 September 2018 £000</b>	<b>31 August 2019 £000</b>
<b>Reconciliation of funds</b>	<b>Notes</b>		
Funds as previously reported		10,830	7,728
Adjustments arising:			
Increase in land and buildings valuation – Laughton Junior and Infant School		-	1,635
Increase in land and buildings valuation – Kiveton Park Infant School		-	1,230
Local Government Pension Scheme pension deficit adjustment – Central Services		-	(77)
		<hr/>	<hr/>
Funds as restated		<u>10,830</u>	<u>10,516</u>
			<b>2019 £000</b>
<b>Reconciliation of net income/(expenditure) for the previous financial period</b>			
Net income/(expenditure) as previously reported			(788)
Adjustments arising:			
Increase in land and buildings valuation – Laughton Junior and Infant School			1,635
Increase in land and buildings valuation – Kiveton Park Infant School			1,230
			<hr/>
Net income as restated			<u>2,077</u>

#### Notes to restatement

##### Increase in land and building valuations

The ESFA land and buildings valuations for Laughton J& and Kiveton Park Infant were unavailable at the time the previous accounts were approved. This valuation was received in January 2020 and so an adjustment has now been made to introduce the value of land and buildings on conversion for this academy.

The prior year accounts did not include the pension liability for the Trust central services team. Following receipt of the pension actuary report, an adjustment has now been made to introduce the deficit.