

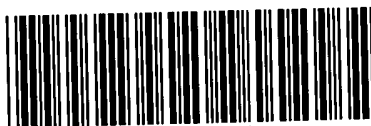
# John Taylor MAT

Registered number: 07421140

## Trustees report and financial statements

For the year ended 31 August 2017

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**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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<b>Members</b>	G Moss (Chair) D Beaty A Lee S Treanor (appointed 1 July 2017) J Hodgkinson (resigned 31 October 2016) Church of England Central Education Trust
<b>Trustees</b>	M Donoghue, (Accounting Officer) R Hayes C Hopkins T Hopkins B Mahoney B Richardson A Grandfield MBE (appointed 1 November 2016) S Treanor (resigned 30 June 2017) G Moss D Beaty A Lee
<b>Company registered number</b>	07421140
<b>Company name</b>	John Taylor MAT
<b>Principal and registered office</b>	Dunstall Road Burton on Trent Staffordshire DE13 8AZ
<b>Company secretary</b>	B Mahoney
<b>Senior management team</b>	M Donoghue, Principal of JTHS and JTMAT CEO I Bryant (resigned 31 August 17), Principal of Kingsmead School L Farmer, Co-Principal of Thomas Russell Infant's School S Burton, Co-Principal of Thomas Russell Infant's School C Jones (maternity leave from 16 October 17), Principal of Yoxall St Peter's L Farmer, Acting Principal of Yoxall St Peter's B Mahoney, Director of Business
<b>Independent auditors</b>	Mazars LLP Chartered Accountants 45 Church Street Birmingham B3 2RT
<b>Bankers</b>	Lloyds TSB High Street Burton on Trent Staffordshire DE13 9LT

**JOHN TAYLOR MAT**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND  
ADVISERS**  
***FOR THE YEAR ENDED 31 AUGUST 2017***

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**Advisers (continued)**

<b>Solicitors</b>	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
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## **JOHN TAYLOR MAT** **(A company limited by guarantee)**

### **TRUSTEES' REPORT** **FOR THE YEAR ENDED 31 AUGUST 2017**

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The Members and Directors present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

During 2016-17 the trust operated four academies for pupil's aged 3 to 19 serving catchment areas in Barton under Needwood, Yoxall and Hednesford (all in Staffordshire).

Achievements of John Taylor Multi-Academy Trust during 2016-17:

- Key achievement and progress outcomes in all four schools improved on those achieved in 2016. In several cases, this improvement was significant.
- Successful de-coupling of CEO role from Principal of John Taylor High School (from 1 September 2017), and the recruitment to Head of School positions in three of our schools.
- Application to lead the 8-form entry Free School at Tatenhill was approved by the Department for Education. This £34 million new school will be a significant local provider and a major source of collaboration and innovation for the Trust.
- A successful 'Stage 1' Ofsted inspection for SCITT (School Centred Initial Teacher Training) provision and a significant growth in the number of trainee teachers being brought into the profession through the National Forest Teaching School Alliance, based at John Taylor High School.
- Application planned for 2-form entry Free School (via the presumption route) at Streethay, Lichfield.
- MAT self-evaluation documentation completed, with approval of the Regional School Commissioner's Academy Delivery Team.
- Moving forward towards further schools joining the Trust, with Rykneld Primary School in Burton having made a formal application.

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

##### **a. Constitution**

The Academy Trust is a company limited by guarantee (registration number 07421140) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. John Taylor Multi Academy Trust was formed on 1 June 2015 and has adopted the above registration number with revised memorandum and articles of association.

The trustees of John Taylor MAT (who are Governors) are also Directors for the Charitable Company for the purpose of company law. The Charitable Company is known as John Taylor MAT (JTMAT).

Detail of the Members and Directors who served during the year are included in the Reference and Administrative Details on page 1. The attendance of Members and Directors who were in office at 31 August 2017 and served throughout the year is listed on page 15.

During the year under review 6 Trustee Board meetings and 6 local governors' meetings were held plus one Extraordinary Trustee Board meeting and one extraordinary Managing and Organising meeting each at Kingsmead and John Taylor. The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Directors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

##### **b. Members' liability**

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

## **JOHN TAYLOR MAT**

### **(A company limited by guarantee)**

#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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##### **c. Directors' indemnities**

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

##### **d. Method of recruitment and appointment or election of directors**

Directors of the Trust are appointed by existing Members in accordance with the Trust's Articles of Association. Chairs of each Local Governing Body and its Committees are annually elected to their roles at the first committee meeting of the academic year in each academy's Local Governing Body (LGB). Directors are appointed because of the range of skills and expertise they can bring to help realise JTMAT's vision and values for the Trust, enhance the effective strategic leadership and management of the Trust, and effectively represent stakeholder interest within the Trust. Two directors shall be appointed to the Board from the LGBs of its academies. In order to ensure opportunity is shared across all JTMAT schools, the tenure of LGB academy directors will be a maximum of four years. Following a recent skills survey audit, which identified a shortfall in PR/Marketing expertise, it was agreed that this skill set will be addressed during the next appointment.

##### **e. Policies and procedures adopted for the induction and training of directors**

The training and induction provided for each new Director will depend on their existing experience. The Trust purchases support that provides for individual and collective training through an annual programme of training which is reviewed each year to reflect any changes in practice and legislation. The Trust, as a matter of course, will annually revisit training needs of existing directors and discuss in their induction process any needs pertaining to new Directors. This practice is replicated for governors serving on the Local Governing Bodies of academies within the Trust.

##### **f. Organisational structure**

The Directors and Key Management Personnel are responsible for setting general policy, adopting a strategic plan and budget, monitoring academies by the use of budgets and making major decisions about the direction of the Trust and its academies capital expenditure and senior staff appointments. They are also bound by duties and responsibilities as set out in charity law and the duties of a director as set out in company law. The Chief Executive Officer is accountable for the overall financial viability and sustainability of the Trust and for the development of relationships with key internal and external stakeholders for the benefit of its pupils and the wider communities. As the Accounting Officer for JTMAT, the Chief Executive Officer has personal responsibility for ensuring value for money, regularity and propriety. Each Local Governing Body has established a Managing and Organising Committee whose role is to improve, monitor and evaluate the efficiency and effectiveness of systems, procedures and structures of the Academy and the deployment of resources required to ensure them. These Committees will meet half-termly and have responsibility for a number of related areas.

The CEO meets with the key management personnel of the Trust (listed on p.1) as an Executive Group 6 times per year. Senior Leadership Teams comprising Heads of School, Vice Principals and Assistant Principals and Directors of Business (or their schools' equivalents) lead Trust academies at an executive level implementing the policies ratified by the Governors of the LGB and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff through appointment panels, which always contain a Governor. Some spending control is devolved to members of staff within leadership responsibilities that lie below senior level (e.g. curriculum or phase leaders), with limits above this being countersigned by the Head of School, a Vice Principal or the Director of Business, in line with the approved Scheme of Delegation for that Academy.

## **JOHN TAYLOR MAT**

### **(A company limited by guarantee)**

#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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##### **g. Arrangements for setting pay and remuneration of key management personnel**

The rules for determining the pay and remuneration of JTMAT key management personnel are set out in the Trust Pay Policy which follows closely the stipulations embodied in the School Teachers' Pay and Conditions (STPCD) and Green Book documents. The remuneration of the CEO is discussed, reviewed annually and set by the MAT Board. The Trustees have established pay ranges for each individual school within the MAT based on the total unit score calculation and remuneration for key management personnel does not exceed the maximum permissible within each school group size.

##### **h. Principal activities**

To provide an excellent broad and balanced curriculum for all learners in MAT academies that ensures each individual reaches stretching personal goals and fulfils their potential.

##### **i. Related parties and co-operation with other organisations**

As a multi academy trust, John Taylor MAT has no structural or commercial affiliation to any other organisations. All pecuniary interests for staff and directors are recorded, and reviewed annually. "Pecuniary interests" is a standing item on every MAT Board and LGB meeting.

The Academy Trust has a subsidiary undertaking, John Taylor High School Fund, a registered charity. The object of the charity is to advance the education of students by providing and assisting in the provision of facilities for the education of students at John Taylor MAT. Details of the subsidiary undertakings result are shown in note 17 of the financial statements.

#### **OBJECTIVES AND ACTIVITIES**

##### **a. Objects and aims**

The principal object and activity of the charitable company is the operation of John Taylor MAT 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 schools offering a broad and balanced curriculum.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to its academies, the catchment areas from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Trust during the year ended 31 August 2017 are summarised below:

- Children are well-prepared for the next stage in their lives through experiencing the best learning opportunities through exceptional teaching and support, and access to high quality resources and provision in and beyond the classroom.
- Children achieve more, and make better progress, by attending a JTMAT academy than would otherwise be expected. We add value.
- Our academies are full, and always oversubscribed as a result of their popularity, reputation and success.
- Our academies are staffed with high-performing professionals, exhibiting passion and taking pride in their work, in a context of effective support and challenge.
- Accommodation and premises are safe, well-maintained, and with facilities that are constantly improving.
- Infrastructure is both effective and efficient, underpinned by sound financial management practices whereby value for money is always given due regard.
- Management systems are coherent and cohesive, and staffed by colleagues who are innovative,

## **JOHN TAYLOR MAT**

### **(A company limited by guarantee)**

#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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adaptable, and capable of absorbing new initiatives.

- Our academies, and the Multi-Academy Trust, are held in the highest regard by others within and beyond the education sector, and our work and its impact is validated by external accreditation and inspection.

#### **b. Strategies and activities**

The Trust's main strategy is enshrined in its mission statement which is that 'we believe in the power of education to improve lives – and the world'. The keys to our success are:

Our commitment to ensure learning is at the heart of all we do: Keeping "the main thing, the main thing" – prioritising our people, time, energy and funding to the improvement of the educational experience – both formal and informal – we provide:

A passion for excellence: Only comparing ourselves with the best. When finding it, seeking to match and then surpass it.

Restlessness and curiosity: Looking for opportunity to be involved and to learn from new experiences.

Courage to innovate: Leading change – in teaching and learning, curriculum development, organisational structures.

Tenacity and resilience: Holding to our mission in times of turbulence, and remaining resolute until we achieve what we set out to do.

Collegiality: listening to others, sharing with others, learning from others.

In line with our Equality Policy the Trust is committed to ensuring equality of opportunity for all who learn and work here.

#### **Equality statement**

The Academy Trust seeks to achieve the objectives set down in the Equality Act 2010.

- As part of its accommodation strategy the Trust updates its access audit as required.
- The Trust has, in each Academy, an appointed SEND Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- There is a list of specialist equipment held by each Academy which the Trust can make available for use by pupils and a range of assistive technology is available in each Special Educational Needs Department.
- The policy for the admittance of all pupils is described in the Trust's Admissions Policy. Appeals against a decision not to offer a place are dealt with under the appeals procedure outlined within the admissions policy.
- The Trust has made a significant investment in the appointment of specialist teachers to support pupils with learning difficulties and/or disabilities. There is a continuing programme of staff development in each Academy to ensure the provision of a high level of appropriate support for pupils who have learning difficulties and/or disabilities.
- Specialist programmes are described in Academy prospectuses, and achievements are recorded and published in the standard format.
- We inform pupils and parents, at the point of transfer to Academies within the MAT, of the Academy's pastoral system and identified staff e.g. House Learning Manager, to whom they can go to if they require support or assistance of any kind.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**c. Public Benefit**

The Directors have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

**STRATEGIC REPORT**

**Achievements and performance**

**a. Key Performance Indicators**

Academies within the Trust continue to perform strongly or are improving in a range of key performance indicators. Academic achievement is clearly very closely aligned to our strategic objectives as articulated on page 4 – particularly regarding children's preparedness for the next stages of their lives (our first objective) and the most demonstrable way in which we can indicate that our Trust adds value (the second objective).

Below are statistical tables indicating the success at KS1, KS2, KS4 and KS5. Due to the changing nature of assessment and the metrics by which schools are assessed – in both the primary and secondary phases – comparisons with previous years are not applicable. Moving forward, the Trust would hope to be able to compare like-for-like data for its schools with previous years.

**Primary Phase**

Year 2 Thomas Russell Infants School:

Year 2 results are all based on teacher judgements, made up of SATS tests and teacher assessment throughout the year. Results were submitted to the local authority, who analyse the data. 'RAISE online' comparing Yoxall and Thomas Russell Infants with all schools nationally is unavailable at this time. The report compares all groups of children, including those with SEND, disadvantaged etc. These will be shared with the LGB at Learning and Standards upon receipt.

	Reading	Writing	Maths
Working at the expected standard or above TRIS	92%	82%	91%
Staffordshire figures	78.9%	71.9%	78%
Working at greater depth TRIS	38%	21%	21%
Staffordshire figures	27.7%	17.3%	22.3%

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Year 6 Yoxall St Peter's:**

**Writing**

This is based in teacher assessment. All other areas are tested via SATS and marked externally (see below).

	Expected national 2016	Exceeding national 2016	Expected school 2017	Exceeding school 2017
	74%	15%	81%	22%

**Year 6 National Tests: Reading, SPaG, Writing, Mathematics**

	School at Expected level %	National average	School at Exceeding level %	National Average
Reading	91%	66%	27%	19%
SPAG	95%	72%	38%	23%
Writing	86%	74%	45%	15%
Mathematics	86%	70%	14%	17%

Progress is assessed by the school as positive for Year 6, but a final progress figure is still to be confirmed.

**Secondary Phase**

Year 11 and Year 13

N.B: Year 11 and Year 13 achievement data is prior to re-marks.

**Year 11**

	John Taylor High School Year 11 (226 children)	Kingsmead School Year 11 (183 children)
English L4+	92.0%	70.1%
English L5+	79.2%	50.3%
Mathematics L4+	85.4%	51.3%
Mathematics L5+	68.6%	29.9%
English and Mathematics L4+	82.7%	46.5%
English and Mathematics L5 +	62.8%	25.1%
EBacc L4+	43.8%	8%
EBacc L5+	39.4%	6.4%
Attainment 8	54.73	42.81
Progress 8	+0.4 (2016: +0.25)	-0.161 (2016: -0.26)

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Year 13**

	John Taylor High School Year 13 (173 students)	Kingsmead School Year 13 (91 students)
%A*-B of grades at Advanced Level	56%	35.6%
APS Academic	36.9	24.95
APS Applied General	40.53	48.9

External scrutiny of results at all JTMAT schools has indicated that all are in a position to validate in their own self-evaluation and to other parties entrusted with responsibility for school standards the 'good' and 'outstanding' Ofsted judgments with which each school is currently rated.

Validated data will not be made available until later in the academic year, but will be used by the MAT and leaders at MAT- and school-level to further appraise our successes, amend our improvement planning and intervention, with a view of securing even better outcomes for the year ahead.

**FINANCIAL REVIEW**

**a. Financial review**

Most of the Trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for tangible fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' SORP (FRS102), such grants are 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 expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £16,392,011 (2016 £15,506,110) was not covered by recurrent grant funding from the ESFA and other incoming resources. The deficit of expenditure over income for the year (excluding restricted fixed asset funds and income on conversion) was £348,333 (2016 surplus £153,000).

At 31 August 2017 the net book value of fixed assets was £30,813,837 (2016 £31,343,890). Assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust.

The deficit of the pension reserve of £5,169,000 (2016: £5,574,000) relates to the non-teaching staff pension scheme, where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer to employee contributions, increased government funding or changes to scheme benefits.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**b. Sources of capital income**

As at 31 August 2017 the Trust has been awarded grants to the value £676,000 towards new roof covering at John Taylor HS which was completed in January 2017. It has also received £232,450 for roof replacement at Thomas Russell and £169,980 for roof recovering and £141,630 for window replacement at Kingsmead School.

**c. Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the 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.

**d. Financial and risk management objectives and policies**

The Directors have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The trust's exposure to risk is largely bank balances, trade creditors and debtors plus its inherited Local Government Defined Benefits pension scheme deficit for support staff across the Trust. The Academy Trust assesses the risks arising from its operations and examines the likelihood and materiality of each risk. The Trust has operational and strategic risk registers which describe the control mechanisms in place to manage or mitigate each risk. The Trust addresses the risk of misappropriation of funds through theft, fraud or other means by engaging positively with accountancy and internal and external auditing services and verification processes and using industry-standard, bespoke financial packages and systems designed to mitigate risk.

The MAT strategic risk register is reviewed at all MAT Board meetings and mitigating actions agreed as required and all changes documented. Each Academy's strategic and operational risk registers are reviewed regularly by the Local Governing Body via a standing item at their meetings.

**e. Reserves policy**

The appropriate level of reserves will be determined by the JTMAT Audit Committee and will be subject to annual approval by the Trust Board. The Trust aims to maintain an adequate level of uncommitted reserves to:

- provide a working balance to cushion the impact of uneven cash flows and avoid necessary short term borrowing;
- provide a contingency to cushion the impact of unexpected events, emergencies and large shortfalls in budgets;
- plan for potential major items of expenditure.

The Group's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,002,327 (2016: £1,935,000).

The Trust regularly monitors and reviews the level of reserves in the light of the changing funding and financial climate and other risks such as the potential cash impact on its pension scheme liability. This will be reviewed further following the release of the 2017 triennial pension scheme valuation.

The Group held total fund balances at 31 August 2017 of £28,416,504 (2016: £28,383,890) comprising £26,414,177 (2016: £26,448,890) of restricted funds and £2,002,237 (2016: £1,935,000) of unrestricted general funds and included within the restricted reserves is a pension reserve deficit of £5,169,000 (2016: £5,574,000).

The Academy Trust has a restricted fixed assets fund, with a balance of £30,813,387 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the Academy Trust and will only be realised by disposing of the tangible assets.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The pension liability at 31 August 2017 is £5,169,000 which is shown separately in a restricted fund and the trustees continue to review the contribution due based on the reports received from the schemes actuaries ensuring the cash is available to meet contributions as they fall due.

**f. Investment policy**

The Academy Trust does not currently have an investment policy as there are no investments. Should a decision be taken to consider a strategy requiring investment, this would be enshrined in policy. The Trust does however look to maximise its income through the transfer of uncommitted balances to a short-term higher interest deposit account which it regards as a low risk strategy.

**g. Key performance indicators:**

Members and directors must have the skills, knowledge and experience to run the Multi Academy Trust. Their duties include ensuring that the trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook. The Trust will continue to grow and intends to reach a number of at least eight schools by 2019.

**Governance KPI's**

1. Ensure that distinction is achieved between Member and Director roles within the MAT as enshrined in documentation.
2. All Members and Directors fully understand their duties as Company Directors and Charity Trustees as laid out in the Companies Act 2006 and Charity Commission guidance as exemplified in a skills audit.
3. All schools have a full complement for their Local Governing Bodies, with an appropriate set of skills and experiences to undertake their defined responsibilities.

**Financial KPI's**

1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money).
2. Assurance received that annual financial accounts have been properly prepared and are free of material misstatements.
3. Accounts filed with Companies House for public access by 31 December each year and on the Trust website by 31 January of the following year.
4. All statutory returns submitted on time.
5. Staffing costs capped at 80% of total Trust income (actual staff costs for 2016-17 were 79.01%).
6. Alternative sources of funding are pursued, consistent with the Trust's core competencies.
7. Sufficient levels of income are generated to support the asset base of the Trust.
8. Sources of funding pursued for capital development projects.

**Human Resource KPI's**

1. All MAT academies fully staffed with high calibre staff.
2. Pupil to teacher ratios are favourable compared to national levels.
3. Development opportunities made available to staff to work across schools in the MAT.
4. 100% training penetration rate achieved (calculated as % of employees completing a course of training compared to total number of employees employed).
5. 100% performance management penetration for all eligible staff across all MAT schools.

**School Standards KPI's**

1. All MAT schools retain or improve their Ofsted inspection rating.
2. Parent, staff and student survey data illustrates satisfaction.
3. Schools can demonstrate the adding of value to children of all ages, abilities, and backgrounds.
4. All schools are fully compliant with health and safety, safeguarding and other statutory requirements.

## **JOHN TAYLOR MAT**

### **(A company limited by guarantee)**

#### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **PLANS FOR THE FUTURE PERIODS**

##### **a. Future developments**

The Academy Trust will continue striving to improve the levels of performance of its pupils and students at all levels and will continue its efforts to ensure they secure employment or a place in Higher Education once they leave school.

Key priorities are identified in our Strategic Plan 2016-19:

##### **Opportunities for Strategic Development 1: Teaching and Curriculum**

- a. Shared training plans to derive and exploit opportunities for collaboration and cross-fertilisation of expertise.
- b. Shared training days calendared across MAT schools to facilitate the above.
- c. An annual teaching and learning event to showcase innovation and celebrate excellent practice.
- d. Close alignment of key performance indicators for teachers across the MAT regarding appraisal to promote consistency of challenge.
- e. Formal teacher secondments and regular development opportunities for teachers – across schools, across phases.
- f. An on-line repository of learning resources and lesson video footage to be shared across all schools within the MAT.
- g. School improvement reviews to be commissioned on a regular cycle for all schools within the MAT.
- h. A greater number of Specialist Leaders of Education are recruited from the MAT'S schools to work out of the National Forest Teaching School.

##### **Opportunities for Strategic Development 2: Leadership**

- a. Key performance indicators across the MAT'S schools (e.g. financial position, pupil progress, school improvement activities, appraisal) can be monitored centrally via a single 'dashboard'.
- b. An asset register of all MAT assets is clearly formatted and accurate.
- c. All teaching and learning responsibility (TLR) holders have undertaken recognised middle leader training within two years of taking up their position within the MAT.
- d. All leadership group (LG) post holders have undertaken recognised senior leader training within two years of taking up their position within the MAT.
- e. An annual governance event takes place to enable networking and skills development for all Local Governing Bodies.
- f. Policy (and contracts where applicable) alignment across all MAT schools exists, with local contexts taken into account regarding procedures and protocols.
- g. Formal leadership secondments and regular development opportunities across the MAT.
- h. The Executive Group and School Representation Group are high functioning, effective structures to support communication and decision-making.

##### **Opportunities for Strategic Development 3: IT infrastructure**

- a. Key organisational architecture – calendars, agendas and minutes, policies – are shared with all staff across the MAT to improve efficiency and coherence.
- b. A MAT-wide IT hardware and software inventory is maintained.
- c. Common IT procedures are implemented across MAT schools to improve efficiency.
- d. Cross-site opportunities for data storage and back-up are fully utilised.
- e. Relevant spare stock is stored by the MAT for emergency replacement to its schools, minimising disruption to teaching and management through 'down time'.
- f. JTMAT web presence, and via social media, is effective in communicating to existing stakeholders and the wider community.
- g. Harnessing technology is a regular feature of both the MAT'S teaching and governance annual events.
- h. IT-related training is delivered to MAT staff on a needs-driven, as opposed to school-driven, basis.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- i. Existing inter-site connectivity is exploited to enable cross site working.

**Opportunities for Strategic Development 4: Support services**

- a. Key support staff – IT technicians, cover supervisors, teaching assistants - work effectively across the MAT'S schools, demonstrating an increased responsiveness to need, supported by high quality training, and opportunities to appoint staff into student support roles across schools are taken where appropriate.
- b. The MAT develops an impressive package of traded services, in conjunction with the National Forest Teaching School, and delivers high quality school improvement, financial support and other packages to other schools and MATs.
- c. Commercial income is maximised through a centralisation of lettings provision across the Trust's schools.

**Principal risks and uncertainties**

The Academy Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

Based on its Terms of Reference, the Audit Committee undertook a comprehensive review of the risks to which the Trust is exposed. They identified systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy Trust. In addition to the annual review, the Audit Committee also considered any risks which arose as a result of a new area of work being undertaken by the Trust.

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control, and during the year the review has been informed by the work of the Director assigned to check the trust's internal controls and the external auditor, as well as the self-assessment process.

A strategic risk register is maintained at the Trust level which is reviewed at least annually by all Directors and more frequently where necessary. For each academy within the Trust, both strategic and operational risk registers are in place, reviewed by Governors on the LGB (it appearing as a standing item on all governing body agendas). The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust and its academies.

- Strategic & Reputational,
- Operational Risk,
- Compliance Risk,
- Financial Risk.

**1. Government funding**

The Academy has considerable reliance on continued government funding through the ESFA. In 2016/17, 96% of the Academy's revenue was ultimately public funded. There can be no assurance gained that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the Trust is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.
- By ensuring that the trust delivers good value in the use of public resources.

**2. Maintain adequate funding of pension liabilities**

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

**EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES**

The Academy Trust encourages the involvement of its employees in its management through regular meetings of the professional bodies/councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Academy Trust and for receiving their views on important matters of policy.

The Academy Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. Policy and its implementation is reviewed annually by Directors and its implementation by governors at each academy's LGB.

During employment the Academy Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

**DISCLOSURE OF INFORMATION TO AUDITORS**

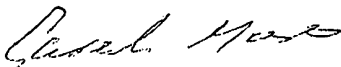
Insofar as the Trustees are aware:

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

**AUDITORS**

Following a tendering process in February 2017, Mazars Audit LLP was appointed as auditor for a period of 3 years and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



**Mr Gareth Moss**  
**Chair of Trustees**



## **JOHN TAYLOR MAT** **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT**

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#### **Scope of Responsibility**

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

The Board of Directors has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Taylor MAT and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Governors' responsibilities.

The Board of Directors has formally met 7 times during the year. Attendance during the year at meetings of the Trust Board were as follows:

Trustee	Meetings attended	Out of a possible
G Moss (Chair)	7	7
D Beaty	4	7
M Donoghue, (Accounting Officer)	7	7
A Grandfield MBE	5	7
R Hayes	6	7
C Hopkins	6	7
T Hopkins	5	7
A Lee	7	7
B Richardson	6	7
S Treanor	3	7
G Moss	4	7
D Beaty	3	7
A Lee	5	7

John Taylor MAT has established robust governance structures with terms of reference for all committees and these will continue to be reviewed annually. The Board has undertaken a review and self-evaluation of its own effectiveness and has carried out a skills audit of its members and organised training courses to address specific needs. A School Representation Group will be constituted in 2018, in line with the Trust's growth trajectory, to ensure that academies within JTMAT have a clear and structured communication mechanism with the MAT Board.

The Trust has established an Audit and Compliance Committee whose main purpose is to oversee the audit process and related matters in line with the Trust Scheme of Delegation. The committee met 3 times during the year. M Donoghue also attended 2 meetings and B Mahoney attended 3 meetings during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Richardson	3	3
J Hodgkinson	2	3
A Jenkins	2	3
D Oates	3	3

In addition to the MAT Board, the Trust has established Local Governing Body Managing and Organising

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

Committees at each school which met 6 times during the year plus one additional extra ordinary meeting was held at John Taylor and Kingsmead schools. The Managing and Organising Committees are responsible for running the business of each Academy. They receive Management Accounts and detailed financial reports at each meeting in addition to Capital, Health and Safety and Premises related income and expenditure issues. Attendance during the year at all Managing and Organising Committees was as follows:

	Location	Meetings attended	Out of a possible
D Beaty	JTH	3	7
C Cheadle	JTH	5	7
P Cleary	JTH	3	7
M Donoghue	JTH	7	7
G Flek	JTH	5	7
C Foster	JTH	4	7
J Hodgkinson	JTH	5	7
A Jenkins	JTH	6	7
A Lee	JTH	5	7
G Moss	JTH	4	7
B Richardson	JTH	7	7
C Sanders(mat leave to June)	JTH	2	2
J Sidwell	JTH	6	7
I Bryant (resigned 31/8/17)	KNG	6	7
B Heath	KNG	4	7
R Hayes	KNG	3	7
B Gamble(resigned 12/9/16)	KNG	0	0
C Hunt (wef March 2017)	KNG	4	4
J Bernard	KNG	6	7
S Shirley	KNG	4	7
D Ryder	KNG	4	7
M Pickerill	KNG	7	7
L Harrison	KNG	6	7
H Brass	KNG	7	7
R Dyke	KNG	7	7
A Lowe	KNG	6	7
I van den Berg	KNG	5	7
K Bracebridge	KNG	3	7
T Hopkins	TRI	5	6
N Antona	TRI	5	6
R Brittle(resigned Sept 16)	TRI	1	1
K Johnson(resigned Sept 16)	TRI	1	1
S Shorten	TRI	6	6
S Burton	TRI	6	6
L Farmer	TRI	5	6
F Adkins	TRI	4	6
L Needham	TRI	6	6
A Cotterill	TRI	6	6
R Summers	TRI	6	6
T Moore	TRI	6	6
J Lloyd-Jones(wef March 17)	TRI	3	3
D Harmon(wef March 17)	TRI	3	3
N Taylor	YOP	6	6
C Jones(maternity leave Oct 16)	YOP	1	6

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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P Siddell	YOP	5	6
L Farmer (Acting Head Nov 16)	YOP	5	5
A Stuart	YOP	6	6
S Draper	YOP	5	5
A Leech	YOP	6	6
J Waterall	YOP	3	6
A Grandfield	YOP	2	6
Z Roberts	YOP	6	6
E Binsley	YOP	3	6
J Warner	YOP	6	6
M Hawsworth	YOP	3	4

**Future Plans**

In its Strategic Plan, the Trust proposes to become a group of eight academies by 2019 (compared with its current four), with both primary (three further schools) and secondary growth (one school) anticipated. Naturally, these projections are subject to revision – and it is likely that this proposed trajectory will be exceeded. However, the Trust Board wholeheartedly and unanimously endorse this proposal as an ideal opportunity to provide exceptional educational provision to more communities in our area, and to further the Trust's objectives.

**Review of value for money**

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

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

**1. Robust governance and oversight of the Academy's finance**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. I am informed by the internal audit service – commissioned by the Audit Committee – who undertake reviews of key financial policies, procedures, and their implementation. Reports are produced which detail the Trust's compliance and demonstrate that the Trust has robust systems and financial controls in place. These reports are presented to the Audit Committee in order to elicit a management response, agree any appropriate action be taken and any further distribution of the report and its implications (e.g. to the Managing and Organising Committees of Local Governing Bodies or the MAT Board).

The MAT Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a "going concern". The MAT Board also receives and approves the Statutory Accounts and the External Auditor's Management Report.

**2. Reviewing controls and managing risks**

The budget is monitored on a regular basis by the Business Director and the CEO through the production of reports that are generated direct from each Academy's financial management systems. Remedial action is taken to address any significant variances that may have an impact on the budget outcome.

The Business Director reports half termly to the MAT Board, presenting a budget monitoring report which details the consolidated financial position of the Academies to date and gives an update on the budget for the year, including any significant variances.

## **JOHN TAYLOR MAT (A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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In turn these are reported, at summary level, to the LGB Managing and Organising Committees of each academy indicating their own academy's financial position.

A risk register is reviewed at every meeting by the Trust, and financial risk is reviewed by the Audit Committee. The risk register details aspects of procedure and practice that contains risk, the extent of the impact should the risk manifest itself, the likelihood of the Trust's exposure to such an incidence, and the control mechanisms in place to mitigate likelihood and impact. Annually, the Audit Committee asks the Principal and Director of Business the following:

- a) Have any risks recorded on the register materialised?
- b) Are there any new risks that have been added since the previous review?
- c) Are there any risks that have been removed as no longer applicable since the previous review?
- d) Have there been any adjustments to the control procedures detailed in the register since the previous review?

In addition, "Risk" is a standing item on all Trust and LGB committee agendas, providing a regular opportunity for senior leaders, directors and governors to discuss risk and its management outside of an annual review.

The Trustees have produced a Reserves Policy which provides clarity on the extent and use of reserves generated by the Trust. This ensures sufficient working capital is provided to cover any cash flow issues that may arise between expenditure and receipt of grants, and provides a contingency to assist in the management of any unexpected and urgent costs e.g. emergency maintenance work on site, and provides the resources for future significant capital projects.

#### **3. Maximising income generation**

The Trust deposits surplus cash balances in accounts which offer the best interest rates available for secure investment to maximise interest earning potential. The Trust explores every opportunity to generate income through fund raising and grant application. In 2016/17, this proved an effective strategy resulting in roof replacement at John Taylor High School, Thomas Russell Infants School and Kingsmead School plus window replacement at Kingsmead. The successful application for Free School provision in Tatenhill has significantly added to the Trust's infrastructure.

As the hub school for a Teaching School Alliance (The National Forest Teaching School), John Taylor High School encourages applications for grants and funding streams that provide opportunities to engage in research and development, initial teacher training, school-to-school support and other strategies that directly relate to the Trust's core purpose and mission. The accommodation of nursery provision at both Thomas Russell Infant and Yoxall St. Peter's Primary schools also generates income for the Trust. Income generated from lettings has also risen, and the Trust continues to seek ways in which it can enhance its use as a community resource and generate additional income towards its core activities in the process.

#### **4. Ensuring value for money is achieved and resources are used efficiently and effectively**

The CEO and Director of Business prepare the budget for directors' approval from the priorities established in the Strategic Plan produced with reference to the Academy's Strategic Plan 2016-19, available at [www.jtmat.co.uk](http://www.jtmat.co.uk). Through the improvement planning and self-evaluation processes, the Trust evaluates the effectiveness of strategies introduced in previous years in order to secure greater effectiveness and efficiency of resource deployment in subsequent plans.

The staffing structures of the Trust's academies are reviewed annually by the Local Governing Bodies of each Academy and staffing is deployed to drive and support curriculum delivery, intervention initiatives, and wider school improvement. Targeted and restricted funding (e.g. Pupil Premium) is deployed in accordance with criteria associated with it.

Contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. The Trust and its Academies seek multiple quotations for goods and services where possible. In exceptional circumstances when it is not possible to secure several alternative costings, the reason is recorded. The Trust utilises benchmarking information where available.

## **JOHN TAYLOR MAT** **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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The Trust works closely with other local schools and academies to ensure best value. Through the Teaching School Alliance and other partnerships, economies of scale can be gained when procuring teacher training courses and other resources relating to our core activities. The Trust always assesses the costs and benefits of various options before making a purchasing decision in order to ensure that such a decision is securing best value and is the right option for the Academy for the longer term.

#### **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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Taylor MAT for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements

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

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

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

The 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 Managing and Organising 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.

All of the above is augmented by the Trust's Whistleblowing Policy which is available to all stakeholders.

The Audit Committee has considered the need for a specific internal audit function and currently utilises the services of Staffordshire County Council auditors as internal auditor which reports biannually. The key areas of focus for the audit committee has been around operational and regularity issues with a particular focus on the risk of fraud.

#### **REVIEW OF EFFECTIVENESS**

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

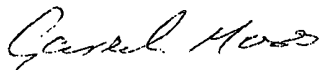
- the work of the internal auditor;
- the work of the Trustee with specific responsibility for overseeing finance;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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Approved by order of the members of the board of trustees on 11 December 2017 and signed on their behalf, by:



**Mr Gareth Moss**  
**Chair of Trustees**



**Mr Michael Donoghue**  
**Accounting Officer**

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mr Michael Donoghue**  
**Accounting Officer**

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

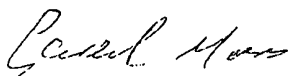
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 11 December 2017 and signed on its behalf by:



**Chair of Trustees**



# **JOHN TAYLOR MAT**

**(A company limited by guarantee)**

## **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN TAYLOR MAT**

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### **OPINION**

We have audited the financial statements of John Taylor MAT ("the 'trust') for the Year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and Charities SORP 2015.

In our opinion, the financial statements:

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

### **BASIS OF OPINION**

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

### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

### **OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditors' reports thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

## **JOHN TAYLOR MAT**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN TAYLOR MAT**

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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 Group strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

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

#### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement set out on page 22, the Trustees 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 Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE  
MEMBERS OF JOHN TAYLOR MAT**

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**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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the Group and Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group and Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



David Hoose (Senior statutory auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

Date: 2/3/18

## **JOHN TAYLOR MAT (A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO JOHN TAYLOR MAT AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Taylor MAT during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF JOHN TAYLOR MAT AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of John Taylor MAT's funding agreement with the Secretary of State for Education dated 28 May 2015 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY  
TO JOHN TAYLOR MAT AND THE EDUCATION AND SKILLS FUNDING AGENCY**  
**(continued)**

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**CONCLUSION**

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

*Mazars LLP*

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

Date: 15.12.2017

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	18,299,000
Other donations and capital grants	2	321	586,022	74,117	660,460	1,145,000
Charitable activities	3	-	14,079,279	-	14,079,279	13,449,000
Other trading activities	4	483,168	235,803	-	718,971	453,000
Investments	5	8,565	-	-	8,565	10,000
Teaching schools		-	46,350	-	46,350	-
<b>TOTAL INCOME</b>		<u>492,054</u>	<u>14,947,454</u>	<u>74,117</u>	<u>15,513,625</u>	<u>33,356,000</u>
<b>EXPENDITURE ON:</b>						
Raising funds		424,727	38,968	-	463,695	383,000
Charitable activities:						
Teaching schools		-	46,350	-	46,350	-
Other charitable activities		-	15,269,858	612,108	15,881,966	15,123,110
<b>TOTAL EXPENDITURE</b>	6	<u>424,727</u>	<u>15,355,176</u>	<u>612,108</u>	<u>16,392,011</u>	<u>15,506,110</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	67,327	(407,722)	(537,991)	(878,386)	17,849,890
		-	(7,938)	7,938	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		67,327	(415,660)	(530,053)	(878,386)	17,849,890
Actuarial gains/(losses) on defined benefit pension schemes	21	-	911,000	-	911,000	(779,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>67,327</u>	<u>495,340</u>	<u>(530,053)</u>	<u>32,614</u>	<u>17,070,890</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,935,000	(4,895,000)	31,343,890	28,383,890	11,313,000
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>2,002,327</u>	<u>(4,399,660)</u>	<u>30,813,837</u>	<u>28,416,504</u>	<u>28,383,890</u>

**JOHN TAYLOR MAT**

Registered number: 07421140

**(A company limited by guarantee)****CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		30,813,837		31,343,890
<b>CURRENT ASSETS</b>					
Debtors	14	336,317		819,000	
Cash at bank and in hand		3,576,408		3,026,000	
		<u>3,912,725</u>		<u>3,845,000</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,141,058)		(1,231,000)	
<b>NET CURRENT ASSETS</b>			<u>2,771,667</u>		<u>2,614,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,585,504</u>		<u>33,957,890</u>
Defined benefit pension scheme liability	21	(5,169,000)		(5,574,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>28,416,504</u></u>		<u><u>28,383,890</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	769,340		679,000	
Restricted fixed asset funds	16	30,813,837		31,343,890	
Restricted income funds excluding pension liability		<u>31,583,177</u>		<u>32,022,890</u>	
Pension reserve		(5,169,000)		(5,574,000)	
Total restricted income funds			<u>26,414,177</u>		<u>26,448,890</u>
Unrestricted income funds	16		<u>2,002,327</u>		<u>1,935,000</u>
<b>TOTAL FUNDS</b>			<u><u>28,416,504</u></u>		<u><u>28,383,890</u></u>

The financial statements on pages 28 to 54 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

  
Mr Gareth Moss  
Chair of Trustees

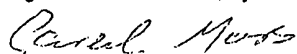
**JOHN TAYLOR MAT**

Registered number: 07421140

**(A company limited by guarantee)****ACADEMY BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		30,813,837		31,343,890
<b>CURRENT ASSETS</b>					
Debtors	14	336,317		819,000	
Cash at bank and in hand		3,526,259		2,860,000	
		<u>3,862,576</u>		<u>3,679,000</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(1,188,848)</u>		<u>(1,231,000)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,673,728</u>		<u>2,448,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,487,565</u>		<u>33,791,890</u>
Defined benefit pension scheme liability	21		<u>(5,169,000)</u>		<u>(5,574,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>28,318,565</u></u>		<u><u>28,217,890</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds		671,995		575,000	
Restricted fixed asset funds		<u>30,813,837</u>		<u>31,343,890</u>	
Restricted funds excluding pension asset		<u>31,485,832</u>		<u>31,918,890</u>	
Pension reserve		<u>(5,169,000)</u>		<u>(5,574,000)</u>	
Total restricted funds			26,316,832		26,344,890
Unrestricted funds			<u>2,001,733</u>		<u>1,873,000</u>
<b>TOTAL FUNDS</b>			<u><u>28,318,565</u></u>		<u><u>28,217,890</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

  
**Mr Gareth Moss**  
**Chair of Trustees**



**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	549,781	(113,110)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		8,565	10,110
Purchase of tangible fixed assets		(82,055)	(246,000)
Capital grants from DfE/ESFA		74,117	755,000
Cash funds transferred on conversion		-	704,000
<b>Net cash provided by investing activities</b>		627	1,223,110
<b>Change in cash and cash equivalents in the year</b>		550,408	1,110,000
Cash and cash equivalents brought forward		3,026,000	1,916,000
<b>Cash and cash equivalents carried forward</b>	19	3,576,408	3,026,000

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

John Taylor MAT constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

**1.2 Going concern**

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

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Basis of consolidation**

The financial statements consolidate the accounts of John Taylor MAT and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £100,674.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £10,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2%
Motor vehicles	-	20%
Fixtures and fittings	-	10%
Computer equipment	-	33.3%

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 Debtors**

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

**1.8 Cash at Bank and in hand**

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

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Liabilities and provisions**

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

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.11 Taxation**

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

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.13 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion	-	-	-	-	18,299,000
Donations	321	45,960	5,737	52,018	18,000
Capital Grants	-	540,062	68,380	608,442	1,127,000
Subtotal	321	586,022	74,117	660,460	1,145,000
	321	586,022	74,117	660,460	19,444,000
Total 2016	866,000	(1,372,000)	19,950,000	19,444,000	

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General annual grant	-	13,296,957	13,296,957	12,533,000
Start-up grants	-	30,000	30,000	50,000
Other DfE/ESFA grants	-	534,898	534,898	761,000
National College grants	-	10,000	10,000	-
	-	13,871,855	13,871,855	13,344,000
<b>Other government grants</b>				
Local authority grants	-	207,424	207,424	83,000
Special educational projects	-	-	-	22,000
	-	207,424	207,424	105,000
	-	14,079,279	14,079,279	13,449,000
<b>Total 2016</b>	-	13,449,000	13,449,000	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	51,480	-	51,480	25,000
Catering income	137,435	-	137,435	77,000
School trips	128,858	-	128,858	137,000
Other income	165,395	235,803	401,198	214,000
	483,168	235,803	718,971	453,000
<b>Total 2016</b>	453,000	-	453,000	

The costs associated with the above income are detailed in Note 6.



**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest from short term deposits	8,565	-	8,565	10,000
<i>Total 2016</i>	10,000	-	10,000	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	3,526	537	459,632	463,695	383,000
Educational operations:					
Direct costs	10,332,052	565,731	833,302	11,731,085	11,057,000
Support costs	2,047,344	1,603,999	499,538	4,150,881	4,066,000
Teaching schools	-	-	46,350	46,350	-
	12,382,922	2,170,267	1,838,822	16,392,011	15,506,000
<i>Total 2016</i>	11,283,000	2,284,000	1,939,000	15,506,000	

**7. SUPPORT COSTS**

	Educational operations £	Total 2017 £	Total 2016 £
Technology costs	92,154	92,154	88,000
Premises costs	1,557,621	1,557,621	1,738,000
Other support costs	373,232	373,232	459,000
Governance costs	34,153	34,153	33,000
Wages and salaries	1,303,963	1,303,963	427,000
National insurance	91,644	91,644	713,000
Pension cost	651,737	651,737	594,000
Depreciation	46,377	46,377	14,000
	4,150,881	4,150,881	4,066,000
<i>At 31 August 2016</i>	4,066,000	4,066,000	

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**

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

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**7. SUPPORT COSTS (continued)**

The support costs detailed above for 2015/2016 and 2016/2017 are not directly comparable.  
In 2015/16 the Trust consisted of 2 secondary schools throughout the whole year, with 2 primary schools joining on 1 April and 1 May 2016 respectively.  
In 2016/17 the costs represent an entire year for all four schools in the MAT.

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	612,108	546,000
Auditors' remuneration - audit	17,000	22,000
Auditors' remuneration - other services	3,550	6,000
Operating lease rentals	29,742	17,000
	<u>662,400</u>	<u>591,000</u>

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

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	9,092,644	8,533,000
Social security costs	896,937	713,000
Operating costs of defined benefit pension schemes	1,961,768	1,610,000
	<u>11,951,349</u>	<u>10,856,000</u>
Staff development and other staff costs	86,607	89,000
Supply teacher costs	341,466	302,000
Staff restructuring costs	3,500	36,000
	<u>12,382,922</u>	<u>11,283,000</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>3,500</u>	<u>36,000</u>

Included in staff restructuring costs are non-statutory payments totaling £3,500 (2016: £35,600). The total related to one individual payment of £3,500.

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

	2017 No.	2016 No.
Teachers	171	168
Administration and support	192	167
Management	19	21
	<u>382</u>	<u>356</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £465,419 (2016: £401,852).

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

**10. CENTRAL SERVICES**

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

- human resources
- financial services
- legal services
- educational support services; or
- others as arising

The academy charges for these services on the following basis:

- flat percentage of income (4% of GAG for a new schools as these are classed as 'good' schools and 3% of GAG for John Taylor High School as this is classed as 'outstanding');
- others as arising

The actual amounts charged during the year were as follows:

	2017 £	2016 £
John Taylor High School	197,317	192,000
Kingsmead School	218,472	228,000
Thomas Russell Infants School	26,714	11,000
Yoxall St Peters School	22,442	7,000
	<u>464,945</u>	<u>438,000</u>
Total		

**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2017 £	2016 £
M Donoghue	Remuneration	115,000-120,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
B Mahoney	Remuneration	60,000-65,000	55,000-60,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, expenses totalling £877 (2016 - £777) were reimbursed to 1 Trustee (2016 - 2).

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

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

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme, £60,880.

**13. TANGIBLE FIXED ASSETS**

Group and Academy	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016	16,605,000	16,314,424	26,865	74,230	211,886	33,232,405
Additions	-	-	27,535	-	54,520	82,055
At 31 August 2017	16,605,000	16,314,424	54,400	74,230	266,406	33,314,460
<b>Depreciation</b>						
At 1 September 2016	274,900	1,478,802	8,060	15,022	111,731	1,888,515
Charge for the year	256,900	308,831	10,880	7,423	28,074	612,108
At 31 August 2017	531,800	1,787,633	18,940	22,445	139,805	2,500,623
<b>Net book value</b>						
At 31 August 2017	16,073,200	14,526,791	35,460	51,785	126,601	30,813,837
At 31 August 2016	16,330,100	14,835,622	18,805	59,208	100,155	31,343,890

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

Academy	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016	16,605,000	16,314,424	26,865	74,230	211,886	33,232,405
Additions	-	-	27,535	-	54,520	82,055
At 31 August 2017	16,605,000	16,314,424	54,400	74,230	266,406	33,314,460
<b>Depreciation</b>						
At 1 September 2016	274,900	1,478,802	8,060	15,022	111,731	1,888,515
Charge for the year	256,900	308,831	10,880	7,423	28,074	612,108
At 31 August 2017	531,800	1,787,633	18,940	22,445	139,805	2,500,623
<b>Net book value</b>						
At 31 August 2017	16,073,200	14,526,791	35,460	51,785	126,601	30,813,837
At 31 August 2016	16,330,100	14,835,622	18,805	59,208	100,155	31,343,890

### 14. DEBTORS

	Group		Academy	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	38,130	56,000	38,130	56,000
Other debtors	204,483	134,000	204,483	134,000
Prepayments and accrued income	93,704	629,000	93,704	629,000
	336,317	819,000	336,317	819,000

### 15. CREDITORS: Amounts falling due within one year

	Group		Academy	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	457,592	589,000	457,592	589,000
Other taxation and social security	228,585	224,000	228,585	224,000
Other creditors	235,372	213,000	235,372	213,000
Accruals and deferred income	219,509	205,000	267,299	205,000
	1,141,058	1,231,000	1,188,848	1,231,000

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

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

	<b>Group</b>		<b>Academy</b>	
	£	£	£	£
<b>Deferred income</b>				
Deferred income at 1 September 2016	98,000	52,000	98,000	52,000
Resources deferred during the year	155,506	98,000	205,506	98,000
Amounts released from previous years	(98,000)	(52,000)	(98,000)	(52,000)
Deferred income at 31 August 2017	155,506	98,000	205,506	98,000

Included within deferred income is £152,746 (2016: £98,000) relating to grants received in advance in the year. Income of £4,970 which relates to music tuition and dinner monies for the 2017/18 financial year has also been deferred. A donation of £47,790 that relates to next financial year has been received from the subsidiary undertaking. This has been eliminated upon group consolidation.

**16. STATEMENT OF FUNDS**

	<b>Balance at 1 September 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Balance at 31 August 2017 £</b>
<b>Unrestricted funds</b>						
General Funds - all funds	1,935,000	492,054	(424,727)	-	-	2,002,327
<b>Restricted funds</b>						
General Annual Grant (GAG)	575,000	13,296,958	(13,198,825)	(7,938)	-	665,195
Other DfE grants	-	1,161,310	(1,161,310)	-	-	-
Other government grants	-	207,424	(207,424)	-	-	-
Other restricted reserves	-	263,800	(257,000)	-	-	6,800
School funds	104,000	17,962	(24,617)	-	-	97,345
Pension reserve	(5,574,000)	-	(506,000)	-	911,000	(5,169,000)
	(4,895,000)	14,947,454	(15,355,176)	(7,938)	911,000	(4,399,660)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

DfE/ESFA capital grants	1,276,388	68,380	(36,406)	(13,860)	-	1,294,502
Assets donated on conversion	29,836,775	-	(538,300)	-	-	29,298,475
Capital expenditure from GAG	230,727	5,737	(37,402)	21,798	-	220,860
	<u>31,343,890</u>	<u>74,117</u>	<u>(612,108)</u>	<u>7,938</u>	<u>-</u>	<u>30,813,837</u>
Total restricted funds	<u>26,448,890</u>	<u>15,021,571</u>	<u>(15,967,284)</u>	<u>-</u>	<u>911,000</u>	<u>26,414,177</u>
Total of funds	<u>28,383,890</u>	<u>15,513,625</u>	<u>(16,392,011)</u>	<u>-</u>	<u>911,000</u>	<u>28,416,504</u>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2017.

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

Restricted general funds

The General Annual Grant is the recurrent funding to be used for the educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE. The pension reserve of £5,169,000 (overdrawn) represents the Group and Academy Trust's share of the deficit in the Staffordshire Pension Fund.

Restricted other funds

From time to time, additional funds are applied for as set out above or specific purposes laid down by the grant provider and to be used for educational purposes.

Fixed asset funds

This fund represents the net book value of fixed assets that the Group and Academy Trust have purchased out of grants and donations received or were transferred on conversion.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for for the general purposes of the Group and Academy Trust.



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

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
John Taylor High School	1,254,000	1,451,000
Kingsmead School	803,000	661,000
Thomas Russell Infants School	246,000	89,000
Yoxall St Peters School	40,000	84,000
Central services	280,727	163,000
Subsidiary undertaking	147,940	166,000
Total before fixed asset fund and pension reserve	2,771,667	2,614,000
Restricted fixed asset fund	30,813,837	31,343,890
Pension reserve	(5,169,000)	(5,574,000)
Total	28,416,504	28,383,890

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
John Taylor High School	5,208,056	853,970	152,029	1,206,492	7,420,547	7,843,000
Kingsmead School	4,025,891	626,743	110,559	1,026,887	5,790,080	5,663,000
Thomas Russell Infants School	515,718	60,837	6,876	281,818	865,249	309,000
Yoxall St Peters School	447,331	50,710	6,701	183,167	687,909	287,000
Central services	135,056	458,610	-	215,940	809,606	337,000
Subsidiary undertaking	-	-	-	206,512	206,512	-
	10,332,052	2,050,870	276,165	3,120,816	15,779,903	14,439,000

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,813,837	30,813,837
Current assets	2,002,327	1,910,398	-	3,912,725
Creditors due within one year	-	(1,141,058)	-	(1,141,058)
Provisions for liabilities and charges	-	(5,169,000)	-	(5,169,000)
	<u>2,002,327</u>	<u>(4,399,660)</u>	<u>30,813,837</u>	<u>28,416,504</u>

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

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(878,386)	17,849,890
<b>Adjustment for:</b>		
Depreciation charges	612,108	546,000
Net asset transferred on conversion	-	(18,299,000)
Dividends, interest and rents from investments	(8,565)	(10,000)
Decrease/(increase) in debtors	482,683	(295,000)
(Decrease)/increase in creditors	(89,942)	538,000
Capital grants from DfE and other capital income	(74,117)	(755,000)
Defined benefit pension scheme cost less contributions payable	388,000	154,000
Defined benefit pension scheme finance cost	118,000	158,000
<b>Net cash provided by/(used in) operating activities</b>	<u>549,781</u>	<u>(113,110)</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash in hand	3,576,408	3,026,000
<b>Total</b>	<u>3,576,408</u>	<u>3,026,000</u>

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

**20. CAPITAL COMMITMENTS**

At 31 August 2017 the group and academy had capital commitments as follows:

	<b>Group</b>		<b>Academy</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	223,044	278,000	223,044	278,000

**21. PENSION COMMITMENTS**

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

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

Contributions amounting to £198,429 were payable to the schemes at 31 August 2017 (2016 - 194,953) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

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**21. PENSION COMMITMENTS (continued)**

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,112,930 (2016 - £1,054,827).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £589,000 (2016 - £519,000), of which employer's contributions totalled £461,000 (2016 - £402,000) and employees' contributions totalled £128,000 (2016 - £117,000). The agreed contribution rates for future years are 22.2% for employers and 5.5% to 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

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**21. PENSION COMMITMENTS (continued)**

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate -0.5%	1,193,000	-
Salary increase rate + 0.5%	218,000	-
Pension increase rate + 0.5%	955,000	-

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,968,000	2,705,000
Corporate bonds	627,000	396,000
Property	418,000	287,000
Other assets	208,000	217,000
<b>Total market value of assets</b>	<b>5,221,000</b>	<b>3,605,000</b>

The actual return on scheme assets was £4,737,000 (2016 - £553,000).

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

	2017 £	2016 £
Current service cost	(849,000)	(556,000)
Net interest cost	(118,000)	(158,000)
<b>Total</b>	<b>(967,000)</b>	<b>(714,000)</b>

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

	2017 £	2016 £
Opening defined benefit obligation	9,179,000	3,922,000
Opening balance adjustment	(1,000)	-
Obligations acquired on conversion	-	3,146,000
Current service cost	849,000	556,000
Interest cost	196,000	257,000
Employee contributions	128,000	117,000
Actuarial losses	155,000	1,233,000
Benefits paid	(116,000)	(52,000)
<b>Closing defined benefit obligation</b>	<b>10,390,000</b>	<b>9,179,000</b>

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**21. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	3,605,000	1,695,000
Opening balance adjustment	(1,000)	-
Assets acquired on conversion	-	890,000
Interest income	78,000	99,000
Actuarial losses	1,066,000	454,000
Employer contributions	461,000	402,000
Employee contributions	128,000	117,000
Benefits paid	(116,000)	(52,000)
	<u>5,221,000</u>	<u>3,605,000</u>
Closing fair value of scheme assets	<u>5,221,000</u>	<u>3,605,000</u>

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2017 £	2016 £	2017 £	2016 £
<b>Expiry date:</b>				
Within 1 year	-	-	33,524	26,000
Between 2 and 5 years	-	-	65,729	84,000
Total	<u>-</u>	<u>-</u>	<u>99,253</u>	<u>110,000</u>

**23. MEMBERS' LIABILITY**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Included within Trade Debtors is a balance at the year end of £Nil (2016: £7,211) due from the John Taylor Parent Teachers Association. Included within Trade Creditors is a balance at the year end of £Nil (2016: £50) owed to John Taylor Charitable Trust. There were no other balances or transactions with related parties during the period.

No other related party transactions took place in the year, other than certain Trustees' remuneration and expenses already disclosed in note 11. Key management personnel disclosures are included in note 9.

**25. POST BALANCE SHEET EVENTS**

On 1 November 2017 Rykneld Primary School converted to Academy status and joined John Taylor MAT. The school was previously a Staffordshire Local Authority primary school comprising approx 500 students and is based in Burton upon Trent. Its estimated ESFA and other income for 2017-18 (part year) is approximately £1.5m. A land and buildings valuation has yet to be undertaken and the extent of its LGPS deficit is not yet known.

**26. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year it received £38,524 (2016: £17,418) and disbursed £22,204 (2016: £16,648) from the fund. An amount of £16,320 (2016: £nil) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust also distributes SCITT bursary funds as an agent for the DfE. In the year it received £75,000 and disbursed £68,600 from the fund. An amount of £6,400 is included in other creditors relating to undistributed funds that are repayable to the DfE.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. PRINCIPAL SUBSIDIARIES**

**John Taylor High School Fund**

Subsidiary name	John Taylor High School Fund
Charity registration number	1067945
Basis of control	The charity is wholly controlled by John Taylor MAT by way of its common trustees.
Total assets as at 31 August 2017	£ 50,149
Total liabilities as at 31 August 2017	£ -
Total funds as at 31 August 2017	£ -
Gross income for the year ended 31 August 2017	£ 188,451
Expenditure for the year ended 31 August 2017	£ 307,165
Deficit for the year ended 31 August 2017	£ (118,714)