

JAMES MONTGOMERY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Company Registration No: 10482806 (England and Wales)

JAMES MONTGOMERY ACADEMY TRUST

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JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

C Fitch
M Harrison (Chair)
A Richards (resigned 21/07/2023)
C Hewitt
I Hutchinson
R Punshon
V Helliwell
C Parkinson
L Hunter (resigned 31/03/2023)

Members

Bishop S Jelley
Reverend S Gardner (resigned 31/03/2023)
H Thomas
D Grover
M Harrison
A Richards (appointed 01/09/2023)

Senior management team

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

D Silvester
A Benbow
H Headleand
P Haynes

Company secretary

J Oliver

Company registration number

10482806 (England and Wales)

Registered office

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

Academies operated

Anston Hillcrest Primary
Brampton Cortonwood Infant
Brampton the Ellis CofE Primary
Brinsworth Howarth Primary
Ferham Primary
Harthill Primary
Highfield Farm Primary
Hooton Pagnell All Saints CofE Primary
Kiveton Park Infant
Kiveton Park Meadows Junior
Laughton Junior and Infant
Meadow View Primary
Mexborough St John the Baptist CofE Primary
St Ann's J&I
Thurcroft Infant
Wath CofE Primary
Wath Central Primary
Wath Victoria Primary

Location

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

Head of Academy

K Rayner
V Finley
A Benbow
M Crawford
V Fenton
S Littlewood
A Krabbendam
H Thorpe
J Senior
L Carr
C Hill
J Logan
A Minor
L Rowan
T Harper
P Beevor
J Gray
D Mackinnon (acting)

JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor (external)

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Independent auditor (internal)

MGRW
1ST Floor, Unit 4
Broadfield Court
Sheffield
S8 0XF

Bankers

The Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

James Montgomery Academy Trust present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust continued to grow with the completion of the conversion process for Highfield Farm Primary within this accounting period. The academy trust now operates 18 primary schools in the South Yorkshire area with a combined pupil capacity of 4,700 at the year-end and a roll of 4,012 (full time pupils).

Structure, Governance and Management

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of James Montgomery Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as James Montgomery Academy Trust.

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

Members' Liability

The members of the charitable company are Bishop S Jelley, H Thomas, A Richards, M Harrison and D Grover. Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

The academy trust shall have the following trustees as set out in its articles of association and funding agreement with their term of office being 4 years.

- Up to 10 Trustees appointed by the members.

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

A suggested total of 12 governors to be:

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

The trustees are appointed in line with articles 45 - 64 of the memorandum and articles of association. When appointing new trustees, the Board recognises the need to have a wide range of skills amongst the trustees.

The appointed Accounting Officer of the academy trust is Mr David Silvester.

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

The core business of the Local Governing Body is to:

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

JAMES MONTGOMERY ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2023

Employees and Disabled Persons

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

Through the Equality Strategy the trust aims to achieve the above by:

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

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

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

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

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

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

For all new converting academies, staff are spoken to in person to ensure they are up to date and fully aware of all matters that may be of concern to them. The trust website is regularly updated, and staff can also use this as a tool for reviewing relevant information. The trust also has a whistleblowing policy, which all staff members are made aware of, and encouraged to follow in any potential instances.

Engagement with suppliers, customers and others in business relationships with the Trust

Considerable focus and investment is placed on maintaining and managing relationships with our key stakeholders. The trust's school improvement priorities ensure that pupils and their families across all our schools make a positive contribution to the life of the school and the wider community. This is facilitated through a number of initiatives including parent questionnaires and pupil voice activities.

The trust maintains strong relationships with local authorities and regional educational bodies through regular attendance at network meetings and representation on a number of local authority working groups.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

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Trade Union Facility Time

As a trust we have recommended that schools buy back into Local Authority Trade Union Facility time. We also have adopted LA approved pay policies. No employee in the trust has trade union facilities time.

Connected Organisations including Related Party Transactions

The Academies work in collaboration with the Local Authority which places pupils and provides funding for SEN, Looked After Children (LAC) and early years.

Risk Management

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

Trustees have established the following key controls to manage risk:

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

Objectives and Activities

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

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

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

JMAT Vision

Our schools are child centred, inclusive and distinctive, delivering excellence in education, sharing best practice and building aspiration.

Trust Core Principles

Together we will:

- Consistently put children at the heart of decision making
- Champion school individuality
- Continually improve through innovative and research driven practice

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JMAT vision for excellence in education

- Deliver a rich, contextualized and ambitious curriculum
- Beacons of high-quality inclusive practice
- Provide a safe, happy and purposeful environment
- Pupils are supported to achieve their aspirations
- Develop a reflective, knowledgeable and highly skilled workforce
- Foster positive and productive partnerships

The main objectives between 1 September 2022 and 31 August 2023 were:

- To forge strong partnerships to complement a widening internal capacity to meet need across all schools, through research-led, impactful initiatives.
- To gauge the impact of curriculum implementation and to share learning across the trust to refine best practice. To enable effective moderation across schools.
- To ensure our online presence reflects the fully renewed trust vision and to continue to refine all systems to reflect values of the Trust alongside building capacity.
- To regularly analyse key functions (finance, estates, safeguarding, SEND) to develop best practice and risk mitigation strategies.
- To strengthen trustees to support individual school-level governance reforms through the implementation of the Scheme of Delegation, reviewing the impact at regular intervals.
- To build a case study portfolio demonstrating impact of values, a better understanding of the trust workforce and to revise the model of appraisal.

Public Benefit

Trustees confirm that the trust has complied with the requirement in the Charities Commission's public benefit requirements during the period. In setting our objectives and planning our activities trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

Our schools continued to face significant challenges with increasing vulnerability of children, parents and staff which in part will be due to the pandemic. Absence rates nationally have fallen significantly from pre Covid levels and as a trust, although we are above national rates, we have also seen our trust data fall. Staff absence is still high, with many schools unable to register a week last year with a full complement of staff. EYFS, Phonics, KS1 and KS2 data was collected, which demonstrated that the trust was performing between local averages and national data results.

The main focus of the year was to respond to the escalating SEND needs of children. The pandemic has seen a significant rise in levels of vulnerability and as such requires new and targeted support mechanisms. Cheryl Gaughan took up her post as Trust SEND lead and we have seen significant changes in approach in some of our schools to meet the needs of children whilst working inside tight financial parameters. We will continue to develop this throughout all trust schools in the 2023-24 academic year.

Within the time period of 1 September 2022 and 31 August 2023, three trust schools were inspected. Hooton Pagnell All Saints CofE Primary in the Autumn term of 2022, Laughton J&I in the Spring term and Kiveton Park Infant in the Summer term. All three schools received very strong 'Good' judgements. Two schools maintained their 'Good' judgements and Hooton Pagnell All Saints CofE Primary moved up from 'Requires Improvement'.

The trust has stepped up its online presence, with a new trust website and over half of the schools having a relaunch of their websites. The other schools' websites will come into line this year. The trust has a greater social media presence and we have renewed our digital strategy.

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A modified trust scheme of delegation has been implemented and a realignment of many governing bodies into federation models has taken place. A recruitment strategy will be required to enhance existing governing bodies and a structured plan of training and documentation will be launched in 2023-24 academic year.

Going Concern

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

Promoting the Success of the Company

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

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

Financial Review

The trust's accounting period is from 1 September 2022 to 31 August 2023.

Restricted General Funds

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

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

The balance on restricted general funds at 31 August 2023 was £298,000 (2022: £514,000). During the period ended 31 August 2023 total expenditure of £27,078,000 (excluding pension finance costs) was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £26,712,000. The in-year deficit for the period was £366,000. This deficit was partly offset by a transfer of £225,000 from unrestricted funds. All figures exclude fixed asset reserves and pension liability movements/transfers.

A key financial performance indicator is salary costs as a percentage of educational income which are currently 78.7%, which exceeds both the trust expectations and DfE guidance. The trust is exploring methods to address this.

Restricted Fixed Asset Funds

The balance on restricted fixed asset funds at 31 August 2023 was £39,482,000 (2022: £37,702,000). This is made up of assets (predominantly land and buildings) of £39,133,000 and £349,000 unspent capital grant funding. The balance in the year has increased due to the transfer of land, buildings and unspent capital funding as follows:

- Highfield Farm Primary (converted 01/01/2023) - £1,718,624

Land and buildings were transferred from Rotherham MBC to the trust at their fair value on conversion.

Capital funding is treated as restricted income and any unspent capital balances will be included in restricted fixed asset funds. At 31 August 2023 the trust held unspent capital balances of £349,000. This is made up of £227,000 Devolved Formula Capital and £167,000 School Condition Allocation. Offsetting against this balance is outstanding Salix loan repayments amounting to £45,000.

Unrestricted Funds

The total of unrestricted funds at 31 August 2023 was £482,000 (2022: £532,000).

Total unrestricted income in the year was £935,000 – of which £919,000 is made up of catering income (pupil meals), rental income, supply teacher insurance reimbursements and parental contributions. The remaining £16,000 is due to the revenue balance inherited when Highfield Farm Primary joined the trust in the year.

In the year £225,000 of unrestricted funds was transferred to restricted general funds to support school activities.

Restricted Pension Funds

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

The pension liability at 31 August 2023 was £199,000 (2022: £3,196,000). In the year the trust inherited a £156,000 pension liability when Highfield Farm Primary joined the trust. Despite the growth of the trust the overall pension deficit reduced quite dramatically in the year, largely due to a significant increase in the value of scheme assets and a reduction in scheme liabilities.

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FOR THE YEAR ENDED 31 AUGUST 2023

Reserves Policy

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

A key priority of the trust is to develop financial resilience to mitigate the risks associated with fluctuations in pupil numbers and the impact of nationally agreed pay awards. The trust therefore aims to carry a reserve equivalent to 5% of General Annual Grant. For the academic year 2022/23 this equates to £974,000.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2023 was £780,000. In the year the trust fell short of its reserves target, largely due to a significant increase in energy costs and higher than anticipated inflationary pay awards. Whilst additional funding from the DfE has helped to reduce the impact of these cost pressures, schools have been forced to utilise surplus reserves to help maintain current levels of provision.

Investment Policy

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

Financial and Risk Management Objectives and Policies

School Business Managers carry out regular budget monitoring and report any variances to the Headteacher and Chief Financial Officer (CFO). The CFO also produces monthly management accounts for the Chair of the trust. The role of the internal auditor is conducted by MGRW and their outcomes are reported directly to trustees. An Audit & Risk Committee has also been established to help strengthen internal scrutiny.

One area of risk trustees have assessed is consistency in quality of teaching and learning, which is being addressed through termly school improvement meetings headed up by the CEO. The trust carries out an external annual review of its academies in order to accurately assess the performance of each academy and take early intervention to address any identified issues.

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

Principal Risks and Uncertainties

The main risks and uncertainties faced by the trust are regarding the long-term impact of COVID-19 and rising inflation. Whilst the government has announced additional funding to minimise the impact of rising energy costs (Mainstream Schools Additional Grant), the recently announced pay awards for both teaching and support staff will have a significant impact on the medium-term financial outlook. Whilst these pay awards have yet to be agreed it is clear that the increase is much higher than anticipated.

The government has taken steps to reduce the medium-term uncertainty caused by COVID-19 – including extending the COVID Recovery Premium and the National Tutoring Programme. However, the longer-term impact on staff wellbeing and pupil progress has yet to be fully realised. The trust is working with Headteachers to mitigate these risks by investing in additional capacity to target pupils who are 'falling behind' as well as revising curriculum plans.

The trust also faces the risks associated with expansion. In the academic year 2023-24, four additional schools are expected to join the trust and additional investment is required in staffing resource to effectively operate as a 22 school multi-academy trust.

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Given the continued growth of the trust, there is also increased risk around the ongoing maintenance of the trust estate, as well as ensuring compliance with health and safety regulations. The trust has commissioned a number of surveys to help inform the allocation of capital funds, ensuring funds are allocated to high priority projects, including:

- Electrical works
- Fire safety works
- Asbestos removal
- Site security
- Heating upgrades

Despite significant investment in the trust estate, there are still a number of priorities to address. The annual formulaic capital allocation received from the Department for Education provides some surety, helping the trust to plan capital works over the medium term.

To further mitigate risk, the trust has appointed a Compliance Officer who is responsible for ensuring all statutory checks are carried out in line with the trust's health and safety directives.

Fundraising

The academy trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for Future Periods

James Montgomery Academy Trust will strive to meet key objectives and deliver outstanding opportunities for its pupils. There will be a strong focus on governance, leadership, succession planning and accountability. The trust is committed to ensuring successful Ofsted judgements are achieved.

Strategic Aims:

1. Attainment and Progress
To ensure curriculum design focuses on attainment across the broad curriculum.
To impact upon standards for Pupil Premium across the trust.
To continue to share best practice across our trust.
2. Finance Strategy and Control
To implement audit recommendations to ensure full compliance.
To continue to ensure that balanced budgets are held.
To build greater financial resilience through effective financial management.
To harness the purchasing power of the trust to drive down costs.
3. Quality Assurance and Data
To review and improve findings from our Assurance Register.
To moderate findings from the data tool.
To see impact of termly audits as procedures are tightened across the trust.
4. Governance
To complete re-alignment of LGBs on conversion.
To continue to strengthen the links and ensure systems are robust and effective.
5. Vision and Values
To continue to develop an infrastructure that manages and supports schools and offers added value.
6. Workforce
Strengthen coaching to enhance teaching and learning.
Commence leadership coaching.
7. Maintain and improve our buildings to ensure that we offer outstanding facilities.
Develop a 5-year strategic plan to underpin investment through School Condition Allocation.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023	2023	2022
Energy consumption used to calculate emissions (kWh)	4,806,210	5,037,038
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	3,599,619 1,202,991 3,600	3,868,577 1,164,861 3,600
<u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption	657.14	706.17
<u>Scope 2 emissions in metric tonnes CO₂e</u> Purchased electricity	187.91	164.84
<u>Scope 3 emissions in metric tonnes CO₂e</u> Business travel in employee-owned vehicles	3.60	3.60
Total gross emissions in metric tonnes CO ₂ e	848.65	874.61
<u>Intensity ratio</u> Tonnes CO ₂ e per pupil	0.21	0.20

Qualification and reporting methodology

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

Intensity measurement

The chosen intensity measurement ratio is the total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measurements taken to improve energy efficiency

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

- Encouraging staff to hold meetings via video conferencing, thus reducing travel between sites.
- Utilised capital funding to upgrade inefficient heating systems and replace leaking roofs.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Statement as to disclosure of Information to the auditor

In so far as the Trustees are aware:

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

Approved by order of the Board of Trustees on 12 December 2023 and signed on its behalf by:



[Martin Harrison \(Dec 15, 2023 16:28 GMT\)](#)

M Harrison
Trustee

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between James Montgomery Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of
C Fitch	3	4
M Harrison (Chair)	4	4
A Richards (resigned 21/07/2023)	3	4
C Hewitt	3	4
R Punshon	4	4
V Helliwell	3	4
L Hunter (resigned 31/03/2023)	2	3
I Hutchinson	4	4
C Parkinson	2	4

In the academic year ending 31 August 2023 the trust received resignations from two serving trustees.

The functions of the Board of Trustees have covered working with the trust Senior Leadership Team in preparation for Ofsted inspections, implementing the recommendations of the external governance review – including significant changes to local governance arrangements, and amending the scheme of delegation to reflect the new governance arrangements. The Board has been involved in performance management of key personnel and have been instrumental in helping to develop best practice across the MAT in sharing information.

The data from our schools is shared using systems to provide transparency not just at Board level but school to school, allowing for collaboration and competition. We regularly benchmark against national and local standards to demonstrate the effectiveness of our structures and resources. All data shared but quantitative and qualitative is collated at regular intervals and retained for comparison, therefore scrutiny is welcomed and appreciated by the Board.

The Board of Trustees aim to meet at least 6 times per academic year, however recognise that this is not always possible, therefore communication is maintained throughout the year by sharing reports, Trustees meeting with trust key personnel and the sharing of monthly management accounts via a secure portal.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The trust has an Audit & Risk Committee. The role of the committee is to ensure sound financial management, direct and review the work of the internal auditors, review and advise on the adequacy of risk management processes, and scrutinise capital projects. As per the Terms of Reference the committee is required to meet 3 times in the academic year. Attendance during the year was as follows:

Trustees	Meetings attended	Out of
M Harrison	3	3
A Richards (resigned 21/07/2023)	-	3
R Punshon	3	3

Conflicts of interest

The trust has the following processes in place to manage conflicts of interest:

- maintaining an up-to-date register of interests.
- pre-approval required before entering into any related party transactions.
- all new suppliers vetted by the trust prior to trading.
- supplier list maintained by the trust Finance Team.

Governance Review

An external review of governance was carried out in the 2021/22 academic year. The recommendations from this review were implemented in full in the 2022/23 academic year. Governance arrangements are reviewed regularly and a further external review will be carried out within the next 12 months. The trust has strengthened governance in the year by appointing a full-time Governance Lead.

Review of Value for Money

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

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

- Investing £1.2m in capital projects, helping to reduce utility costs, promoting energy efficiency and mitigating risk (asbestos removal, heating upgrades, fire safety and electrical works).
- Sharing resources and pooling expertise – in particular School Business Managers and premise staff.
- Appointing a Compliance Officer to ensure schools adhere to Trust health & safety policies.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in James Montgomery Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

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

Testing of the controls of the following systems:

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

On an annual basis MGRW reports to the Board of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

MGRW have delivered their schedule of work as planned. After the internal audit, the auditors scheduled recommendations to improve the systems and controls in place, all of which were either implemented in the period, or are in the process of being implemented.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Chief Financial Officer who has responsibility for the development and maintenance of the internal control framework.

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

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Approved by order of the Board of Trustees on 12 December 2023 and signed on its behalf by:



Martin Harrison (Dec 15, 2023 16:28 GMT)

M Harrison
Chair



D.Silvester (Dec 15, 2023 12:08 GMT)

D Silvester
Accounting Officer

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY & COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As Accounting Officer of James Montgomery Academy Trust, I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, 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 Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all 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 Trust Handbook 2022.

I can 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.



[D.Silvester \(Dec 15, 2023 12:08 GMT\)](#)

D Silvester
Accounting Officer

12 December 2023

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also 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 Academies Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf



[Martin Harrison \(Dec 15, 2023 16:28 GMT\)](#)

M Harrison
Chair

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of James Montgomery Academy Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this 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 which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are 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, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor 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 auditors' 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.

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the trust and the sector in which it operates, and considered the risk of acts by the trust that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the trust which could give rise to a material misstatement in the financial statements. These laws and regulations include, but are not limited to, those issued by or relating to Ofsted, ESFA, GDPR, safeguarding and health and safety. Our testing included discussions with management and directors with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, reviewing legal expenses and reviewing Ofsted reports. We also reviewed the trust's website to ensure the required disclosures had been made in line with the Academies Trust Handbook.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/>. This description forms part of our auditors' report.

Use of our report

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

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Philip Allsop (Senior statutory auditor)

for and on behalf of

BHP LLP

Philip Allsop

[Philip Allsop \(Dec 15, 2023 16:38 GMT\)](#)

Chartered Accountants

Statutory Auditors

2 Rutland Park

Sheffield S10 2PD

Date: Dec 15, 2023

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 19 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by James Montgomery Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of James Montgomery Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

JAMES MONTGOMERY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Conclusion

In the course of our work nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Philip Allsop

[Philip Allsop \(Dec 15, 2023 16:38 GMT\)](#)

Philip Allsop (Reporting Accountant)

BHP LLP

Chartered Accountants
Statutory Auditors
2 Rutland Park Sheffield
S10 2PD

Date: Dec 15, 2023

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2023	Total 2022
	Notes	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	57	1,068	1,125	1,102
Transfer from local authority on conversion	30	16	(156)	1,730	1,590	2,701
Charitable activities:						
- Funding for educational operations	4	-	26,655	-	26,655	24,472
Other trading activities	5	916	-	-	916	876
Investments		3	-	-	3	-
Total		<u>935</u>	<u>26,556</u>	<u>2,798</u>	<u>30,289</u>	<u>29,151</u>
Expenditure on:						
Raising funds	-	-	-	-	-	-
Charitable activities:						
- Educational operations	8	760	27,185	1,093	29,038	28,347
Total	6	<u>760</u>	<u>27,185</u>	<u>1,093</u>	<u>29,038</u>	<u>28,347</u>
Net income/(expenditure)		175	(629)	1,705	1,251	804
Transfers between funds	18	(225)	150	75	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	3,260	-	3,260	16,536
Net movement in funds		(50)	2,781	1,780	4,511	17,340
Reconciliation of funds						
Total funds brought forward		<u>532</u>	<u>(2,682)</u>	<u>37,702</u>	<u>35,552</u>	<u>18,212</u>
Total funds carried forward		<u>482</u>	<u>99</u>	<u>39,482</u>	<u>40,063</u>	<u>35,552</u>

JAMES MONTGOMERY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		39,133		36,906
Current assets					
Debtors	14	1,064		970	
Cash at bank and in hand		2,819		3,317	
		<u>3,883</u>		<u>4,287</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,716)		(2,390)	
Net current assets			1,167		1,897
Total assets less current liabilities			40,300		38,803
Creditors: amounts falling due after more than one year	17		(38)		(55)
Net assets excluding pension liability			40,262		38,748
Defined benefit pension scheme liability	20		(199)		(3,196)
Net assets			<u>40,063</u>		<u>35,552</u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			39,482		37,702
- Restricted income funds			298		514
- Pension reserve			(199)		(3,196)
Total restricted funds			<u>39,581</u>		<u>35,020</u>
Unrestricted income funds	19		482		532
Total funds			<u>40,063</u>		<u>35,552</u>

The accounts set out on pages 26 to 56 were approved by the board of trustees and authorised for issue on 12 December 2023 and are signed on its behalf by:


[Martin Harrison \(Dec 15, 2023 16:28 GMT\)](#)

M Harrison
Chair

Company Number 10482806

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023	2022
	Notes	£000	£000
Cash flows from operating activities			
Net cash provided/(used in) operating activities	21	5	1,003
		<u>5</u>	<u>1,003</u>
Cash flows from investing activities	22	(530)	(41)
Cash flows from academy conversions	23	27	68
		<u>27</u>	<u>68</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period		(498)	1,030
Cash and cash equivalents at beginning of the year		3,317	2,287
		<u>3,317</u>	<u>2,287</u>
Cash and cash equivalents at end of the year		<u>2,819</u>	<u>3,317</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Government assurances around school funding during coronavirus pandemic has reduced financial uncertainty faced by schools and the ongoing situation is not expected to compromise the financial viability of the Trust moving forward. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the state-maintained schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

1.4 Income

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

Grants

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (continued)

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

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

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

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

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

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease. Trusts must obtain prior approval from the ESFA before entering into finance lease agreements. If a signed lease agreement is found to meet the definition of a finance lease, and prior approval has not been sought, the trust must either renegotiate the lease terms or settle the lease in full, bringing the agreement to an end. Leased assets purchased by the trust will be shown at their fair value and reflected in tangible fixed assets on the balance sheet and depreciated over their useful economic life (as per the accounting treatment set out in section 1.6).

1.9 Financial instruments

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (continued)

Financial Assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (continued)

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Donated fixed assets	-	-	-	227
Capital grants	-	1,068	1,068	816
Other donations	-	57	57	59
	<u>-</u>	<u>1,125</u>	<u>1,125</u>	<u>1,102</u>

In the year the Trust received £1,068,000 DfE group capital funding (2022: £816,000), and £57,000 restricted donations (2022: £59,000).

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	19,477	19,477	18,019
Start Up Grant	-	25	25	50
Rates	-	73	73	59
Pupil Premium	-	1,776	1,776	1,530
PE & Sports Premium	-	312	312	296
Teacher Pay & Pensions Grant	-	49	49	86
Universal Infant FSM Grant	-	470	470	444
Trust Level Grants	-	-	-	148
School Supplementary Grant	-	562	562	231
Mainstream Schools Additional Grant	-	284	284	-
Other DfE group grants	-	54	54	35
	-	23,082	23,082	20,898
Other government grants				
Local authority grants	-	3,084	3,084	3,075
Educational Projects	-	161	161	182
	-	3,245	3,245	3,257
COVID-19 additional funding (DfE/ESFA)				
National Tutoring Programme	-	150	150	157
Catch-up Premium/Recovery Premium	-	178	178	160
	-	328	328	317
Total funding	-	26,655	26,655	24,472

In the year the Trust received £178,000 Recovery Premium and £150,000 School-led Tutoring Grant from the DfE. This funding has been used to support schools in delivering 'Covid catch up' activities.

The Trust also received £562,000 School Supplementary Grant and £284,000 Mainstream Schools Additional Grant from the DfE to support with increased energy costs and inflationary pay awards.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

	U restricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Unrestricted lettings income	21	-	21	15
Catering income	191	-	191	188
Unrestricted staff absence income	132	-	132	185
Other income	572	-	572	488
	<u>916</u>	<u>-</u>	<u>916</u>	<u>876</u>

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2023 £000	Total 2022 £000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations					
- Direct costs	19,108	632	1,737	21,477	21,846
- Allocated support costs	2,654	1,788	3,119	7,561	6,501
	<u>21,762</u>	<u>2,420</u>	<u>4,856</u>	<u>29,038</u>	<u>28,347</u>

Net income/(expenditure) for the period includes:

	2023 £000	2022 £000
Fees payable to auditor for:		
- Audit	30	25
- Assurance services other than audit	19	13
Legal fees - academy conversion costs	7	25
Legal fees - other	25	24
Operating lease rentals	65	47
Depreciation of tangible fixed assets	1,093	907
Net interest on defined benefit pension liability	139	329
	<u>1,378</u>	<u>1,370</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Direct costs - educational operations	-	21,477	21,477	21,846
Support costs - educational operations	760	6,801	7,561	6,501
	<u>760</u>	<u>28,278</u>	<u>29,038</u>	<u>28,347</u>

8 Charitable activities

Analysis of costs	Teaching School £000	Educational operations £000	Total 2023 £000	Total 2022 £000
Direct costs				
Teaching and educational support staff costs	-	19,108	19,108	17,626
Staff development	-	73	73	114
Depreciation and amortisation	-	984	984	817
Technology costs	-	166	166	183
Educational supplies and services	-	463	463	487
Examination fees	-	-	-	-
Educational consultancy	-	550	550	519
Other direct costs	-	133	133	2,100
	<u>-</u>	<u>21,477</u>	<u>21,477</u>	<u>21,846</u>
Support costs				
Support staff costs	-	2,654	2,654	2,331
Depreciation and amortisation	-	109	109	91
Maintenance of premises and equipment	-	211	211	286
Cleaning	-	184	184	221
Energy costs	-	940	940	422
Rent and rates	-	175	175	186
Insurance	-	91	91	78
Security and transport	-	102	102	7
Catering	-	1,264	1,264	1,203
Finance costs	-	-	-	-
Other support costs	-	1,750	1,750	1,589
Governance costs	-	81	81	87
	<u>-</u>	<u>7,561</u>	<u>7,561</u>	<u>6,501</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£000	£000
Wages and salaries	16,396	14,979
Social security costs	1,405	1,218
Pension costs	3,516	3,276
Apprenticeship levy	66	59
	<hr/>	<hr/>
Amounts paid to employees	21,383	19,532
Agency staff costs	349	391
Staff restructuring costs	30	34
	<hr/>	<hr/>
Total staff expenditure	21,762	19,957
	<hr/>	<hr/>

Staff restructuring costs comprise:

Redundancy payments	-	8
Severance payments	18	16
Other restructuring costs	12	10
	<hr/>	<hr/>
	30	34
	<hr/>	<hr/>

The academy trust paid 2 severance payments in the year, disclosed within the following bands:

0 - £25,000 2

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £11,705 (2022: £10,000). This is made up of one payment (2022: 3 payments).

Staff numbers

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

	2023	2022
	Number	Number
Teachers	201	208
Administration and support	480	478
Management	22	22
	<hr/>	<hr/>
	703	708
	<hr/>	<hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff (continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,000 - £70,000	5	7
£70,001 - £80,000	9	6
£80,001 - £90,000	3	1
£90,001 - £100,000	2	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £2,188,818 (2022: £1,958,145).

10 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 directors and officers indemnity element from the overall cost of the RPA scheme.

11 Trustees remuneration and expenses

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Central services

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

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

The academy trust charges for these services based on a flat percentage of General Annual Grant, Early Years Funding, School Supplementary Grant and Mainstream Schools Additional Grant (5.5%).

The amounts charged during the year were as follows:

	2023	2022
	£000	£000
Anston Hillcrest Primary	62	55
Brampton Cortonwood Infant	46	45
Brampton the Ellis CofE Primary	119	120
Brinsworth Howarth Primary	49	48
Ferham Primary	70	57
Harthill Primary	44	38
Highfield Farm Primary	21	-
Hooton Pagnell CofE All Saints Primary	27	26
Kiveton Park Infant	38	40
Kiveton Park Meadows Junior	56	51
Laughton J&I	53	52
Meadow View Primary	53	29
Mexborough St John the Baptist CofE Primary	65	59
St Ann's J&I	112	102
Thurcroft Infant	68	63
Wath CofE Primary	102	98
Wath Central Primary	103	97
Wath Victoria Primary	84	75
	<hr/>	<hr/>
	1,172	1,055
	<hr/>	<hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets (as restated)

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2022	29,830	8,745	924	517	40,016
Transfer on conversion	1,716	-	3	-	1,719
Additions	1,210	-	312	79	1,601
At 31 August 2023	32,756	8,745	1,239	596	43,336
Depreciation					
At 1 September 2022	1,371	818	681	240	3,110
Charge for the year	544	158	284	107	1,093
At 31 August 2023	1,915	976	965	347	4,203
Net book value					
At 31 August 2022	28,459	7,927	243	277	36,906
At 31 August 2023	30,841	7,769	274	249	39,133

In the year land and building opening balances were restated to reflect the correct categorisation of leasehold and freehold property. This correction relates to Brampton Cortonwood Infant, Wath Central Primary and Wath Victoria Primary.

Upon conversion, land and buildings of Highfield Farm Primary were transferred to Trust on a 125-year lease from Rotherham MBC. The land and buildings valuations are included in the accounts based on disposal values supplied by Rotherham MBC Property Services.

Please refer to note 30 for further details regarding the transfer of assets and liabilities on conversion.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Debtors	2023	2022
	£000	£000
Trade debtors	42	154
VAT recoverable	284	315
Prepayments and accrued income	738	501
	<u>1,064</u>	<u>970</u>
15 Creditors: amounts falling due within one year	2023	2022
	£000	£000
Trade creditors	1,026	772
Other taxation and social security	709	647
Finance lease	-	202
Loans	7	7
Other creditors	10	29
Accruals and deferred income	964	733
	<u>2,716</u>	<u>2,390</u>
16 Deferred income	2023	2022
	£000	£000
Deferred income is included within:		
Creditors due within one year	<u>339</u>	<u>276</u>
Deferred income at 1 September 2022	276	289
Released from previous years	(276)	(289)
Resources deferred in the year	<u>339</u>	<u>276</u>
Deferred income at 31 August 2023	<u>339</u>	<u>276</u>
<p>At the balance sheet date, the academy trust was holding funds received in advance for Universal Infant Free School Meals £290,234 (2022: £272,599), parental contributions of £32,003 (2022: £3,411), £11,773 SEN funding and £4,500 funding relating to a web development project.</p>		
17 Creditors: amounts falling due in greater than one year	2023	2022
	£000	£000
Loans	38	45
Other creditors	-	10
	<u>38</u>	<u>55</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Creditors: amounts falling due in greater than one year (continued)

The Trust received capital loans totalling £55,000 in the 2020/21 year to support investment in buildings infrastructure projects. These loans will be repaid over an 8-year period. The balance due within 1 year is £17,000 and the balance due in excess of 1 year is £38,000.

18 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	514	19,477	(19,843)	150	298
Pupil Premium	-	1,776	(1,776)	-	-
National Tutoring Programme	-	150	(150)	-	-
Recovery Premium	-	178	(178)	-	-
Other DfE / ESFA grants	-	1,829	(1,829)	-	-
Other government grants	-	3,245	(3,245)	-	-
Donations	-	57	(57)	-	-
Pension reserve	(3,196)	(156)	(107)	3,260	(199)
	<u>(2,682)</u>	<u>26,556</u>	<u>(27,185)</u>	<u>3,410</u>	<u>99</u>
Restricted fixed asset funds					
Inherited on conversion	33,909	1,730	(615)	-	35,024
DfE group capital grants	3,356	1,068	(269)	-	4,155
Capital expenditure from GAG	199	-	(185)	75	89
Private funding	27	-	-	-	27
Local authority capital grants	211	-	(24)	-	187
	<u>37,702</u>	<u>2,798</u>	<u>(1,093)</u>	<u>75</u>	<u>39,482</u>
Total restricted funds	<u>35,020</u>	<u>29,354</u>	<u>(28,278)</u>	<u>3,485</u>	<u>39,581</u>
Unrestricted funds					
General funds	532	935	(760)	(225)	482
	<u>532</u>	<u>935</u>	<u>(760)</u>	<u>(225)</u>	<u>482</u>
Total funds	<u>35,552</u>	<u>30,289</u>	<u>(29,038)</u>	<u>3,260</u>	<u>40,063</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds (continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

Pupil Premium Grant

Pupil Premium is additional funding given to academies so that they can support disadvantaged pupils in closing the attainment gap.

Other Grants

- The *Universal Infant Free School Meals* grant is to provide free school meals for all infant pupils.
- The *PE & Sports Premium* is funding received to support the sporting facilities of the academy.
- The *Teacher Pay & Pension Grant* is funding provided to compensate for the additional cost of teacher pension contributions and increased pay.
- The *Covid Recovery Premium* is additional funding provided by the DfE to help schools deliver additional support to pupils to combat the impact of 'lost learning' during the Covid pandemic.
- The *School-led Tutoring Grant* is additional funding provided by the DfE to deliver 1:1 and small group tuition to vulnerable pupils affected by 'lost learning' during the Covid pandemic.
- The *School Supplementary Grant* and the *Mainstream Schools Additional Grant* are additional streams of funding provided by the DfE to help combat the rising cost of energy supplies and the additional budgetary pressure caused by inflationary pay awards.
- The *Early Years funding* is to support the Early Years provision of the academy.
- The *High Needs funding* is to support pupils with additional needs.

The trust also received £57,000 in donations, of which £17,000 was received from The Education Foundation of George Ellis. Donations were also received from parents and local community groups. These donations were used to invest in school resources including books and new computer equipment.

Restricted Fixed Asset Funds

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the academy. A total of £75,000 (2022: £106,000) has been transferred from restricted general funds to restricted fixed asset funds. In the year the Trust received £1,068,000,000 capital funding from the DfE, a combination of Devolved Formula Capital (DFC), School Condition Allocation (SCA) and Connect the Classroom. At 31 August 2023 the Trust had unspent capital funds of £349,000 which will be utilised in the academic year 2022-23 to support building works and investment in ICT infrastructure.

Unrestricted Funds

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust. In the year income of £935,000 was received – largely relating to parental contributions, insurance reimbursements and catering income. In the year £225,000 was transferred to restricted general funds to support the purchase of key educational resources.

Pension Reserve

The restricted pension fund has a deficit of £199,000 (2022: £3,196,000). The deficit has reduced significantly in the year following a change in financial assumptions which has seen the value of scheme liabilities fall and the value of scheme assets increase. On conversion of Highfield Farm Primary, the Trust inherited a pension liability of £156,000 (included in the overall deficit figure). The pension finance charge in the year was £139,000 (2022: £329,000).

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	393	18,019	(18,795)	897	514
Pupil Premium	-	1,530	(1,530)	-	-
National Tutoring Programme	-	157	(157)	-	-
Recovery Premium	-	160	(160)	-	-
Other DfE / ESFA grants	-	1,349	(1,349)	-	-
Other government grants	39	3,257	(3,296)	-	-
Donations	-	59	(59)	-	-
Pension reserve	(15,663)	(1,975)	(2,094)	16,536	(3,196)
	<u>(15,231)</u>	<u>22,556</u>	<u>(27,440)</u>	<u>17,433</u>	<u>(2,682)</u>
Restricted fixed asset funds					
Inherited on conversion	29,904	4,608	(603)	-	33,909
DfE group capital grants	2,680	816	(140)	-	3,356
Capital expenditure from GAG	232	-	(139)	106	199
Private funding	27	-	-	-	27
Local authority capital grants	9	227	(25)	-	211
	<u>32,852</u>	<u>5,651</u>	<u>(907)</u>	<u>106</u>	<u>37,702</u>
Total restricted funds	<u>17,621</u>	<u>28,207</u>	<u>(28,347)</u>	<u>17,539</u>	<u>35,020</u>
Unrestricted funds					
General funds	<u>591</u>	<u>944</u>	<u>-</u>	<u>(1,003)</u>	<u>532</u>
Total funds	<u>18,212</u>	<u>29,151</u>	<u>(28,347)</u>	<u>16,536</u>	<u>35,552</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds (continued)

Total funds analysis by academy

	2023	2022
	£000	£000
Fund balances at 31 August 2023 were allocated as follows:		
Anston Hillcrest Primary	(87)	(10)
Brampton Cortonwood Infant	(5)	(67)
Brampton the Ellis CofE Primary	26	25
Brinsworth Howarth Primary	(55)	(5)
Ferham Primary	106	15
Harthill Primary	1	(13)
Highfield Farm Primary	(17)	-
Hooton Pagnell CofE All Saints Primary	53	105
Kiveton Park Infant	(40)	67
Kiveton Park Meadows Junior	103	56
Laughton J&I	(10)	66
Meadow View Primary	103	42
Mexborough St John the Baptist CofE Primary	68	100
St Ann's J&I	139	123
Thurcroft Infant	169	173
Wath CofE Primary	48	79
Wath Central Primary	(44)	27
Wath Victoria Primary School	123	47
Central services	99	216
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	780	1,046
Restricted fixed asset fund	39,482	37,702
Pension reserve	(199)	(3,196)
	<hr/>	<hr/>
Total funds	40,063	35,552
	<hr/> <hr/>	<hr/> <hr/>

In the year 7 schools reported a deficit – Anston Hillcrest Primary (£87,000), Brampton Cortonwood Infant (£5,000), Brinsworth Howarth Primary (£55,000), Highfield Farm Primary (£17,000), Kiveton Park Infant (£40,000), Laughton J&I (£10,000) and Wath Central Primary (£44,000). All schools reporting a deficit in the year have agreed recovery plans with the trust. The schools reporting a relatively small deficit in the year (Brampton Cortonwood Infant and Laughton J&I) are expected to return to a surplus position in the 2023/24 academic year without the need for any significant reduction in expenditure. However, those schools reporting a significant deficit will undergo a staffing restructure in the autumn term to help reduce expenditure and restore financial stability. Where possible, the trust will redeploy staff in order to avoid a redundancy situation.

All school balances have been negatively affected by the anticipated NJC pay award which will see salary costs increase by approx. 7%. The figures reported above take account of the estimated back pay for the period April – August 2023.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Anston Hillcrest Primary	971	165	30	193	1,359	1,309
Brampton Cortonwood Infant	608	112	23	138	881	993
Brampton the Ellis CofE Primary	1,857	223	54	356	2,490	2,464
Brinsworth Howarth Primary	759	120	34	227	1,140	1,063
Ferham Primary	1,004	77	45	501	1,627	1,436
Harthill Primary	641	87	27	148	903	861
Highfield Farm Primary	350	37	26	89	502	-
Hooton Pagnell CofE All Saints Primary	397	71	25	134	627	527
Kiveton Park Infant	727	122	24	143	1,016	961
Kiveton Park Meadows Junior	792	130	37	183	1,142	1,136
Laughton Junior and Infant School	856	151	34	209	1,250	1,159
Meadow View Primary	813	110	48	483	1,454	757
Mexborough St John the Baptist CofE Primary	1,038	118	48	231	1,435	1,344
St Ann's J&I	1,802	234	61	410	2,507	2,322
Thurcroft Infant	1,040	122	45	273	1,480	1,358
Wath CofE Primary	1,580	158	47	384	2,169	2,019
Wath Central Primary	1,626	101	40	652	2,419	2,222
Wath Victoria Primary	1,460	98	38	289	1,885	1,873
Central services	787	418	156	298	1,659	3,636
	<u>19,108</u>	<u>2,654</u>	<u>842</u>	<u>5,341</u>	<u>27,945</u>	<u>27,440</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2023 £000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	39,133	39,133
Current assets	482	3,007	394	3,883
Creditors falling due within one year	-	(2,709)	(7)	(2,716)
Creditors falling due in greater than one year	-	-	(38)	(38)
Defined benefit pension liability	-	(199)	-	(199)
	<u>482</u>	<u>99</u>	<u>39,482</u>	<u>40,063</u>

Analysis of net assets between funds Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2022 £000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	36,906	36,906
Current assets	532	2,907	848	4,287
Creditors falling due within one year	-	(2,383)	(7)	(2,390)
Creditors falling due in greater than one year	-	(10)	(45)	(55)
Defined benefit pension liability	-	(3,196)	-	(3,196)
	<u>532</u>	<u>(2,682)</u>	<u>37,702</u>	<u>35,552</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS 31 March 2022.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next TPS valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £2,081,410 (2022: £1,945,600). Contributions amounting to £240,000 were payable to the scheme as at 31 August 2023 (2022: £229,000) and are included in creditors.

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2023 and prior year are detailed below. The agreed contribution rate for the future year is 20.8% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with parliamentary minutes published on [GOV.UK](https://www.gov.uk).

Total contributions made	2023	2022
	£000	£000
Employer's contributions	1,458	1,266
Employees' contributions	423	358
Total contributions	<u>1,881</u>	<u>1,624</u>

Principal actuarial assumptions	2023	2022
	%	%
Rate of increase in salaries	3.55	4.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.25</u>

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

	2023	2022
	Years	Years
Retiring today		
- Males	20.6	22.6
- Females	23.6	25.4
Retiring in 20 years		
- Males	21.4	24.1
- Females	<u>25.0</u>	<u>27.3</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (continued)

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

	2023	2022
	£000	£000
Discount rate - 0.1%	496	501
Mortality assumption + 1 year	768	773
Pay growth + 0.1%	65	80
CPI rate + 0.1%	440	425

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

	2023	2022
	Fair value	Fair value
	£000	£000
Equities	13,104	11,290
Government bonds	3,988	3,226
Other bonds	-	-
Cash	190	161
Property	1,709	1,452
Other assets	-	-
Total market value of assets	18,991	16,129

The actual return on scheme assets was 2.8% £725,000 (2022: £274,000 – 1.7%).

Amount recognised in the Statement of Financial Activities

	2023	2022
	£000	£000
Current service cost	1,390	2,999
Past service cost	-	-
Interest income	-	-
Interest cost	139	329
Admin expenses	36	32
Total operating charge	1,565	3,360

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations	2023	2022
	£000	£000
At 1 September	19,325	28,917
Obligations acquired on conversion	322	3,436
Current service cost	1,390	2,999
Interest cost	864	602
Employee contributions	423	358
Actuarial loss/(gain)	(2,973)	(16,933)
Benefits paid	(197)	(86)
Admin expenses	36	32
	<hr/>	<hr/>
At 31 August	19,190	19,325
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets	2023	2022
	£000	£000
At 1 September	16,129	13,254
Assets acquired on conversion	166	1,461
Interest income	725	273
Actuarial gain	287	(397)
Employer contributions	1,458	1,266
Employee contributions	423	358
Benefits paid	(197)	(86)
Admin expenses	-	-
	<hr/>	<hr/>
At 31 August	18,991	16,129
	<hr/> <hr/>	<hr/> <hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2023	2022
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,251	804
Adjusted for:		
Depreciation (note 13)	1,093	907
Capital grants from DfE and other capital income	(1,068)	(816)
Assets inherited on conversion (note 30)	(1,719)	(4,608)
Investment income receivable	(3)	-
Defined benefit pension scheme obligation inherited (note 30)	156	1,975
Defined benefit pension scheme finance cost	139	329
Defined benefit pension scheme administration cost	36	32
Defined benefit pension scheme cost less contributions payable	(68)	1,733
Cash inherited on conversion	(27)	(68)
Donated assets	-	(227)
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors (note 14)	(94)	109
Increase/(decrease) in creditors (note 15 & 17)	309	833
Net cash (used in)/provided by operating activities	5	1,003

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Cash flows from investing activities

	2023	2022
	£000	£000
Purchase of tangible fixed assets	(1,601)	(1,084)
Donated fixed assets	-	227
DfE/other capital grants	1,068	816
Interest received from cash deposits	3	-
	<u> </u>	<u> </u>
Net cash flows provided by/(used in) investing activities	(530)	(41)
	<u> </u>	<u> </u>

23 Transfers on conversion

	2023	2022
	£000	£000
Cash transferred on conversion to academy status	27	68
	<u> </u>	<u> </u>
Total cash transferred on conversion	27	68
	<u> </u>	<u> </u>

24 Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand and at the bank	2,819	3,317
	<u> </u>	<u> </u>
Total cash and cash equivalents	2,819	3,317
	<u> </u>	<u> </u>

25 Analysis of changes in net debt

	At 1	Cash	At 31
	September	flows	August
	2022	£000	2022
	£000		£000
Cash	<u>3,317</u>	<u>(498)</u>	<u>2,819</u>
	<u>3,317</u>	<u>(498)</u>	<u>2,819</u>
Loans falling due within one year	36	(19)	17
Loans falling due after more than one year	55	(17)	38
Finance lease obligations	202	(202)	-
	<u> </u>	<u> </u>	<u> </u>
	<u>293</u>	<u>(238)</u>	<u>55</u>
	<u> </u>	<u> </u>	<u> </u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Commitments under operating leases and PFI agreements

At 31 August 2023 the total future minimum lease payments under non-cancellable operating leases and PFI agreements were as follows:

	2023 PFI £000	2023 Operating Leases £000	2022 PFI £000	2022 Operating Leases £000
Amounts due within one year	1,031	49	915	47
Amounts due in two and five years	4,123	51	3,661	49
Amounts due after five years	5,755	-	6,026	-
	<u>10,909</u>	<u>100</u>	<u>10,602</u>	<u>96</u>

The academy trust occupies premises which are subject to a Private Finance Initiative (PFI) contract. The trust itself is not party to this service concession contract, however the academy trust has entered into a supporting agreement towards the cost of the local authority. The above commitments cover the affordability payment and ongoing premises operating costs such as catering and cleaning. This ends in 2034.

27 Capital Commitments

	2023 £000	2022 £000
Contracted for, but not provided for in the financial statements	<u>71</u>	<u>66</u>

28 Related party transactions

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Expenditure related party transactions

In the year the trust did not engage in any related party transactions.

Related employments

- Neil Pacheco, a teacher at Kiveton Park Meadows Junior, is the husband of Jennifer Pacheco, a member of the Senior Leadership Team in school.
- Abigail Foreman, a teacher at Brampton the Ellis CofE Primary, is the sister-in-law of George Dowson, a serving member of the Local Governing Body.
- Amanda Radford, a Schools Meals Supervisor at Harthill Primary, is the daughter of Fiona Radford, chair of the Local Governing Body.
- Rachel Goucher, a teacher at Kiveton Park Infant, is the daughter of Sandy Morrell, a serving member of the Local Governing Body.
- Vicky Rogers, a teacher at Laughton J&I, is the wife of Ashley Rogers, a serving member of the Local Governing Body.
- Gemma Briggs, a teacher at St Ann's J&I, is the partner of Richard Hawley, a teacher and member of the Local Governing Body.
- Neil Sargent, a caretaker at Thurcroft Infant, is the husband of Gail Sargent, a teaching assistant and member of the Local Governing Body.
- Richard Tricklebank, a teaching assistant at Kiveton Park Meadows Junior, is the son of Jennifer Pacheco, a member of the Senior Leadership Team in school.
- Jonathon Blood, a caretaker at Wath Victoria Primary, is the husband of Donna MacKinnon, Headteacher of the school.
- Jamie Ottewell, a teaching assistant at Wath Victoria Primary until his resignation on 31st December 2022, is the son of Julie Salmons, the School Business Manager.
- Julie Salmons, School Business Manager at Wath Victoria Primary, is the cousin of Jackie Oliver, the trust Strategic Lead and serving member of the Local Governing Body.

All the above-named employees are paid within the normal pay range and receive no special treatment as a result of their relationship.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

29 Members' liability

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

30 Conversion to an academy

On 1 January 2023 Highfield Farm Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to James Montgomery Academy Trust from the Local Authority for £nil consideration.

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

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

	2023
	£000
Net assets transferred:	
Tangible fixed assets	1,719
Cash	27
LGPS pension surplus/(deficit)	(156)
	<u>1,590</u>

	Unre	Restricted funds:		Total
	tricted	General	Fixed asset	2023
	Funds	£000	£000	£000
Funds surplus/(deficit) transferred:	£000			
Fixed assets funds	-	-	1,719	1,719
LA budget funds	-	-	-	-
School private fund	16	-	11	27
LGPS pension funds	-	(156)	-	(156)
	<u>16</u>	<u>(156)</u>	<u>1,730</u>	<u>1,590</u>

