

JOHN MILTON ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

I Gallagher
R Newton (resigned 13 June 2023)
M Carter
A Ridealgh
T Barker

Trustees

A Ridealgh, Chair of the Trust
J Cousins (resigned 27 April 2023)
K D L Grimes, Chief Executive Officer (resigned 23 October 2023)
A Hauwert
S Hayter
A M Mayhew
D Nunn, Vice Chair of the Trust / Chair of Audit & Risk Committee
T Passmore
M Addel-Maguid
P Thirkettle, Chair of Standards, Personnel and GDPR
N Jolly
M Williams (appointed 29 September 2022)
D Newport (appointed 15 December 2022)

Company registered number

10298832

Company name

John Milton Academy Trust

Principal and registered office

JMAT Centre, Church Road, Stowupland, Stowmarket, Suffolk, IP14 4BQ

Chief executive officer

K D L Grimes (resigned 23 October 2023)
S Common (appointed 23 October 2023)

Senior management team

S Common, Chief Executive Officer
E Stoneham, Director of School Improvement (commissioned January 2023)
T Sait, Executive Headteacher, Bacton & Mendlesham Primary Schools
T Jarrett, Director of Operations and Finance

Independent auditors

Larking Gowen LLP, 1 Claydon Business Park, Great Blakenham, Ipswich, IP6 0NL

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers

Lloyds Bank plc, Queen Square, Wolverhampton, WV1 1RF

Solicitors

Birketts LLP, Providence House, 141 - 145 Princes Street, Ipswich, IP1 1QJ

JOHN MILTON ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company from 1 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 operates three primary schools and one secondary school: Bacton Primary School, Cedars Park Primary School, Mendlesham Primary School and Stowupland High School. As of the school census of October 2023 it has a pupil capacity of 1,835 and a roll of 1,620.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of John Milton Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as John Milton Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Trustees are directors of the charitable company for the purpose of the Companies Act 2006 and Trustees for the purposes of charity legislation. For the period to 31 August 2023 trustees and board members were covered by the Risk Protection Arrangement provided by the Department for Education. Details of the costs can be found in Note 13 to the accounts.

d. Method of recruitment and appointment or election of Trustees

The number of Trustees must be no less than three but is not subject to any maximum. The Members may appoint by ordinary resolution, under Article 50, up to ten Trustees. The Trust must also have a minimum of two Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least two Parent Local Governors on each established Local Governing Body, and must also have a Chief Executive Officer.

The term of office for any Trustee is four years, and subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected provided that no Trustee shall serve more than twelve years consecutively.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The John Milton Academy Trust oversees governance arrangements for all layers of the organisation. The Trust continues to use a central online portal to house all policies and resources and a governance professional clerks all Board meetings and oversees the arrangements at a Local Level. Recruitment and training is linked directly to the needs of the Trust and its schools.

Online learning modules are in place for all Trustees including safeguarding and cyber security training alongside a programme of training by both Trust and external experts in a variety of areas linked to the Trust Improvement and Development plan and individual trustee needs. Our membership of the Confederation of School Trusts continues to impact on our work through weekly updates and governance courses.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

f. Organisational structure

The Trust is the body accountable to the Education and Skills Funding Agency and the Department for Education for the performance of all the schools in the Trust. The Board is expected to ensure that each school provides a good standard of education, that students are kept safe, and that the funding is deployed effectively and appropriately. The Board comprises at least 10 Trustees including the CEO/Accounting Officer and is successful in ensuring diversity at the highest level of governance. During the academic year 2022/23, the Trust has appointed new trustees with experience in Finance, Higher Education and Sustainability.

Trustees are sought and appointed on the basis of the skills required to provide effective support and challenge at a strategic level. The Board sets strategy and budget, ratifies policy and monitors progress in fulfilling our two charitable objects.

During 2022/23, the Board of Trustees has continued to operate four distinct committees:

- The Learning and Performance Committee;
- Remuneration Committee;
- Audit and Risk Committee (which reviews and monitors internal and external audit and oversees the Risk Management process);
- Finance and Business Committee (which approves strategy and policy and monitors financial and operational standards).

A sustainability committee has also begun to meet as part of wider efforts to develop a decarbonisation plan for the Trust by reviewing and developing strategy across the Trust estate, operations and through opportunities provided to young people via the curriculum and extracurricular activities.

The Chief Executive Officer (CEO) who is also Accounting Officer, develops and implements Trust strategy in partnership with the Executive Leadership Group and is accountable for the Trust's Strategic Plan and for overall educational and financial standards. The CEO attends most committee meetings and also produces a regular blog to keep Trustees informed of the day-to-day working of the Trust and its schools.

The Executive Leadership Group comprises Heads of School and central staff as required. These leaders assist the CEO in the development of strategy and are also accountable for its implementation and for educational and safeguarding standards in respective schools.

The Chief Financial Officer implements MAT strategy and policy at corporate service level and is accountable to the CEO for financial and operational standards.

Local Boards are linked to all schools so that the Trust remains firmly rooted in local communities. Local Boards continue to receive termly briefing sheets and reports on key aspects of the Trust's central services including: school improvement, safeguarding, premises and ICT.

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

At all levels, the Trust's pay scales are set in accordance with the national teaching and support staff pay scales. The pay of all staff, including that of key management personnel, is reviewed as an integral part of an annual performance management process. The performance of Headteachers is overseen by an external adviser in conjunction with the CEO and the CEO's performance management is undertaken by designated Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	2,841	
Total pay bill	7,677,479	
Percentage of total pay bill spent on facility time	0.04	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Related parties and other connected charities and organisations

The John Milton Academy Trust is not part of a federation and does not have any related Parties or other Connected Charities or Organisations.

During this period, our partnership work with SENDAT, a MAT specialising in SEND, has continued. This project involves two "Mulberry Centres" to accommodate learners with additional Learning and Cognition needs. These centres are part of Suffolk's drive to increase specialist provision within localities and minimise the need for out-of-county provision. SENDAT provide trained specialists to staff the centres and deliver an appropriate curriculum under the direction and oversight of a senior leader in each school.

The CEO of the Trust is on the steering group for Suffolk and Norfolk's CEO Network (CEON) and represents members at monthly meetings with the Local Authority and also at regular Sector Leads' meetings. The year saw the continued development of the Suffolk Education Partnership (SEP) as a forum for partnership working between local MATS and the Local Authority.

The Trust also works with a number of partners for the benefit of students. During 2022/23, these have included: the University of Suffolk, PiXL, Hackney Education, Schools' Choice and Educator Solutions. The Trust is also a member of the Confederation of School Trusts, the Chartered College of Teaching, The Myland Trust (literacy) and the Suffolk and Norfolk MathsHub. There has also been work with two National Leaders of Education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

a. Objects and aims

The Trust's objects are specifically restricted to the following:

- a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs; and
- b. To promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants

All employees of the Trust, irrespective of their roles, will work to advance education for public benefit and this is reflected in the Trust's vision of Ambition, Aspiration and Excellence.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust has developed and works to a three year plan (2022 – 2025), shaped by the following strategic objectives:

S01: Excellence in Expert Governance

S02: Excellence in the Quality of Education

S03: Excellence in Workforce Resilience and Wellbeing

S04: Excellence in the Efficiency and Effectiveness of Operational Structures

S05: Excellence in Civic Leadership and Civic Duty

During the academic year 2022/23, schools have still been in the process of recovering from Covid and other challenges. Staff attendance figures have returned to pre pandemic figures at primary, but not at secondary. Within this context, the Trust and its schools have continued to move forward. Activities in 2022/23 linked to our objectives have included:

- development of a School Improvement and Development plan for each school (SID) comprising three principal priorities. These plans are used to shape and drive CPD and other Trust activities;
- further development of the two Mulberry Centres, with increased numbers of learners attending;
- continuation of school improvement visits each term from Hackney Education at both primary and secondary level;
- ongoing work at the secondary phase with National Leaders in Education (Mulberry Centre and culture and ethos);
- continuation of task group for SEND, with a particular focus on the introduction of Provision Map across Trust schools to support high quality teaching of SEN learners;
- continuation of the task group for Safeguarding/PSHE, with professional support for the Designated Safeguarding Leads in each school and tangible evidence of impact on the personal development of learners;
- Trust conferences with keynote speakers and CPD linked to priorities;
- further development of Management Information Systems - particularly Arbor and CPOMS - to support school development and the wellbeing of learners;
- additional Condition Improvement Fund (CIF) bids and projects to undertake major capital work to improve health and safety of Trust sites.
- Strengthening of partnership work with other Trusts (in line with the Trust's strategic plan).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The Trustees consider that the Trust's activities are demonstrably to the public benefit.

Trust facilities continue to be utilised by the wider community with increased usage following the lifting of all restrictions in the previous period. It is pleasing to see increased youth participation during school holiday periods. The new Sixth Form Centre at Stowupland High School has continued to play host to a number of CPD events for other local schools and the Local Authority.

Strategic report

Achievements and performance

Inspections were completed in two Trust schools during the academic year 2022/23 - Bacton Primary and Cedars Park Primary - and both were upgraded, with strongly positive reports. At the end of the year, 75% of Trust schools were designated as "good" and results in 2023 reinforced the accuracy of these judgements. We were also delighted to secure an Inclusion Quality Mark at Mendlesham Primary School and secure receive a national MAT finance award for the Mulberry Centres.

The many achievements of our schools and learners are reflected in extensive press coverage and through newsletters produced by both individual schools and the Trust. More information is available from the news pages of the Trust website.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Safeguarding remains effective in all schools as evidenced by audits undertaken by the Trust's Safeguarding Lead and confirmed and tested by external scrutiny. The Trust has demonstrated an accurate understanding of the key document: Keeping Children Safe in Education and has continued to provide appropriate training for those in governance. A termly schedule records checks of the single central record and the safer recruitment process. The Trust ensures appropriate contact with Local Authority safeguarding teams to support the culture of safeguarding across all schools.

Key Performance Indicators at primary saw a significant uplift by the end of 2023. Attendance figures exceeded national averages and significant work to address persistent absence amongst pupils paid handsome dividends. Outcomes at KS1 and KS2 compared very favourably with national figures in all areas (reading, writing, maths and the combined figures). At Mendlesham, this was a significant achievement as Mulberry learners in the Cognition and Learning Centre were included in all data sets.

At secondary, we were advised that national gradings and thresholds in 2023 would reflect 2019 figures and this applied both to KS4 and KS5. Some key data for 2023 relating to English and Maths indicated the school's performance was in line with that of 2019. However, there is still work to do to match national figures at KS4 and ensure that data adjustments can be made for those not able to attend school. Attendance and persistent absence at secondary remain priority areas with the obvious impact on outcomes. Although there were green shoots during 2022 - 23, secondary attendance has not yet returned to pre-pandemic levels.

At KS5, national value-added data is not available (due to Covid assessment arrangements) and the 2023 cohort was small, with only 39 students. Attainment outcomes in 2023 reflected the prior attainment of learners, but were below national figures. However, progression to HE (and advanced apprenticeships) in 2023 was high at 72% - some 8% above the figure for 2019.

All schools (primary and secondary) continue their focus and drive on the experiences and outcomes for specific groups of learners. This focus is reinforced through equality objectives and targets and also reflected in school improvement and development plans, together with quality assurance activities.

The Board considers the financial key performance indicator of the Academy Trust to be the levels of funds held which are disclosed in the reserves policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Following a change in DfE guidance in late August 2023, the 2023/24 academic year began with additional checks and the discovery of RAAC within a section of the Trust's secondary school, Stowupland High School. Costs for temporary arrangements, and the developing mitigation strategies for the building in question, are significant and continue to rise. Government guidance at the start of September 2023 was that these costs would be met in full by the Government. Since the discovery of RAAC, the Trust has been working alongside the Department for Education and all costs incurred to date have been approved in full. We have no indication to assume this will not be the case for all future expenditure, and therefore RAAC should not have an operational impact on the Trust's finances in the short term.

c. Promoting the success of the company

The majority of the Trust's income is obtained via the Education and Skills Funding Agency (ESFA) by way of Age Weighted Pupil Unit (AWPU) funding, and a range of other recurrent grants such as Pupil Premium, Primary PE Grant, Catch Up Grants, and Universal Infant Free School Meals (UIFSM). The use of this income is restricted to educational purposes, and where limited to restricted funding the associated income and expenditure are shown as such in the Statement of Financial Activities for the year ending 31 August 2023.

The Trust was successful in securing Condition Improvement Fund (CIF) bids for Stowupland High School for the next phase of improvements to heating infrastructure.

Population growth more generally is also likely to be a key factor for the Trust's primary schools through local housebuilding. In addition, the Trust welcomed additional students into both SEND centres which are providing much needed local provision of specialist education at both primary and secondary level.

In accordance with FRS 102, the Trust received an actuarial assessment of its Local Government Pension Scheme (LGPS) surplus. The balance of £NIL is included within the balance sheet as at 31 August 2023 and the notes to the financial statements. While there is currently a surplus in the Local Government Pension Scheme of £333,000, historically academies register more deficits and the performance of the scheme is out of the control of the Trust. Trustees are reassured that the Secretary of State has agreed that in the event of the trust closing, any local government pension scheme liabilities would be met by the Department for Education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

a. Reserves policy

Reserves are held to provide sufficient working capital to cover delays between spending and the receipt of grants. Reserves also serve as security against unfunded pay awards, provide the ability to bid for capital grants where a contribution is required and to allow for unexpected situations such as urgent maintenance work. The Trust Board has approved a reserves policy with the objective of maintaining a reserve equivalent to 7.5% of total GAG income.

GAG income in the period was £8,454,646 equating to a reserve objective of £634,098.

The total restricted and unrestricted general funds (before fixed asset fund and pension reserve) held at 31 August 2023 was £714,509, which includes £605,670 unrestricted funds. This reflects a movement in the year of a deficit of £123,651. Restricted fixed assets funds at the year-end were £22,724,763.

Total reserves at 31 August 2023 including restricted fixed asset fund and pension reserve was £23,439,272.

Some academies do not hold funds equivalent to the reserves policy. In these instances, trustees have approved a process where expenditure is scrutinised and staffing appointments require central authorisation.

b. Material deposits policy

The Trust aims to manage its cash balances to provide for the day to day financial management of all schools. Where surplus cash funds exist, the Trust seeks to optimise returns at minimal risk. Surplus funds are defined as funds in excess of those deemed to be needed to meet the day to day cash flow requirements for the financial management of schools taking into account the agreed minimum reserves level. The Chief Financial Officer (CFO) will maximise investment return by investing surplus funds for up to 6 months in interest bearing accounts with High Street Banks or Building Societies.

Deposits for longer than six months, or in riskier vehicles, require the approval, in advance, of the Audit and Risk Committee.

The CFO will report each term to the Finance and Business Committee on the amounts invested, the beginning and end dates and the interest rate.

On maturity of any such investment the CFO will review the position and may re-invest in line with Trust policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

c. Principal risks and uncertainties

Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to student outcomes, teaching and learning, provision of facilities and other operational areas of the Trust and its finances. This is alongside the risk based approach taken with regard to the management of Covid-19.

As per the Going Concern statement, the Trusts largest school is impacted by RAAC. While there is uncertainty over the final outcome in terms of the building concerned, to date, there is no uncertainty as to the Department for Educations commitment to fully funding all temporary and mitigation works. Signed Works Funding Agreements are in place for costs incurred and known future liabilities. Invoices are being paid in a timely manner so as not to impact on Trust cashflow.

Both the Finance and Business and Audit and Risk committees are continually monitoring the trusts exposure to risk as well as monitoring financial procedures across the Trust. Trustees continue to review the risk register which includes pre and post mitigation risk scores and an associated action plan. These processes continue to inform the programme of internal scrutiny going forward.

The Trust cannot provide absolute assurance on all matters, but can provide a reasonable assurance that material errors or irregularities are either prevented or detected within a timely period.

Other than RAAC, The main area of financial risk will occur around annual funding, cashflow and actuarial assessed LGPS pension fund deficit, held with Suffolk County Council. The Trust understands the need to monitor the impact of cashflow, and undertakes a range of monitoring processes and reports to ensure financial stability.

All budgets are based on current year plus 2 years and are monitored via the ESFA. Projections are based on knowledge available at the time, and by using established budget monitoring tools. All budgets are regularly reviewed by way of medium term plan and management reports to allow for in year changes, and by operating a 3 year overview future risk can be reduced or averted in a timely manner.

However, in recent years, the Trust, along with all Trusts, has had to wait for announcements on pay awards and any subsequent funding thereof. The Teachers pay award for September 2023 was only announced in July 2023 and the subsequent funding only announced for less than half of the award. This partial funding was well publicised and the Trusts budget assumptions reflected this. The support staff award due in April 2023 was only finalised in November 2023 and, as in previous years, comes with no additional increases in funding. These awards alongside industrial action, and proposed increases to Teachers Pensions Contributions in 2024, while not unique to the Trust, will largely dictate much of the Trusts activity because of their budgetary impact.

While there is currently a surplus in the Local Government Pension Scheme of £333,000, as disclosed in the financial report, historically academies register more deficits than they do surpluses and the performance of the scheme is out of the control of the Academy Trust. Trustees are reassured that the Secretary of State has agreed that in the event of the trust closing, any local government pension scheme liabilities would be met by the Department for Education.

As discussed in the risk and control framework, non-financial risks are included as part of the trusts' programme of internal scrutiny including Health and Safety, Governance, Cyber Security and Estate Management.

As well as the provision of external auditors the trust also employs the services of trained advisors in these specialist areas and reviews a broad range of risks via the risk register and associated action plan. The trust is a member of the Confederation of School Trusts with colleagues actively contributing to a number of their professional communities. The trust took part in an expanded trial of the DfE Capital Advisors Programme and is due to join a DfE Estate Management working group with a focus on the risks presented by estates management for small rural primary schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

Schools across the Trust engage in fundraising to support national and local charities. Students may also fundraise to subsidise social activities such as annual "Prom" events. Fundraising does not take place in order to support delivery of the statutory curriculum.

The Trust does not use any external fundraisers. All fundraising was monitored by the trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Trust will continue to work on delivering the best outcomes for learners through the strategic objectives presently identified in the Three Year Strategic Plan. The Trusts long-term vision and growth strategy, adopting the five strategic priorities of a strong trust, as identified by the Confederation of School Trusts. All actions, activities and outcomes are aligned to the Trust's vision of **Ambition, Aspiration and Excellence** and reflect our principles of working and our values.

S01: Excellence in Expert Governance

- To maintain strengths and oversee further developments in governance during 23/24
- To provide a strong culture of safeguarding across the Trust, with a particular focus on KCSiE 23 developments

S02: Excellence in the Quality of Education

- To ensure that all schools are operating in line with the Framework for Continuous School Improvement in order to secure high quality provision and outcomes
- To continue the focus on SEND and adaptive teaching so that all learners can succeed (in line with FFT 50 targets as a minimum)
- To renew the focus on PP and the lowest 20% of learners so that the gaps between specific groups of learners are closing more rapidly
- To support the development and operation of high quality leadership in each school for the benefit of learners and staff

S03: Excellence in Workforce Resilience and Well-being

- To continue work on a "People Strategy" to support the recruitment, retention and wellbeing of staff
- To provide a Trust-wide approach to CPD

S04: Excellence in the Efficiency and Effectiveness of Operational Structures

- To ensure that that school improvement is fully reflected in financial planning and that any deficits are managed and reduced.
- To continue the development of estates and facilities, so that schools are safe and stimulating environments and RAAC is managed effectively at SHS
- To continue the development of a high quality ICT infrastructure which is cost effective and supports school improvement
- To embed the in-house catering provision across all Trust schools, so that quality is improved and the service is viable

S05: Excellence in Civic Leadership and Civic Duty

- To review and revitalise the post-16 offer at Stowupland in order to ensure viability and a locality based provision
- To support the personal development of learners across the Trust and secure Inclusion Quality Marks as evidence of good practice across all schools
- To ensure that communication with key stakeholders is enhanced
To develop the sports centre and lettings across all schools for the benefit of local organisations and communities

Trustees have always stated that growth will only operate when the Trust has capacity so there is no detriment to existing schools and commitments. Following the retirement of Karen Grimes as CEO the Trustees have appointed Shaun Common, CEO of the Gypswick Community Education Trust (GCET) as interim CEO with a view to exploring a potential merger between the two trusts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Funds held as custodian on behalf of others

The Trust does not hold any funds as a custodian Trustee on behalf of others.

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. The details are provided in the notes to the accounts.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on _____ and signed on its behalf by:



.....
A Ridealgh
(Chair of Trustees)

JOHN MILTON ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that John Milton 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 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 (CEO), as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Milton Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

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 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Addel-Maguid	5	6
J Cousins	0	3
K D L Grimes, Chief Executive Officer	5	6
A Hauwert	2	2
S Hayter	4	6
N Jolly(appointed 23 September 2021)	5	6
A M Mayhew	6	6
D Newport	5	5
D Nunn, Vice Chair of the Trust / Chair of Audit & Risk Committee	4	6
T Passmore	3	6
A Ridealgh, Chair of the Trust	5	6
P Thirkettle, Chair of Standards, Personnel and GDPR	5	6
M Williams(appointed 29 September 2022)	4	6

The Trustees reflected on issues during the year using a variety of means, including:

- The framework for Trustees in the Academy Trust Handbook which outlines their responsibilities;
- Recruitment of Trustees linked to skills and expertise;
- Review and evaluation of the Trusts own 3-Year Strategic Plan;
- The Trust's framework for school improvement including the termly data collation, school improvement visits and the CEO report;
- Use of GovernorHub to plan, implement and disseminate information to all Trustees
- Externally-commissioned services to support Academy Trust Handbook requirements for internal scrutiny

This provides the Trust Board with assurance that:

- The financial responsibilities of the Trust Board are being properly discharged;
- Resources are being managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

As part of the above work, trustees are continually reviewing their own effectiveness and that of the governance of the trust. During the period the Trustees undertook a review of their effectiveness and audit of skills. Given plans for future periods, initial responses will feed into a wider scoping of a Governance review during 2023/24.

In order to assess and review these areas, Board meetings throughout the year were provided with a wide variety of source information including data and improvement reports for individual schools which identify strengths and weaknesses at local levels and financial management reports, risk assessments and data analysis from external sources were all used to aid the Trustees in assessing the effectiveness of their governance and the progress of the Trust.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The **Finance and Business Committee** is a committee of the Board. Its purpose is to approve strategy and policy, and monitor financial and operational standards.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Ridealgh, Chair	4	4
D Nunn	3	4
M Abdel-Maguid	3	4
K D L Grimes, Chief Executive Officer	4	4
M Williams (Chair)	3	4

The **Audit and Risk Committee** is a further committee of the Board and its purpose is to review and monitor internal and external audit and oversee the Risk Management process.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
N Jolly	3	3
K D L Grimes, Chief Executive Officer	3	3
D Nunn (Chair)	2	3
A Ridealgh, Chair of Trustees	3	3
M Williams	2	3

The **Learning & Performance Committee** is also a committee of the main Board of Trustees. Its purpose is to approve education strategy and policy, and monitor governance, safeguarding and educational standards across the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Thirkettle, Chair	3	3
K D L Grimes, Chief Executive Officer	3	3
A Mayhew	2	3
J Cousins	1	2
S Hayter	3	3

The **Remuneration Committee** is also a committee of the Board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K D L Grimes (Chief Executive Officer)	1	1
A Ridealgh	1	1
A Mayhew	0	1
D Nunn	1	1

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Securing Government grants and prioritising refurbishment to improve school environments and ensure the Trust's estate is safe, well-maintained and complies with regulations;
- Purchasing services and supplies across all Trust schools, thereby benefiting from economies of scale;
- Maximising income generation by regularly seeking to secure additional funding through non-government grants and by providing consultancy services and training to other schools and organisations;
- Using DfE recommended procurement frameworks (particularly for ICT) which ensure best value;
- Developing leadership and staffing models where skills, knowledge and expertise can be shared across schools.

The purpose of the system of internal control

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

Managing conflicts of interest

The Trust maintains and publishes an up-to-date and complete register of interests and this process is part of the induction process for new officers, trustees and members of local boards. All meetings also require Trustees and those in attendance to disclose any interests pertinent to the agenda. The Trust has no subsidiaries or joint ventures but would review the information it held should such activity occur. Information held is used in a variety of ways including but not limited to; the make up of committees, procurement and appointment decisions.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and business 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;
- Identification and management of risks.

The Board of Trustees has decided to buy-in a number of independent reviews as part of its own programme of internal scrutiny, including the appointment of specialists in Health & Safety (Norfolk County Council), Estate Management (DfE Capital Advisors Programme) and Safeguarding (Anchored Schools)

The programme of internal scrutiny provides assurance and advice to trustees on a range of matters and performing a range of checks on the Academy Trust's systems.

Action plans were drawn up following each review and/or visit and these have been implemented. A programme for internal scrutiny has been agreed by trustees for 2023/24 and will include reviews and testing of:

- Internal Financial Controls
- Integrated Curriculum Financial Planning via a SRMA deployment
- Audit of health and safety policies and procedures across the trust
- Review of Business continuity procedures

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 auditors;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- correspondence from ESFA

The accounting officer has been advised of the implications of the result of the review of the system of internal control by the Audit & Risk Committee and a plan to address any areas of weaknesses and ensure continuous improvement of the system is in place.

On a termly basis, an update on internal scrutiny is reported to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis a summary report is prepared for the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees and signed on their behalf by:



.....
A Ridealgh
Chair of Trustees
Date: 20-December-2023



.....
S Common
Accounting Officer

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of John Milton Academy Trust I have considered my responsibility to notify the academy 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, under the funding agreement 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 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 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.



.....
S Common
Accounting Officer
Date: 20-December-2023

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

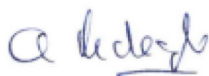
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 and signed on its behalf by:



.....
A Ridealgh
(Chair of Trustees)

Date: 20-December-2023

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN MILTON ACADEMY TRUST

Qualified Opinion

We have audited the financial statements of John Milton Academy Trust (the 'academy') 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion the financial statements:

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

Basis for qualified opinion

As described in Note 2, there were considerable uncertainties in the estimates underlying the impairment charge of £2,611,492, which arises from the identification of RAAC (Reinforced Autoclaved Aerated Concrete) at Stowupland High School. The impairment was estimated using methodology described in note 2 to the financial statements. The uncertainties in the estimates meant that we were unable to obtain sufficient appropriate audit evidence about the impairment charge, which is recognised as an expense in the Statement of Financial Activities and as a reduction in the freehold property value within tangible fixed assets. Consequently, we were unable to determine whether any further adjustments to those amounts were necessary.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN MILTON ACADEMY TRUST (CONTINUED)

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'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 Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN MILTON ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN MILTON ACADEMY TRUST (CONTINUED)

Auditors' 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.

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:

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with tax legislation, accounting standards and requirements, including Charities SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021, the Companies Act 2006 and charity law. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate, including Academies Financial Handbook 2020, funding agreements, safeguarding requirements, health and safety; employment law, data protection and compliance with various other regulations relevant to the conduct of the Company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management, the accounting officer and the trustees about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, safeguarding breaches, data breaches, potential litigation or claims and fraud;
- Considering the conclusion of our assurance report on regularity to the Company and the Education and Skills Funding Agency;
- Reviewing the Accounting Officers Statement on Regularity, Propriety and Compliance;
- Review the findings of the Company's internal scrutiny;
- Reviewing legal and professional fees to confirm matters where the Company engaged lawyers during the year;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board and finance committee minutes and any relevant correspondence with external authorities, including regulators;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly around the actuarial assumptions used to estimate the Local Government Pension Scheme defined benefit obligation; and
- Auditing the risk of management override of controls, including through testing journal entries and other

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN MILTON ACADEMY TRUST (CONTINUED)

adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Giles Kerkham FCA DChA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP
1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Date:

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN MILTON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2021 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 John Milton 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 John Milton Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Milton 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 John Milton Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of John Milton Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of John Milton Academy Trust's funding agreement with the Secretary of State for Education dated 21 March 2011 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 year 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.

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

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's income and expenditure.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2022 to 2023. The work undertaken to draw our conclusion, includes, but is not limited to:

- Enquiry of senior management, the Accounting Officer and the MAT's trustees;
- Review of the results of the MAT's process of independent checking on financial controls, systems, transactions and risks;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Testing the application of the financial controls; and
- Review of governance arrangements.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Larking Gowen LLP

1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Date:

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	648,418	28,268	676,686	811,129
Other trading activities	5	-	-	504,441	504,441	382,833
Investments	6	-	-	9,601	9,601	83
Charitable activities		10,477,305	-	3,390	10,480,695	9,466,490
Total income		10,477,305	648,418	545,700	11,671,423	10,660,535
Expenditure on:						
Charitable activities:						
academy educational operations		10,729,533	884,078	278,008	11,891,619	11,247,927
RAAC property impairment		-	2,611,492	-	2,611,492	-
Net (expenditure)/income		(257,028)	(2,847,152)	272,492	(2,831,688)	(587,392)
Transfers between funds	19	-	146,115	(146,115)	-	-
Net movement in funds before other recognised gains		(257,028)	(2,701,037)	126,377	(2,831,688)	(587,392)
Actuarial gains on defined benefit pension schemes	26	606,000	-	-	606,000	4,398,000
Net movement in funds		348,972	(2,701,037)	126,377	(2,225,688)	3,810,608

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Note	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Reconciliation of funds:					
Total funds brought forward	(240,133)	25,425,800	479,293	25,664,960	21,854,352
Net movement in funds	348,972	(2,701,037)	126,377	(2,225,688)	3,810,608
Total funds carried forward	108,839	22,724,763	605,670	23,439,272	25,664,960

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 39 to 71 form part of these financial statements.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10298832

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	22,397,432	25,389,489
		<u>22,397,432</u>	<u>25,389,489</u>
Current assets			
Stocks	16	6,612	-
Debtors	17	1,099,990	547,704
Cash at bank and in hand		1,186,185	1,135,161
		<u>2,292,787</u>	<u>1,682,865</u>
Creditors: amounts falling due within one year	18	(1,250,947)	(808,394)
Net current assets		<u>1,041,840</u>	<u>874,471</u>
Total assets less current liabilities		<u>23,439,272</u>	<u>26,263,960</u>
Net assets excluding pension asset / liability		<u>23,439,272</u>	<u>26,263,960</u>
Defined benefit pension scheme asset / liability	26	-	(599,000)
Total net assets		<u><u>23,439,272</u></u>	<u><u>25,664,960</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	22,724,763	25,425,800
Restricted income funds	19	108,839	358,867
		<u>22,833,602</u>	<u>25,784,667</u>
Restricted funds excluding pension asset	19	22,833,602	25,784,667
Pension reserve	19	-	(599,000)
Total restricted funds	19	<u>22,833,602</u>	<u>25,185,667</u>
Unrestricted income funds	19	<u>605,670</u>	<u>479,293</u>
Total funds		<u><u>23,439,272</u></u>	<u><u>25,664,960</u></u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10298832

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 34 to 71 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
A Ridealgh
(Chair of Trustees)
Date: 20-December-2023



.....
D Nunn
Vice Chair of Trustees

The notes on pages 39 to 71 form part of these financial statements.

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JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(2,748,804)	917,624
Cash flows from investing activities	23	2,766,000	(727,604)
Cash flows from financing activities	22	33,828	-
Change in cash and cash equivalents in the year		51,024	190,020
Cash and cash equivalents at the beginning of the year		1,135,161	945,141
Cash and cash equivalents at the end of the year	24, 25	1,186,185	1,135,161

The notes on pages 39 to 71 form part of these financial statements

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

John Milton Academy Trust is a company incorporated in England and Wales, registered number 10298832, limited by guarantee. The registered office is Stowupland High School, Church Road, Stowupland, Stowmarket, Suffolk, IP14 4BQ.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

Following a change in DfE guidance in late August 2023, the 2023/24 academic year began with additional checks and the discovery of RAAC within a section of the Trust's secondary school, Stowupland High School. Costs for temporary arrangements, and the developing mitigation strategies for the building in question, are significant and continue to rise. Government guidance at the start of September 2023 was that these costs would be met in full by the Government. Since the discovery of RAAC, the Trust has been working alongside the Department for Education and all costs incurred to date have been approved in full. The Trustees have no indication to assume this will not be the case for all future expenditure and therefore RAAC should not have an operational impact on the Trust's finances in the short term.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy 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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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.

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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 year it is receivable and to the extent the academy has provided the goods or services.

1.4 Expenditure

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

• **Charitable activities**

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT and exclusive of recoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 50 % straight line
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JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.8 Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	- 2% straight line
Long-term leasehold property	- 0.8% - 2% straight line
Furniture and equipment	- 20% straight line
Plant and machinery	-
Computer equipment	- 20% 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.

Donated facilities are measured at their fair value, unless this is impractical to measure reliably. Where there is no direct evidence of fair value, the value is derived from the cost of the item to the donor.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

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

1.11 Cash at bank and in hand

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

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.12 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.15 Pensions

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

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

The Trust recognises a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

1.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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.

Pension Scheme

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 26, 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 2022 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.

Depreciation

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible assets, and note 1.8 for the depreciation rates.

RAAC property impairment

The impairment assessment on buildings at Stowupland High School includes estimates of the capital costs of bringing the affected buildings back into use and of their depreciated replacement cost. The depreciated replacement cost was derived from a DfE desktop valuation at 31 August 2021, as adjusted for subsequent inflation in construction costs and for depreciation. The desktop valuation used DfE datasets to generate floor areas and building ages, supplemented by online research.

Due to the lack of available data at the date of accounts approval, there is considerable uncertainty in the impairment estimate; the estimate would be adjusted in the subsequent year if new data indicates this is appropriate.

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Restricted fixed asset funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations	-	28,268	28,268
Capital grants	648,418	-	648,418
	648,418	28,268	676,686
	648,418	28,268	676,686
	<i>Restricted fixed asset funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	719,000	12,051	731,051
Capital grants	80,078	-	80,078
	799,078	12,051	811,129
	799,078	12,051	811,129

Donations in the prior year include £719,000 in respect of the new SEND unit at Stowupland High School from Suffolk County Council on it's completion.

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the academy's educational operations

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants			
General Annual Grant (GAG)	8,454,646	-	8,454,646
Other DfE/ESFA grants			
UIFSM	71,661	-	71,661
Pupil premium	404,743	-	404,743
Other DfE/ESFA revenue grants	692,605	2,602	695,207
	9,623,655	2,602	9,626,257
Other Government grants			
SEN funding	852,250	-	852,250
Other incoming resources	1,400	788	2,188
	853,650	788	854,438
	10,477,305	3,390	10,480,695
		<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)		8,192,268	8,192,268
Other DfE/ESFA grants			
UIFSM		66,243	66,243
Pupil premium		376,003	376,003
Other DfE/ESFA revenue grants		360,119	360,119
		8,994,633	8,994,633
Other Government grants			
SEN funding		467,807	467,807
Other incoming resources		4,050	4,050
		471,857	471,857

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Funding for the academy's educational operations (continued)

	9,466,490	9,466,490
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5. Other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Letting income	60,292	60,292
Income from ancillary trading activities	444,149	444,149
	504,441	504,441

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Letting income	47,755	47,755
Income from ancillary trading activities	335,078	335,078
	382,833	382,833

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	9,601	9,601
	9,601	9,601

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Investment income (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	83	83

7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Academies' educational operations:				
Direct costs	7,015,773	-	1,677,463	8,693,236
Support costs	1,634,285	565,213	998,885	3,198,383
RAAC Property impairment	-	-	2,611,492	2,611,492
	8,650,058	565,213	5,287,840	14,503,111

The property impairment is for Stowupland High school which has been identified as containing RAAC (Reinforced Autoclaved Aerated Concrete). Substantial works are needed to bring the property back in use. The impairment has been assessed by comparing carrying values of affected buildings including estimated capitalised costs to repair against value in use estimated as the depreciation replacement cost (see note 2).

	<i>Staff Costs 2022 £</i>	<i>Premises 2022 £</i>	<i>Other 2022 £</i>	<i>Total 2022 £</i>
Academies' educational operations:				
Direct costs	7,003,643	-	1,351,937	8,355,580
Support costs	1,257,450	998,909	635,988	2,892,347
	8,261,093	998,909	1,987,925	11,247,927

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Academies' educational operations	8,693,236	3,198,383	11,891,619
Property impairment	2,611,492	-	2,611,492
	<u>11,304,728</u>	<u>3,198,383</u>	<u>14,503,111</u>

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Academies' educational operations	8,355,580	2,892,347	11,247,927

Analysis of support costs

	Educational Operations 2023 £	Total funds 2023 £
Staff costs	1,634,285	1,634,285
Technology costs	168,753	168,753
Bad debt write off	32,586	32,586
Premises costs	565,213	565,213
Other support costs	792,746	792,746
Governance costs	4,800	4,800
	<u>3,198,383</u>	<u>3,198,383</u>

Included within premises costs is £20,888 (2022: £420,243) relating to the construction of a SEND unit at Mendlesham Primary School, on behalf of Suffolk County Council.

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Operations 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	1,362,535	1,362,535
Technology costs	142,777	142,777
Premises costs	998,909	998,909
Other support costs	386,921	386,921
Governance costs	1,205	1,205
	<u>2,892,347</u>	<u>2,892,347</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £	2022 £
Depreciation of tangible fixed assets	884,076	644,479
Amortisation of intangible assets	-	295
Operating lease rentals	9,069	13,144
Fees paid to auditors for:		
- audit	12,095	13,800
- other services	8,400	4,500
	<u>12,095</u>	<u>13,800</u>

10. Staff

a. Staff costs

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£	<i>£</i>
Wages and salaries	6,087,395	<i>5,413,936</i>
Social security costs	550,880	<i>512,070</i>
Pension costs	1,342,077	<i>1,751,473</i>
	<hr/> 7,980,352	<hr/> <i>7,677,479</i>
Agency staff costs	669,706	<i>583,614</i>
	<hr/> 8,650,058	<hr/> <i>8,261,093</i>
	<hr/> 2023	<hr/> <i>2022</i>
	£	<i>£</i>
Severance payments	14,526	<i>5,000</i>
	<hr/> 14,526	<hr/> <i>5,000</i>

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff (continued)

b. Severance payments

The academy paid 1 severance payment in the year (2022 - 1), disclosed in the following bands:

	2023	2022
	No.	No.
£0 - £25,000	<u>1</u>	<u>1</u>

c. Staff numbers

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

	2023	2022
	No.	No.
Teachers	98	95
Administration and support	133	122
Management	3	4
	<u>234</u>	<u>221</u>

d. Higher paid staff

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £313,661 (2022 - £391,100).

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Central services

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

- Payroll
- Finance
- Human Resources
- Pensions
- Recruitment

The academy charges for these services on the following basis:

Straight 5% top slice from each primary schools delegated budget and 6% top slice from Stowupland High School to reflect the additional support provided for head office and related tasks. In addition, the schools are directly recharged for cleaning and premises costs and items purchased by the MAT but for individual school use.

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Bacton Primary School	73,705	98,911
Cedars Park Primary School	218,766	201,354
Mendlesham Primary School	66,603	96,816
Stowupland High School	685,165	645,079
Total	1,044,239	1,042,160

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£	£
K D L Grimes, Chief Executive Officer	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2023, expenses totalling £140 were reimbursed or paid directly to 1 Trustee (2022 - £NIL). This was related to mileage incurred in the course of duty.

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £315 (2022 - £315). The cost of this insurance is included in the total insurance cost.

14. Intangible assets

	Computer software £
Cost	
At 1 September 2022	27,239
At 31 August 2023	27,239
Amortisation	
At 1 September 2022	27,239
At 31 August 2023	27,239
Net book value	
At 31 August 2023	-
<i>At 31 August 2022</i>	-

JOHN MILTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2022	19,447,505	7,061,255	890,015	735,808	400,463	28,535,046
Additions	-	17,843	14,646	438,750	32,272	503,511
At 31 August 2023	<u>19,447,505</u>	<u>7,079,098</u>	<u>904,661</u>	<u>1,174,558</u>	<u>432,735</u>	<u>29,038,557</u>
Depreciation						
At 1 September 2022	1,422,055	737,388	615,843	45,144	325,127	3,145,557
Charge for the year	314,040	116,901	165,454	236,700	50,981	884,076
Impairment charge	2,611,492	-	-	-	-	2,611,492
At 31 August 2023	<u>4,347,587</u>	<u>854,289</u>	<u>781,297</u>	<u>281,844</u>	<u>376,108</u>	<u>6,641,125</u>
Net book value						
At 31 August 2023	<u>15,099,918</u>	<u>6,224,809</u>	<u>123,364</u>	<u>892,714</u>	<u>56,627</u>	<u>22,397,432</u>
At 31 August 2022	<u>18,025,450</u>	<u>6,323,867</u>	<u>274,172</u>	<u>690,664</u>	<u>75,336</u>	<u>25,389,489</u>

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15. Tangible fixed assets (continued)

An impairment charge of £2,611,492 has been recognised against the school building at Stowupland High School after RAAC (Reinforced Autoclaved Aerated Concrete) was identified. Further details can be found in note 2.

16. Stocks

	2023	2022
	£	£
Stock of supplies	6,612	-

17. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	72,848	9,353
Other debtors	276	25,416
Prepayments and accrued income	924,610	444,518
VAT	102,256	68,417
	1,099,990	547,704

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	33,828	-
Trade creditors	629,658	175,074
Other taxation and social security	150,452	125,585
Other creditors	166,394	208,731
Accruals and deferred income	270,615	299,004
	1,250,947	808,394

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	2023	<i>2022</i>
	£	£
Deferred income		
Deferred income at 1 September 2022	211,172	<i>72,485</i>
Resources deferred during the year	108,143	<i>211,172</i>
Amounts released from previous periods	(211,172)	<i>(72,485)</i>
Deferred income at 31 August 2023	108,143	<i>211,172</i>

At the balance sheet date the academy trust was holding funds of £108,143 received in advance for UIFSM and educational school trips.

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19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	479,293	545,700	(273,208)	(146,115)	-	605,670
Restricted general funds						
General Annual Grant (GAG)	223,899	8,454,647	(8,569,707)	-	-	108,839
Pupil premium	-	404,743	(404,743)	-	-	-
Other grants	134,968	1,617,915	(1,752,883)	-	-	-
Pension reserve	(599,000)	-	(7,000)	-	606,000	-
	(240,133)	10,477,305	(10,734,333)	-	606,000	108,839
Restricted fixed asset funds						
Restricted Fixed Asset funds	25,425,800	648,418	(3,495,570)	146,115	-	22,724,763
Total Restricted funds	25,185,667	11,125,723	(14,229,903)	146,115	606,000	22,833,602
Total funds	25,664,960	11,671,423	(14,503,111)	-	606,000	23,439,272

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

Unrestricted Funds

These funds relate to unrestricted income to be used to support the Academy Trust's objectives and educational activities.

Restricted General Funds Including GAG

These grants relate to the development and operational activities of the Academy Trust.

Other grants

These grants relate to the development and operational activities of the Academy Trust.

Other restricted

These relate to other income received by the Academy Trust for a restricted purpose.

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19. Statement of funds (continued)

Restricted Pension Reserve

These funds represent the LGPS obligation to the employees of the Academy Trust.

Restricted Fixed Asset Fund

These grants relate to capital funding to carry out works of a capital nature. This is the net book value of the fixed assets held by the Academy Trust and unspent capital funding received to carry out works of a capital nature.

Transfers

£146,115 was transferred from unrestricted funds to restricted fixed asset funds for the purchase of assets from the Trust's GAG funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds						
General Funds - all funds	497,705	394,967	(413,379)	-	-	479,293
Restricted general funds						
General Annual Grant (GAG)	162,056	8,192,268	(7,849,716)	(280,709)	-	223,899
Pupil premium	-	376,003	(376,003)	-	-	-
Other grants	96,454	894,169	(850,024)	(5,631)	-	134,968
Other restricted	5,200	4,050	(9,250)	-	-	-
Pension reserve	(4,412,000)	-	(585,000)	-	4,398,000	(599,000)
	(4,148,290)	9,466,490	(9,669,993)	(286,340)	4,398,000	(240,133)
Restricted fixed asset funds						
Restricted Fixed Asset funds	25,504,937	799,078	(1,164,555)	286,340	-	25,425,800
Total Restricted funds	21,356,647	10,265,568	(10,834,548)	-	4,398,000	25,185,667
Total funds	21,854,352	10,660,535	(11,247,927)	-	4,398,000	25,664,960

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
Bacton Primary School	(323,520)	(253,265)
Cedars Park Primary School	28,337	372,911
Mendlesham Primary School	56,596	72,123
Stowupland High School	946,905	603,589
Central MAT	6,191	42,802
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	714,509	838,160
Restricted fixed asset fund	22,724,763	25,425,800
Pension reserve	-	(599,000)
	<hr/>	<hr/>
Total	23,439,272	25,664,960

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Bacton Primary School	(318,174)

Bacton Primary School has had a number of maternity costs over including at senior level. As a small school with a previous 'requires improvement' judgement, the trust has invested in the appropriate level of cover. The trust will investigate its own risk pool for maternity cover to better protect small schools within the trust.

Pupil numbers have also dropped, reducing income, but not significantly enough to reorganise classes. Trust and School management continue to review opportunities to restructure classes as pupil numbers fill up in other years.

Additional expenses were incurred to keep the building fit for use following delays in the local authority's plans to move the school to a larger site.

The academy is taking the following action to return the academy to surplus:

With significant housing development in the area and the improved OFSTED grading we forecast the school will return to a surplus position. The school already shares a number of costs with another trust school and is well managed.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2023
	£	£	£	£	£
Bacton Primary School	569,068	82,989	70,535	116,287	838,879
Cedars Park Primary School	1,267,381	234,115	143,885	221,552	1,866,933
Mendlesham Primary School	462,248	215,933	72,509	122,981	873,671
Stowupland High School	4,508,802	387,119	501,453	3,363,852	8,761,226
Central MAT	208,274	714,129	63,118	350,918	1,336,439
Academy	7,015,773	1,634,285	851,500	4,175,590	13,677,148

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

	<i>Teaching and educational support staff costs</i>	<i>Other support staff costs</i>	<i>Educational supplies</i>	<i>Other costs excluding depreciation</i>	<i>Total 2022</i>
	£	£	£	£	£
Bacton Primary School	529,223	71,051	51,114	129,214	780,602
Cedars Park Primary School	1,124,494	175,573	161,847	197,303	1,659,217
Mendlesham Primary School	435,050	175,639	18,666	86,831	716,186
Stowupland High School	4,111,226	414,589	385,564	430,362	5,341,741
Central MAT	698,565	525,683	39,059	763,102	2,026,409
Academy	6,898,558	1,362,535	656,250	1,606,812	10,524,155

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	22,397,432	-	22,397,432
Current assets	1,260,742	327,331	704,714	2,292,787
Creditors due within one year	(1,151,903)	-	(99,044)	(1,250,947)
Total	108,839	22,724,763	605,670	23,439,272

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Restricted fixed asset funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	25,389,489	-	25,389,489
Current assets	1,101,590	36,311	544,964	1,682,865
Creditors due within one year	(742,723)	-	(65,671)	(808,394)
Provisions for liabilities and charges	(599,000)	-	-	(599,000)
Total	(240,133)	25,425,800	479,293	25,664,960

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(2,831,688)	(587,392)
Adjustments for:		
Amortisation	-	295
Depreciation	884,076	723,773
Capital grants from DfE and other capital income	(648,418)	(80,078)
Interest receivable	(9,601)	(83)
Defined benefit pension scheme cost less contributions payable	(18,000)	508,000
Defined benefit pension scheme finance cost	25,000	77,000
(Increase)/decrease in stocks	(6,612)	-
(Increase)/decrease in debtors	(552,286)	1,186,174
Increase/(decrease) in creditors	408,725	(191,065)
Donated assets	-	(719,000)
Net cash (used in)/provided by operating activities	(2,748,804)	917,624

22. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	33,828	-
Net cash provided by financing activities	33,828	-

23. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(503,511)	(807,765)
Capital grants from DfE Group	648,418	80,078
Impairment charge on fixed assets	2,611,492	-
Interest received	9,601	83
Net cash provided by/(used in) investing activities	2,766,000	(727,604)

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2023	<i>2022</i>
	£	£
Cash in hand and at bank	1,186,185	<i>1,135,161</i>
Total cash and cash equivalents	1,186,185	<i>1,135,161</i>

25. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	1,135,161	51,024	1,186,185
Debt due within 1 year	-	(33,828)	(33,828)
	1,135,161	17,196	1,152,357

26. Pension commitments

The academy'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 Suffolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates currently set at 23.68% of pensionable pay (including a 0.08% administration levy) will increase by 5% from 1 April 2024.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

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

The employer's pension costs paid to TPS in the year amounted to £878,077 (2022 - £823,767).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £587,000 (2022 - £558,000), of which employer's contributions totalled £482,000 (2022 - £466,000) and employees' contributions totalled £ 105,000 (2022 - £92,000). The agreed contribution rates for future years are 23 per cent for employers and tiered per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Principal actuarial assumptions

	2023	<i>2022</i>
	%	%
Rate of increase in salaries	4.00	3.75
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	<i>2022</i>
	Years	Years
<i>Retiring today</i>		
Males	19.3	21.9
Females	23.1	24.30
<i>Retiring in 20 years</i>		
Males	21.6	22.9
Females	25.8	26.1

Sensitivity analysis

	2023	<i>2022</i>
	£000	£000
Discount rate +0.1%	(119)	(131)
Discount rate -0.1%	119	131
Mortality assumption - 1 year increase	202	126
Mortality assumption - 1 year decrease	(202)	(126)
CPI rate +0.1%	114	213
CPI rate -0.1%	(114)	(213)

Share of scheme assets

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£	£
Equities	3,552,120	3,207,560
Corporate bonds	1,345,500	1,037,740
Property	430,560	471,700
Cash and other liquid assets	53,820	-
Total market value of assets	5,382,000	4,717,000

The actual return on scheme assets was £65,000 (2022 - £38,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	<i>2022</i>
	£	£
Current service cost	(464,000)	(974,000)
Interest income	211,000	74,000
Interest cost	(236,000)	(151,000)
Total amount recognised in the Statement of Financial Activities	(489,000)	(1,051,000)

Changes in the present value of the defined benefit obligations were as follows:

	2023	<i>2022</i>
	£	£
At 1 September	5,316,000	8,657,000
Current service cost	464,000	974,000
Interest cost	236,000	151,000
Employee contributions	105,000	92,000
Actuarial gains	(990,000)	(4,510,000)
Benefits paid	(82,000)	(48,000)
At 31 August	5,049,000	5,316,000

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26. Pension commitments (continued)

Changes in the fair value of the academy's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	4,717,000	4,245,000
Interest income	211,000	74,000
Actuarial losses	(51,000)	(112,000)
Employer contributions	482,000	466,000
Employee contributions	105,000	92,000
Benefits paid	(82,000)	(48,000)
Asset ceiling adjustment	(333,000)	-
At 31 August	5,049,000	4,717,000

The actuarial valuation on the Plan for accounting purposes showed a net surplus of £333,000 as at 31 August 2023. FRS 102 allows a plan surplus to be recognised as a defined benefit plan asset only to the extent that an entity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The Trust notes advice from the Scheme Actuary that the prevailing view held by LGPS practitioners is that employers have no unconditional right to a refund in the LGPS and that a minimum funding requirement for future service exists in the LGPS. In line with calculations received from the Actuary of the extent to which the surplus could be recovered through future contributions where there is a minimum funding requirement for future service, the Trust has concluded that none of the surplus can be recognised as an asset.

27. Operating lease commitments

At 31 August 2023 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	2,170	6,333
Later than 1 year and not later than 5 years	1,595	3,765
	3,765	10,098

28. Members' liability

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

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29. Related party transactions

No related party transactions took place in the period of account, other than a trustee's remuneration already disclosed in note 12.

30. Post balance sheet events

Stowupland High School has been found to contain RAAC (Reinforced Autoclaved Aerated Concrete) in some areas, which have been assessed to be unsafe to use. An impairment charge of £2,611,492 has been included in the Statement of Financial Activities against the property. This adjustment is further explained in note 2.

Costs have been incurred in managing the relocation of students. Substantial further costs are anticipated in rectifying the affected areas to bring them back into use. The Trust has been recompensed by DfE for its additional costs incurred to date. The Trust has received assurances from DfE that they will fund both further emergency mitigation work and the necessary refurbishment or rebuilding projects to rectify RAAC affected properties.

31. Controlling party

There is no ultimate controlling party.