

**JOHN MILTON ACADEMY TRUST**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**JOHN MILTON ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Members**

I Gallagher  
R Newton  
S Wenban  
A Ridealgh (resigned 14 November 2018)

**Trustees**

T Barker, Vice Chair of the Trust / Chair of the Audit Committee and Remuneration Committee  
E Gibson  
P Thirkettle, Chair of Standards, Personnel and GDPR  
J Deane, Chair of Finance and Business (resigned 18 September 2019)  
A D Emms (resigned 4 November 2018)  
E L Griffiths, Chair of the Trust (resigned 16 May 2019)  
K D L Grimes, Chief Executive Officer  
A M Mayhew  
S Hayter (appointed 25 July 2019)  
D Nunn  
A Ridealgh, Chair of the Trust (appointed 17 May 2019 as Chairman) (appointed 14 November 2018)  
M Carter (appointed 18 September 2019)

**Company registered number**

10298832

**Company name**

John Milton Academy Trust

**Principal and registered office**

Stowupland High School, Church Road, Stowupland, Stowmarket, Suffolk, IP14 4BQ

**Chief executive officer**

K D L Grimes

**Senior management team**

K D L Grimes, Chief Executive Officer  
W Baster, Headteacher, Stowupland High School (resigned 31 August 2019)  
P Whear, Headteacher, Stowupland High School (appointed 1 September 2019)  
A D Emms, Headteacher, Cedars Park Primary School  
G Cook, Headteacher, Bacton Primary School  
T Sait, Headteacher, Mendlesham Primary School

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Independent auditors**

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

**Bankers**

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

**Solicitors**

Stone King, Trinity Station Road, Cambridge, CB1 2RE

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company from 1 September 2018 to 31 August 2019. 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, Cedars Park Primary, Mendlesham Primary and Stowupland High School. It has a pupil capacity of 1,835 and a roll of 1,706 in the school census of October 2019.

**Structure, governance and management**

**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of John Milton Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as John Milton Academy Trust.

Details of the trustees who served during the year 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 as required in the academy trust's articles of association 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. Governors are covered by Zurich Municipal insurance under the Trust's comprehensive policy. 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 re-appointed 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 2019**

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**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, including the Local Governing Bodies (LGBs).

There is a Handbook for Trustees and Local Governors and the Trust uses a central portal to house all policies and resources. There is an annual audit of skill with recruitment and subsequent training linked directly to the needs of the Trust and its schools.

During the course of the year 2018/19, training sessions have been provided to both Trustees and LGBs covering a range of issues including: Governor Monitoring Visits; the role of the Pupil Discipline Committee; The role of the Staff Discipline Committee and school-specific data training.

A September conference has also been held to update Local Governors and Trustees on changes to the Financial Handbook and to Keeping Children Safe in Education for 2019, along with the new inspection framework and consideration of the wider curriculum.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 a maximum of 10 Trustees which includes the CEO/Accounting Officer. Trustees are recommended 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 the Trust's Improvement Plan. During 2018/19, the Board of Trustees has operated four distinct committees:

- Standards, Personnel and GDPR Committee (which approves education strategy and policy and monitors governance, safeguarding and educational standards across the MAT)
- Remuneration Committee
- Audit and Risk Committee (which reviews and monitors internal and external audit and oversees the Risk Management process)
- Finance & Business which approves strategy and policy and monitors financial and operational standards.

The Chief Executive Officer (CEO) who is also Accounting Officer, develops and implements Trust strategy with the Executive Leadership Group and is accountable for the Trust's Strategic Plan and for overall educational and financial standards.

The Executive Leadership Group comprises all headteachers who 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. In May 2019, this post was converted to a Director of Finance & Business. As the MAT develops its work, further restructuring to the central team is planned.

Local Governing Bodies (Committees) operate in line with the Terms of Reference and the Scheme of Delegation for the Trust. All elements not covered through the Scheme of Delegation are the responsibility of the Trust.

Local Governing Bodies have particular responsibilities in relation to their schools: monitoring learner outcomes and progress towards school targets; implementation of respective School Improvement Plans; championing the work of the respective school in the overall community and supporting the implementation of the Trust and school policies.

**g. Pay policy for key management personnel**

The Trust's pay scales at all levels 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 2019**

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**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	1
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

	<b>£</b>	
Total cost of facility time	<b>2,781</b>	
Total pay bill	<b>6,084,975</b>	
Percentage of total pay bill spent on facility time	-	%

**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. Connected organisations, including related party relationships**

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

However, the Academy Trust works with a number of partners for the benefit of students including: The University of Suffolk, PiXL, Hackney Learning Trust, Schools' Choice and Educator Solutions. The Trust is also a member of the Specialist Schools and Academies Trust (SSAT)

In September 2019, John Milton Academy Trust joined the steering group for Suffolk School Business Leaders as a joint procurement and collaboration network of Suffolk Schools.

Partnership work does not impact on the operating policies of the Trust.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**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 organized 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 2019**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

The Trust works to a three year plan which is shaped by the following strategic objectives:

S01: Excellence in ethos and culture with a shared corporate identity and shared values;

S02: Excellence in safeguarding practices and learners' awareness of the risks they may encounter;

S03: Excellence in governance at all levels to ensure the best possible practice and appropriate levels of challenge and support across all schools;

S04: Excellence in leadership to ensure continuity, succession and the highest possible standards across all schools;

S05: Excellence in curriculum provision and delivery across all schools underpinned by "Knowledge for Learning";

S06: Excellence in post-16 provision with links to the local and wider community contributing to a unique offer in mid-Suffolk;

S07: Excellence in progress for all learners, irrespective of starting points and circumstances; and

S08: Excellence in finance and business management to secure the growth, sustainability and operational efficiency of the Academy Trust.

During the academic year 2018/19, some of the significant activities connected to these objectives have been as follows:

- successful Condition Improvement Fund (CIF) bids to undertake major capital work;
- leadership support leading to improved learner outcomes;
- strategic planning;
- financial stability across all schools;
- themed reviews to improve and enhance practice; and
- internal and external validation of key areas such as safeguarding and health and safety.

**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Safeguarding is effective in all schools and attendance is above the national average in all schools. The Trust undertakes regular audits to support the culture of safeguarding across all schools.

Attendance remains in line with, or above, the national average in all schools and the figure for persistent absence is below the national average at both primary and secondary.

Following the results of 2018/2019, outcomes across the Trust have been reviewed. At the primary phase, there have been improvements across all Key Stage 2 attainment indicators since the schools academised in September 2016. The most significant improvements have been in mathematics - a 27.47% improvement between 2016 and 2019 and a 22.27% improvement in the combined figure for reading, writing and mathematics. However, reading, writing and all Greater Depth figures also demonstrate a significant uplift since 2016.

Performance at EYFS and Key Stage 1 is either in line with, or above the national average and there has been external moderation and validation at two primary schools in 2019.

At secondary level, Stowupland does not constrain pupil choices and this can have an adverse impact on the key indicator of Progress 8. The core curriculum is broad and balanced and the school maintains a position that remaining choices should be in a pupil's best interests and not directed by the Progress 8 measure. Pupil choice and circumstance had a particular impact in 2016/17; since that point, the Progress 8 figure has risen to be within the national average range in both 2017/18 and 2018/19. Changes to curriculum provision in September 2017 (coming to fruition in 2019) have also impacted positively on the results. English and Maths remain a strength of the school.

At Key Stage 5, achievement in vocational subjects remains high and the performance of academic subjects continues on an upwards trajectory. In 2019, student progression to Higher Education was above the national average for Russell Group Universities (18%) and above the national average for advanced apprenticeships (10%). The NEET figure for the school (not in employment, education or training) has yet to be reported, but, historically, this remains significantly below the national average.

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 below.

**b. Going concern**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review**

**a. Financial review**

The majority of the Trust's income is obtained via the Education and Skills Funding Agency (ESFA) by way of Educational Age Weighted Pupil Unit (AWPU) funding, and by a range of other recurrent grants such as Pupil Premium, Primary PE Grant, Y7 Catch Up Grant, 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 2019.

The Trust was successful in securing a Condition Improvement Fund (CIF) bid for three of the schools in the Trust during the period and work has been carried out. Details are as follows:

Bacton Primary School	£65,889 for Fencing
Mendlesham Primary School	£76,207 for Playground Works
Stowupland High School	£180,930 for Roofing

In addition, the Trust was successful in securing Section 106 monies during the period and work has been carried out. Details are as follows:

Mendlesham Primary School    £40,355 for classroom refurbishment

John Milton Central Services    £65,000 for the conversion of a bungalow to a central office, including a training/meeting room available for use by all schools

In accordance with FRS102, the academy trust received an actuarial assessment of its Local Government Pension Scheme (LGPS) deficit. The deficit balance of £1,895,000 is included within the balance sheet as at 31 August 2019 and the notes to the financial statements.

**b. Reserves policy**

In 2018/19, to mitigate the risk of delay or reduced funding, the Trust will maintain a free reserve equivalent at minimum to one month's payroll expenditure. To mitigate the risk of future income reduction and to provide a fund for further development, the Trust may determine further reserves are required and this will be communicated on an annual basis in the spring term. Reserves are determined with reference to the in year financial performance of each School and as an assessment of the key risks and future investment requirements.

The Trustees have determined that the level of funds retained should be at least equivalent to one month's total salary commitment to enable the Trust to react to budget changes within a manageable period without the use of cash flow advances from the ESFA. One month's salary commitment across the Trust for August 2019 was £526,702.

The total restricted and unrestricted general funds (before fixed asset fund and pension reserve) held at 31 August 2019 was £693,884. This reflects a movement in the year of a surplus of £128,627.

Total reserves at 31 August 2019 including restricted fixed asset fund and pension reserve was £20,424,477.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**c. 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 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 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**d. Principal risks and uncertainties**

Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching and learning, provision of facilities and other operational areas of the Trust and its finances.

The Trust wide risk register covers all risks in the following categories:

- Strategic
- Public profile
- Organisation risks linked to the Trust Board, the Executive Leadership and LGBs
- Management information
- Human resources
- Supplier
- Employee & environmental legislation
- Financial reporting & control
- Charities & tax legislation
- Data protection
- Welfare compliance
- Local authority & central government
- Pensions liability

All risks are categorised into bandings:

- **Transfer:** for some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is good for mitigating financial risks to assets.
- **Tolerate:** the exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.
- **Treat:** by far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level. Such controls can be corrective, detective, directive or preventive.
- **Terminate:** some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.

Effective risk management provides the trustees and academy with assurance that the financial responsibilities of the LGBs are being properly discharged, that resources are being managed in an efficient and effective manner whilst heeding with value for money principles, the internal financial control systems are in place and being monitored by an independent party and that financial considerations are fully taken into account in reaching decisions in line with the finance policy and scheme of delegation.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review (continued)**

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. The main area of financial risk will occur around annual funding, cashflow and actuarial assessed LGB 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 set in future will be based on current year plus 4 years projections 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 5 year overview any areas of future risk can be reduced or averted in a timely manner.

There is currently a deficit in the Local Government Pension Scheme of £1,895,000, as disclosed in the financial report. The Secretary of State has agreed that in the event of the trust closing, the local government pension scheme liabilities would be met by the Department for Education.

**E. 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods**

**a. Future developments**

The Trust will continue to work on delivering the best outcomes for learners through the strategic objectives identified in the Three Year Strategic Plan. There is a particular focus on:

1. The development and relaunching of post-16 provision as a result of the new build and partnership arrangements with the University of Suffolk
2. Continuing the upwards trajectory of outcomes and ensuring the progress of all groups of learners through quality-first provision from EYFS through to post-16
3. Embedding key curriculum initiatives and developing the wider curriculum across the Academy Trust, linked to the Academy Trust's principles for intent, implementation and impact
4. Providing leadership training at all levels so that all schools can develop further
5. Continuing the move to efficient and effective centralised functions
6. Focusing on income generation to support the work of all schools across the Academy Trust

**Funds held as custodian**

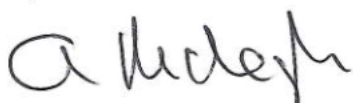
There are no funds held under this heading.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are 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 18 December 2019 and signed on its behalf by:



**A Ridealgh**  
(Chair of Trustees)



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**GOVERNANCE STATEMENT**

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**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.

The Board of Trustees has delegated the day to day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
K D L Grimes, Chief Executive Officer	4	4
A Ridealgh, Chair of the Trust (appointed 17 May 2019 as Chairman)	3	3
A D Emms	1	1
J Deane, Chair of Finance and Business	4	4
A M Mayhew	3	4
D Nunn	2	4
P Thirkettle, Chair of Standards, Personnel and GDPR	4	4
T Barker, Vice Chair of the Trust / Chair of the Audit Committee and Remuneration Committee	4	4
E Gibson	1	3
E L Griffiths, Chair of the Trust	3	4
S Hayter	1	1
M Carter	0	0

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

- The framework for Trustees in the Academies Financial Handbook which outlines their Responsibilities
- The increased number of committees feeding into the Board
- Recruitment of Trustees linked to skills and expertise
- Development of a 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 Trust Governor to plan, implement and disseminate information to all Trustees
- Externally-commissioned services and audits including GDPR, Health and Safety, Fire-Risk and Safeguarding
- LGB monitoring and visits

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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.

During the course of the year Trustees have regularly reviewed their meetings and management of the Academy Trust and have implemented changes to procedure to ensure that governance is effective.

In order to assess and review these areas, Board meetings through 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. Internal audit reports, risk assessments and analysis data from external sources were all used to aid the Trustees in assessing the effectiveness of their governance and the progress of the Trust.

The Trustees appointed Educator Solutions to carry out the Annual Internal Audit review on each of the schools in the academy trust. All visits, reports and action plans have been completed, and the next set of audit visits are scheduled for the spring 2020 term.

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
J Deane, Chair of Finance and Business	4	4
D Nunn	4	4
T Barker	3	4
KDL Grimes, Chief Executive Officer	4	4

The Standards, Personnel and GDPR 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
Phil Thirkettle Chair of Standards, Personnel and GDPR	3	3
K D L Grimes, Chief Executive Officer	3	3
A Mayhew	0	3
E Gibson	2	3

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Remuneration Committee is also a committee of the Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
T Barker, Chair of Remuneration Committee	1	1
J Deane	1	1
A Mayhew	1	1
E Griffiths	1	1
K D L Grimes, Chief Executive Officer	1	1

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.

Trustee	Meetings attended	Out of a possible
T Barker, Chair of Remuneration Committee	1	1
K D L Grimes, Chief Executive Officer	1	1
J Deane	1	1
E Griffiths	1	1

**Review of value for money**

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

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

- Delivering cost effective central appointments to support school improvement. The roles of the CEO, CFO and HR have delivered legal and financial compliance across all schools enabling headteachers to focus on the quality of learning and teaching
- Providing key training for leaders to enhance curriculum development and learning and teaching
- Centralising back-office functions and services to provide a more personalised and responsive approach (the centralisation of services took effect from April 2019)
- Enhancing leadership and outcomes through cost effective partnership arrangements
- Providing high level quality assurance through Trust-wide external audits
- Ensuring high quality and consistent support for governance through Trust-wide, cost effective clerking

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

**The risk and control framework**

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

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

The Board has considered the need for a specific internal audit function and appointed Educator Solutions as internal auditor for the year 1 September 2018 to 31 August 2019. The Board has decided to appoint MHA Larking Gowen as internal auditor for the year 1 September 2019 to 31 August 2020.

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

- Purchasing process check
- Income Controls process check
- Data Security process check
- Insurance process check
- Monitoring & Review process check
- Audit process check
- Tax process check
- Purchasing transactional test
- Income Controls transactional test
- Monitoring & Review transactional test
- Payroll transactional test

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

The internal auditor reports termly to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

Action plans were drawn up following the visits and these have been implemented. Further internal audit visits are scheduled for each school in each of the next two terms, to ensure any action has been embedded.

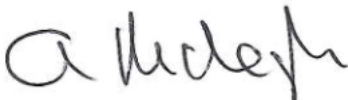
**Review of effectiveness**

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 work of the external auditors;
- the financial management and governance self assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:



**A Ridealgh**  
Chair of Trustees



**K D L Grimes**  
Accounting Officer

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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.



**K D L Grimes**  
Accounting Officer  
Date: 18 December 2019

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & 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:

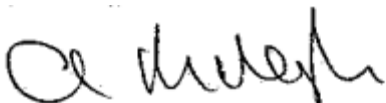
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 18 December 2019 and signed on its behalf by:



**A Ridealgh**  
(Chair of Trustees)

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Opinion**

We have audited the financial statements of John Milton Academy Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**Conclusions relating to going concern**

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

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



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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Other information**

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

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

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

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

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

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

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

**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.

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

*MHA Larking Gowen*

**Giles Kerkham FCA DChA (Senior Statutory Auditor)**

for and on behalf of

**Larking Gowen LLP**

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

*19 December 2019*

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 25 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Larking Gowen

**Larking Gowen LLP**

1 Claydon Business Park  
Great Blakenham  
Ipswich  
IP6 0NL

19 December 2019

**JOHN MILTON ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	552,457	35,481	587,938	1,037,875
Charitable activities		7,973,843	-	-	7,973,843	7,784,234
Other trading activities		-	-	433,812	433,812	349,707
Investments	6	-	-	813	813	693
<b>Total income</b>		<b>7,973,843</b>	<b>552,457</b>	<b>470,106</b>	<b>8,996,406</b>	<b>9,172,509</b>
<b>Expenditure on:</b>						
Charitable activities		8,240,929	517,411	226,361	8,984,701	8,643,883
<b>Total expenditure</b>		<b>8,240,929</b>	<b>517,411</b>	<b>226,361</b>	<b>8,984,701</b>	<b>8,643,883</b>
<b>Net (expenditure)/income</b>		<b>(267,086)</b>	<b>35,046</b>	<b>243,745</b>	<b>11,705</b>	<b>528,626</b>
Transfers between funds	20	195,440	(65,968)	(129,472)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(71,646)</b>	<b>(30,922)</b>	<b>114,273</b>	<b>11,705</b>	<b>528,626</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	-	(750,000)	(750,000)	420,000
<b>Net movement in funds</b>		<b>(71,646)</b>	<b>(30,922)</b>	<b>(635,727)</b>	<b>(738,295)</b>	<b>948,626</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		(917,150)	21,656,515	423,407	21,162,772	20,214,146
Net movement in funds		(71,646)	(30,922)	(635,727)	(738,295)	948,626
<b>Total funds carried forward</b>		<b>(988,796)</b>	<b>21,625,593</b>	<b>(212,320)</b>	<b>20,424,477</b>	<b>21,162,772</b>

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The notes on pages 32 to 57 form part of these financial statements.

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

**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	14	-	1,066
Tangible assets	15	<b>21,481,802</b>	<b>20,822,925</b>
		<b>21,481,802</b>	<b>20,823,991</b>
<b>Current assets</b>			
Stocks	16	<b>7,585</b>	3,575
Debtors	17	<b>586,540</b>	471,761
Cash at bank and in hand		<b>945,789</b>	1,587,048
		<b>1,539,914</b>	2,062,384
Creditors: amounts falling due within one year	18	<b>(702,239)</b>	(662,714)
<b>Net current assets</b>		<b>837,675</b>	1,399,670
<b>Total assets less current liabilities</b>		<b>22,319,477</b>	22,223,661
Creditors: amounts falling due after more than one year	19	-	(1,889)
<b>Net assets excluding pension liability</b>		<b>22,319,477</b>	22,221,772
Defined benefit pension scheme liability	26	<b>(1,895,000)</b>	(1,059,000)
<b>Total net assets</b>		<b>20,424,477</b>	21,162,772
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	<b>21,625,593</b>	21,656,515
Restricted income funds	20	<b>156,204</b>	141,850
Restricted funds excluding pension asset	20	<b>21,781,797</b>	21,798,365
Pension reserve	20	<b>(1,895,000)</b>	(1,059,000)
<b>Total restricted funds</b>	20	<b>19,886,797</b>	20,739,365
<b>Unrestricted income funds</b>	20	<b>537,680</b>	423,407
<b>Total funds</b>		<b>20,424,477</b>	21,162,772

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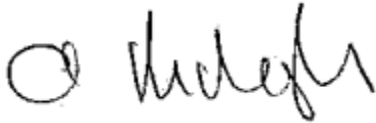
**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER:10298832**

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**BALANCE SHEET (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The financial statements on pages 27 to 57 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



**A Ridealgh**  
Chair of Trustees  
Date: 18 December 2019

The notes on pages 32 to 57 form part of these financial statements.



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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> £	<b>2018</b> £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	<b>(18,494)</b>	128,543
<b>Cash flows from investing activities</b>	23	<b>(622,765)</b>	495,482
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(641,259)</b>	624,025
Cash and cash equivalents at the beginning of the year		<b>1,587,048</b>	963,023
<b>Cash and cash equivalents at the end of the year</b>	24	<b>945,789</b>	<b>1,587,048</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 57 from part of these financial statements

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

John Milton Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in (£) Sterling and are rounded to the nearest £.

**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.

**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.

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**JOHN MILTON ACADEMY TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

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

- **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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**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.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 50 % straight line
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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.8 Tangible fixed assets (continued)**

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 followings bases:

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

**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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**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.

**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.

**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.

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

**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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

**3. Income from donations and capital grants**

	<b>Restricted fixed asset funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations	-	35,481	<b>35,481</b>	30,921
Capital grants	552,457	-	<b>552,457</b>	1,006,954
<b>Total 2019</b>	<b>552,457</b>	<b>35,481</b>	<b>587,938</b>	<b>1,037,875</b>
<i>Total 2018</i>	<i>1,006,954</i>	<i>30,921</i>	<i>1,037,875</i>	

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**4. Funding for the academy's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>				
General Annual Grants (GAG)	7,314,505	-	<b>7,314,505</b>	7,164,469
Pupil premium	354,624	-	<b>354,624</b>	356,173
Other DfE/ESFA revenue grants	244,588	-	<b>244,588</b>	192,411
	<u>7,913,717</u>	<u>-</u>	<u><b>7,913,717</b></u>	<u>7,713,053</u>
<b>Other government grants</b>				
SEN funding	60,126	-	<b>60,126</b>	46,981
	<u>60,126</u>	<u>-</u>	<u><b>60,126</b></u>	<u>46,981</u>
<b>Other funding</b>				
Other incoming resources	-	-	-	24,200
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,200</u>
<b>Total 2019</b>	<u><u>7,973,843</u></u>	<u><u>-</u></u>	<u><u><b>7,973,843</b></u></u>	<u><u>7,784,234</u></u>
<i>Total 2018</i>	<u><u>7,778,634</u></u>	<u><u>5,600</u></u>	<u><u>7,784,234</u></u>	

**5. Other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Letting income	55,311	<b>55,311</b>	53,361
Income from ancillary trading activities	378,501	<b>378,501</b>	296,346
<b>Total 2019</b>	<u><u>433,812</u></u>	<u><u><b>433,812</b></u></u>	<u><u>349,707</u></u>



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**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Investment income	813	<b>813</b>	693

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Academies' educational operations:					
Direct costs	5,568,917	-	1,351,087	<b>6,920,004</b>	6,643,848
Support costs	946,151	460,269	658,277	<b>2,064,697</b>	2,000,035
	<u>6,515,068</u>	<u>460,269</u>	<u>2,009,364</u>	<u><b>8,984,701</b></u>	<u>8,643,883</u>
<i>Total 2018</i>	<u>6,347,625</u>	<u>554,673</u>	<u>1,741,585</u>	<u>8,643,883</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Academies' educational operations	6,920,004	2,064,697	<b>8,984,701</b>	8,643,883
<i>Total 2018</i>	<u>6,643,848</u>	<u>2,000,035</u>	<u>8,643,883</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational Operations 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	946,151	<b>946,151</b>	859,597
Amortisation	1,066	<b>1,066</b>	11,800
Technology costs	64,222	<b>64,222</b>	44,293
Recruitment and support	9,324	<b>9,324</b>	11,315
Maintenance	200,589	<b>200,589</b>	224,007
Cleaning	71,210	<b>71,210</b>	77,062
Rent and rates	33,988	<b>33,988</b>	38,407
Energy	133,691	<b>133,691</b>	120,538
Water and sewage	20,791	<b>20,791</b>	30,020
Insurance	47,571	<b>47,571</b>	69,753
Catering	216,689	<b>216,689</b>	212,329
Bank interest and charges	1,058	<b>1,058</b>	859
Other support costs	99,581	<b>99,581</b>	210,624
Legal and professional fees	218,766	<b>218,766</b>	89,431
	<u>2,064,697</u>	<u><b>2,064,697</b></u>	<u>2,000,035</u>

During the year ended 31 August 2019, the academy incurred the following Governance costs:

£19,288 (2018 - £18,280) included within the table above in respect of internal and external auditor remuneration.

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**9. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>516,345</b>	388,716
Amortisation of intangible assets	<b>1,066</b>	11,800
Operating Lease Rentals	<b>9,436</b>	7,684
Fees paid to auditors for:		
- audit	<b>11,500</b>	11,150
- other services	<b>4,500</b>	4,500
	<b>=====</b>	<b>=====</b>

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,872,621</b>	4,761,201
Social security costs	<b>458,513</b>	427,508
Pension costs	<b>989,286</b>	1,037,303
	<b>=====</b>	<b>=====</b>
	<b>6,320,420</b>	6,226,012
Agency staff costs	<b>194,648</b>	121,613
	<b>=====</b>	<b>=====</b>
	<b>6,515,068</b>	6,347,625

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>84</b>	<i>90</i>
Administration and support	<b>145</b>	<i>134</i>
Management	<b>17</b>	<i>13</i>
	<b>246</b>	<i>237</i>

**c. Higher paid staff**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>1</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>

**d. Key management personnel**

The key management personnel of the academy trust comprise the senior management as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £443,609 (2018 - £364,871).

This increase reflects the board decision to increase CEO hours to full time, and an additional member of staff being employed full time as the CFO.

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**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.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Bacton Primary School	29,316	32,194
Cedars Park Primary School	72,024	75,603
Mendlesham Primary School	20,640	21,932
Stowupland High School	290,759	231,448
<b>Total</b>	<b>412,739</b>	<b>361,177</b>

**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:

		2019 £	2018 £
K Grimes (CEO)	Remuneration	85,000 -	65,000 -
		90,000	70,000
	Pension contributions paid	10,000 -	10,000 -
A Emms (Headteacher and trustee)		15,000	15,000
	Remuneration	10,000 -	60,000 -
	Pension contributions paid	15,000	65,000
		0 - 5,000	5,000 -
			10,000

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Trustees' remuneration and expenses (continued)**

During the year ended 31 August 2019, expenses totalling £NIL were reimbursed or paid directly to the Trustees including the CEO (2018 - £83 to 1 Trustee).

Changes to remuneration reflect one resignation from the board and an increase from part time to full time work for the CEO.

**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 2019 was £45,636 (2018 - £69,753). The cost of this insurance is included in the total insurance cost.

**14. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 September 2018	23,699
At 31 August 2019	<u>23,699</u>
<b>Amortisation</b>	
At 1 September 2018	22,633
Charge for the year	1,066
At 31 August 2019	<u>23,699</u>
<b>Net book value</b>	
At 31 August 2019	<u>-</u>
At 31 August 2018	<u><u>1,066</u></u>

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**15. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	14,215,171	6,942,743	239,386	167,736	21,565,036
Additions	523,129	110,301	524,595	17,197	1,175,222
At 31 August 2019	<u>14,738,300</u>	<u>7,053,044</u>	<u>763,981</u>	<u>184,933</u>	<u>22,740,258</u>
<b>Depreciation</b>					
At 1 September 2018	416,133	230,523	18,068	77,387	742,111
Charge for the year	213,597	122,949	120,068	59,731	516,345
At 31 August 2019	<u>629,730</u>	<u>353,472</u>	<u>138,136</u>	<u>137,118</u>	<u>1,258,456</u>
<b>Net book value</b>					
At 31 August 2019	<u><u>14,108,570</u></u>	<u><u>6,699,572</u></u>	<u><u>625,845</u></u>	<u><u>47,815</u></u>	<u><u>21,481,802</u></u>
At 31 August 2018	<u><u>13,799,038</u></u>	<u><u>6,712,220</u></u>	<u><u>221,318</u></u>	<u><u>90,349</u></u>	<u><u>20,822,925</u></u>

**16. Stocks**

	2019 £	2018 £
Finished goods and goods for resale	<u><u>7,585</u></u>	<u><u>3,575</u></u>

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**17. Debtors**

	2019 £	2018 £
Trade debtors	9,392	14,570
Other debtors	93,954	143,787
Prepayments and accrued income	483,194	313,404
	<b>586,540</b>	<b>471,761</b>
	<b>586,540</b>	<b>471,761</b>

**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	377,719	406,717
Other taxation and social security	108,227	107,694
Other creditors	5,531	4,774
Accruals and deferred income	210,762	143,529
	<b>702,239</b>	<b>662,714</b>
	<b>702,239</b>	<b>662,714</b>

	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	83,316	68,134
Resources deferred during the year	67,955	83,316
Amounts released from previous periods	(83,316)	(68,134)
	<b>67,955</b>	<b>83,316</b>
<b>Deferred income at 31 August 2019</b>	<b>67,955</b>	<b>83,316</b>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals Grants and school trips.

**19. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	-	1,889
	<b>-</b>	<b>1,889</b>



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**20. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	423,407	470,106	(226,361)	(129,472)	-	537,680
<b>Restricted general funds</b>						
General Annual Grant (GAG)	21,757	7,314,505	(7,378,462)	195,440	-	153,240
Other DFE/ESFA Grants	120,093	659,338	(776,467)	-	-	2,964
Pension reserve	(1,059,000)	-	(86,000)	-	(750,000)	(1,895,000)
	<u>(917,150)</u>	<u>7,973,843</u>	<u>(8,240,929)</u>	<u>195,440</u>	<u>(750,000)</u>	<u>(1,738,796)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset funds	21,656,515	552,457	(517,411)	(65,968)	-	21,625,593
<b>Total Restricted funds</b>	<u>20,739,365</u>	<u>8,526,300</u>	<u>(8,758,340)</u>	<u>129,472</u>	<u>(750,000)</u>	<u>19,886,797</u>
<b>Total funds</b>	<u><u>21,162,772</u></u>	<u><u>8,996,406</u></u>	<u><u>(8,984,701)</u></u>	<u><u>-</u></u>	<u><u>(750,000)</u></u>	<u><u>20,424,477</u></u>

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.

**Restricted Pension Reserve**

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

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**20. Statement of funds (continued)**

**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**

£65,968 was transferred from the restricted fixed asset fund to GAG to represent repairs paid for out of DFC funding.

£129,472 was transferred from unrestricted funds to GAG to fund deficits on GAG balances.

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 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bacton Primary School	<b>15,530</b>	14,933
Cedars Park Primary School	<b>296,271</b>	332,436
Mendlesham Primary School	<b>151,243</b>	80,914
Stowupland High School	<b>211,800</b>	109,216
Central MAT	<b>19,040</b>	27,758
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>693,884</b>	565,257
Restricted fixed asset fund	<b>21,625,593</b>	21,656,515
Pension reserve	<b>(1,895,000)</b>	(1,059,000)
	<hr/>	<hr/>
<b>Total</b>	<b>20,424,477</b>	21,162,772
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2019</b>	<i>Total 2018</i>
	£	£	£	£	£	£
Bacton Primary School	480,723	45,904	26,570	128,574	<b>681,771</b>	719,147
Cedars Park Primary School	1,203,555	134,887	100,429	319,321	<b>1,758,192</b>	1,613,504
Mendlesham Primary School	306,542	43,779	27,920	93,708	<b>471,949</b>	468,392
Stowupland High School	3,356,217	517,171	251,408	645,868	<b>4,770,664</b>	5,041,331
Central MAT	221,880	204,410	10,839	347,585	<b>784,714</b>	400,993
<b>Academy</b>	<b>5,568,917</b>	<b>946,151</b>	<b>417,166</b>	<b>1,535,056</b>	<b>8,467,290</b>	<b>8,243,367</b>

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**20. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	283,642	386,921	(247,156)	-	-	423,407
<b>Restricted general funds</b>						
General Annual Grant (GAG)	125,722	7,158,869	(7,167,676)	(95,158)	-	21,757
Start-up grants	17,645	-	(17,645)	-	-	-
Pupil premium	44,928	356,173	(401,101)	-	-	-
Other DFE/ESFA Grants	106,290	263,592	(249,789)	-	-	120,093
Pension reserve	(1,319,000)	-	(160,000)	-	420,000	(1,059,000)
	(1,024,415)	7,778,634	(7,996,211)	(95,158)	420,000	(917,150)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	20,954,919	1,006,954	(400,516)	95,158	-	21,656,515
<b>Total Restricted funds</b>	19,930,504	8,785,588	(8,396,727)	-	420,000	20,739,365
<b>Total funds</b>	20,214,146	9,172,509	(8,643,883)	-	420,000	21,162,772

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	21,481,802	-	<b>21,481,802</b>
Current assets	690,662	306,041	543,211	<b>1,539,914</b>
Creditors due within one year	(534,458)	(162,250)	(5,531)	<b>(702,239)</b>
Provisions for liabilities and charges	(1,895,000)	-	-	<b>(1,895,000)</b>
<b>Total</b>	<b>(1,738,796)</b>	<b>21,625,593</b>	<b>537,680</b>	<b>20,424,477</b>

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	20,822,925	-	20,822,925
Intangible fixed assets	-	1,066	-	1,066
Current assets	784,927	832,524	444,840	2,062,384
Creditors due within one year	(641,188)	-	(21,433)	(662,714)
Creditors due in more than one year	(1,889)	-	-	(1,889)
Provisions for liabilities and charges	(1,059,000)	-	-	(1,059,000)
<b>Total</b>	<b>(917,150)</b>	<b>21,656,515</b>	<b>423,407</b>	<b>21,162,772</b>

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**22. Reconciliation of net income to net cash flow from operating activities**

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<b>11,705</b>	528,626
<b>Adjustments for:</b>		
Amortisation	<b>1,066</b>	11,800
Depreciation	<b>516,345</b>	388,716
Capital grants from DfE and other capital income	<b>(552,457)</b>	(817,599)
Defined benefit pension scheme cost less contributions payable	<b>56,000</b>	125,000
Defined benefit pension scheme finance cost	<b>30,000</b>	35,000
Increase in stocks	<b>(4,010)</b>	(473)
Increase in debtors	<b>(114,779)</b>	(245,792)
Increase in creditors	<b>37,636</b>	103,265
<b>Net cash (used in)/provided by operating activities</b>	<b>(18,494)</b>	128,543

**23. Cash flows from investing activities**

	2019 £	2018 £
Purchase of intangible assets	-	(1,200)
Purchase of tangible fixed assets	<b>(1,175,222)</b>	(320,917)
Capital grants from DfE Group	<b>552,457</b>	817,599
<b>Net cash (used in)/provided by investing activities</b>	<b>(622,765)</b>	495,482

**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>945,789</b>	1,587,048
<b>Total cash and cash equivalents</b>	<b>945,789</b>	1,587,048

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**25. Capital commitments**

At 31 August 2019 the academy had capital commitments as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	-	<i>372,250</i>

**26. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

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**26. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £585,000 (2018 - £554,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Scheme changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**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 2019 was £476,000 (2018 - £426,000), of which employer's contributions totalled £404,000 (2018 - £353,000) and employees' contributions totalled £ 72,000 (2018 - £73,000). The agreed contribution rates for future years are 28 per cent for employers and tiered per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	%	%
Rate of increase in salaries	<b>2.6</b>	2.6
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.3
Discount rate for scheme liabilities	<b>1.9</b>	2.8



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**26. Pension commitments (continued)**

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

	<b>2019</b>	<i>2018</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	<b>21.3</b>	<i>21.9</i>
Females	<b>23.5</b>	<i>24.4</i>
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	<i>23.9</i>
Females	<b>24.9</b>	<i>26.4</i>

**Sensitivity analysis**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	<b>(137,000)</b>	<i>(94,000)</i>
Discount rate -0.1%	<b>137,000</b>	<i>94,000</i>
Mortality assumption - 1 year increase	<b>187,000</b>	<i>75,000</i>
Mortality assumption - 1 year decrease	<b>(187,000)</b>	<i>(75,000)</i>
CPI rate +0.1%	<b>113,000</b>	<i>130,000</i>
CPI rate -0.1%	<b>(113,000)</b>	<i>(130,000)</i>

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August</b>	<i>2018</i>
	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Equities	<b>1,395,000</b>	<i>1,358,000</i>
Corporate bonds	<b>754,000</b>	<i>591,000</i>
Property	<b>614,000</b>	<i>219,000</i>
Cash and other liquid assets	<b>28,000</b>	<i>22,000</i>
<b>Total market value of assets</b>	<b>2,791,000</b>	<i>2,190,000</i>

The actual return on scheme assets was £145,000 (2018 - £116,000).

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**26. Pension commitments (continued)**

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

	2019 £	2018 £
Current service cost	(441,000)	(478,000)
Past service cost	(19,000)	-
Interest income	68,000	47,000
Interest cost	(98,000)	(82,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(490,000)</b>	<b>(513,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>3,249,000</b>	<b>2,990,000</b>
Current service cost	441,000	478,000
Interest cost	98,000	82,000
Employee contributions	72,000	73,000
Actuarial losses/(gains)	807,000	(374,000)
Past service costs	19,000	-
<b>At 31 August</b>	<b>4,686,000</b>	<b>3,249,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,190,000</b>	<b>1,671,000</b>
Interest income	68,000	47,000
Actuarial gains	57,000	46,000
Employer contributions	404,000	353,000
Employee contributions	72,000	73,000
<b>At 31 August</b>	<b>2,791,000</b>	<b>2,190,000</b>

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**27. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>12,957</b>	<i>9,195</i>
Later than 1 year and not later than 5 years	<b>18,582</b>	<i>7,457</i>
	<hr/> <b>31,539</b> <hr/>	<hr/> <i>16,652</i> <hr/>

**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.

**29. Related party transactions**

Donations of £6,800 was received from Mendlesham Educational Charity, of which D Nunn is a trustee.

Income of £5,162 was received from Mendlesham Parish Council, where D Nunn is a parish councillor. This is as a result of a joint arrangement over the shared building, for electricity, oil and water.

All other related party transactions are trustee's remuneration and expenses already disclosed in note 12.

**30. Controlling party**

There is no ultimate controlling party.