

JOHN MILTON ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditors' Report on the Financial Statements	22 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities Incorporating Income and Expenditure Account	29
Balance Sheet	30 - 31
Statement of Cash Flows	32
Notes to the Financial Statements	33 - 65

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

I Gallagher
R Newton
E Gibson (appointed 27 August 2020)
A Ridealgh (appointed 27 August 2020)
T Barker (appointed 14 September 2021)

Trustees

M Abdel-Maguid
T Barker, Vice Chair of the Trust / Chair of the Audit Committee and Remuneration Committee (resigned 14 September 2021)
J Cousins
K D L Grimes, Chief Executive Officer
A Hauwert (appointed 19 March 2021)
S Hayter
A M Mayhew
D Nunn, Vice Chair of the Trust
T Passmore
A Ridealgh, Chair of the Trust
P Thirkettle, Chair of Standards, Personnel and GDPR
N Jolly (appointed 23 September 2021)

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
S Shaw, Chief Financial Officer (Resigned 4 May 2021)
P Whear, Headteacher, Stowupland High School
A D Emms, Headteacher, Cedars Park Primary School (Resigned 31 August 2021)
T Sait, Executive Headteacher, Bacton & Mendlesham Primary Schools
T Jarrett, Director of Operations and Finance (Appointed 5 May 2021)

Independent auditors

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers

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

Solicitors

Stone King LLP, Bateman House, 82-88 Hills Road, Cambridge, CB2 1LQ

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. 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. As of the school census of October 2020 it has a pupil capacity of 1,835 and a roll of 1656.

Structure, governance and management

a. Constitution

The academy 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, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Trustees are directors of the charitable company for the purpose of the Companies Act 2006 and Trustees for the purposes of charity legislation. For the period to 31s August 2021 Trustees and board members were covered by Zurich Municipal insurance under the Trust's comprehensive policy. From 1st September 2021 Trustees and board members are covered by the Risk Protection Arrangement provided by the Department for Education. Details of the costs can be found in Note 13 to the accounts.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

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

e. Policies adopted for the induction and training of Trustees

The John Milton Academy Trust oversees governance arrangements for all layers of the organisation. During the pandemic, all decision making powers have rested with the Trust and we have continued to receive, and act on, advice from the Confederation of School Trusts (sector leaders). Guidance provided has included the development of a strategic framework and risk assessment to cover the full opening of schools in September 2020, the additional lockdown in January 2021 and the subsequent reopening of schools.

The Trust continues to use a central portal to house all policies and resources. There is an annual audit of skills and subsequent recruitment and training is linked directly to the needs of the Trust and its schools.

Online learning modules are in place for all Trustees - including safeguarding training through the NSPCC; our membership of the Confederation of School Trusts continues to impact on our work through weekly updates and governance courses.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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. During the academic year 2020/21, the Trust appointed two parent trustees to the Board.

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 progress in fulfilling our two charitable objects.

During 2020/21, the Board of Trustees has operated four distinct committees:

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

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 CEO attends most committee meetings and also produces a regular blog to keep Trustees informed of the day-to-day working of the Trust and its schools.

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

The Chief Financial Officer implements MAT strategy and policy at corporate service level and is accountable to the CEO for financial and operational standards. The Trust commissioned an Interim Chief Operations Officer (COO) post with effect from July 2020 and this postholder spearheaded a central team restructure which has come to fruition fully during 2021. From May 2021 the CFO role has been incorporated into the Director of Operations & Finance post which also leads a new team consisting of a Trust Management Accountant and an Operations & Facilities Manager.

Local Boards (either Local Improvement Boards or Local Advisory Boards) are linked to all schools so that the Trust remains firmly rooted in local communities. Local Boards have been able to meet virtually during the academic year 2020 - 2021, receiving briefing sheets and reports on key aspects of the Trust's central services including: school improvement, safeguarding, premises and ICT.

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

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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,681	
Total pay bill	7,136,791	
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	-	%
---	---	---

i. Related parties and other connected charities and organisations

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

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

The CEO of the Trust is on the steering group for Suffolk and Norfolk's CEO Network and represents members at monthly meetings with the Local Authority.

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust has been working to a three year plan (2019-2022), 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 2020/21, some of the significant activities connected to these objectives have been as follows:

- additional Condition Improvement Fund (CIF) bids and projects to undertake major capital work to improve safeguarding and health and safety;
- completion of the new sixth form build at Stowupland, complete with community use agreement and links with the University of Suffolk
- extensive refurbishment on other sites;
- continued improvements to ICT provision in line with the Trust's 3-year strategy;
- successful shift to remote learning, for both primary and secondary schools;
- continuation of school improvement visits each term, at both primary and secondary;
- publication of a range of documents and policies to support schools during Covid (including Flexible Learning, Remote Learning Charter, Project "R" updates - Review, Recover and Regenerate - Catch-up activities, Social, Moral, Spiritual and Cultural Policy)
- continued termly reporting of school improvement to Local Boards and the Trust including the introduction of a School Improvement Report linked to Ofsted headings;
- DfE approval for SEND provision at two Trust schools, following the submission of business cases;
- task groups to produce Trust-wide SEND and Relationships Education, Sex Education and Health Education policies (including stakeholder consultation);
- training for middle leaders and the development of CPD Charter;
- NSPCC safeguarding audits at all sites with feedback to schools and Local Boards;
- training in cyber security and technology risk;
- further implementation of management information systems to support effective operational working
- restructuring of the central team with appointments to the post of Director of Operations and Finance, Management Accountant and Operations and Facilities Manager;
- ongoing support to all schools and communities during lockdown (including FSM vouchers).

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

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

Strategic report

Achievements and performance

Due to COVID-19, the Department for Education will not be publishing any performance data for the academic year 2020 - 21.

a. Key performance indicators

Safeguarding remains effective in all schools as evidenced by NSPCC external audits. The Trust has continued to undertake and record regular checks by trained personnel in order to support the culture of safeguarding across all schools.

All key performance indicators for 2020/21 have been affected by the pandemic and the additional lockdown in January 2020. However, all primary schools have continued to assess pupil achievement and outcomes based on external tests and assessments. Despite lockdown, pupils were able to perform in line with the 2019 national average in reaching the combined expected progress in Reading, Writing and Maths in two schools and a third school recorded outcomes broadly in line with the 2019 national figures for Reading and Maths and marginally below in writing due to a more limited output. Greater depth figures in reading were in line with 2019 national figures in reading, but demonstrated the need for catch-up in maths and writing.

At secondary, a rigorous process of assessment was undertaken in 2021, in line with national guidance and Teacher Assessed Grades. A policy document was created, scrutinised by the Trust, and approved by Ofqual. Performance in English remained particularly strong and progress 8 remained positive. Specific groups will remain a focus, but progression to further education and apprenticeships has been high.

At Key Stage 5, achievement in academic and vocational subjects has been high. Positive value added of 0.59 was recorded in both areas and 73% of students progressed onto higher education (university: 55% and apprenticeships: 18%). This does represent a change from previous years, with more students opting for the apprentice route, rather than university.

All schools have remained open throughout the lockdown period to support key worker and other groups. All designated year groups returned for the wider opening of primary and secondary schools in the summer term and all primary year groups were able to spend some time in school before the end of the academic year. This was an enhanced offer in relation to national expectations and reflected the commitment of staff across the Trust and the support of all stakeholders, including parents and carers.

The impact of Covid on attendance has been felt throughout the year, although figures have remained above the national averages being published.

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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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.

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 2021.

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

Stowupland High School:
£202,2017 for Roofing phase 3
£230,985 for Windows

In addition the following bids have also been successful with work continuing at time of writing:

Stowupland High School:
£227,502.37 for Roofing phase 4
£479,427.80 for Heating phase 1

Cedars Park Primary School:
£136,719.67 for Heating

These projects were in addition to significant refurbishment funded by the Trust including over £75,000 towards ongoing maintenance of Bacton Primary School.

During the period the Trust also welcomed students to the new John Milton Sixth Form building. A £3million centre, funded by Community Infrastructure Levy (CIL) monies and Suffolk County Council. The new building has also freed up space in the main campus to allow the PAN for main school pupils to increase to reflect population growth. The expansion is a boost for post 16 education locally and will also be made available to the community. Over the medium term, the expansion will also help with the financial sustainability of Stowupland High School both in terms of pupil spaces at main school and by providing an enhanced offer to students at post 16.

Population growth more generally is also likely to be a key factor for the trusts primary schools through local housebuilding.

In addition, the Trust has also embarked on the construction of two SEND centres in collaboration with Suffolk County Council. Once gifted, these new facilities will add further assets to the Trust but more importantly will provide much needed local provision of specialist education at both primary and secondary level.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

In terms of annual performance, the Trust is showing a deficit of £142,311 for the period. This figure is affected by a significant ill health pension liability on the Local Government Pension Scheme (LGPS) and by recognising historically accrued income that is unlikely to be received. When accounting for these two items the Trust overall returns to a positive position. Insurance is now in place for ill health relating to the LGPS.

In accordance with FRS 102, the academy trust received an actuarial assessment of its LGPS deficit. The deficit balance of £4,412,000 is included within the balance sheet as at 31 August 2021 and the notes to the financial statements. A pension deficit generally indicates likely future increased contributions.

a. Reserves policy

The Trust board has approved a reserves policy with the objective of maintaining a reserve equivalent to 7.5% of total GAG income.

GAG income in the period was £7,775,886 equating to a reserve objective of £583,191.

The total restricted and unrestricted general funds (before fixed asset fund and pension reserve) held at 31 August 2021 was £761,415, which includes £497,705 unrestricted funds and £263,710 of restricted revenue funds. This reflects a movement in the year of a deficit of £142,311. Restricted fixed assets funds at the year end were £25,504,937. The pension deficit for the year was £1,272,000 and further narrative is included on this on pages 10 and 12.

Total reserves at 31 August 2021 including restricted fixed asset fund and pension reserve was £21,854,352.

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

b. Material deposits policy

The Trust aims to manage its cash balances to provide for the day to day financial management of all schools. Where surplus cash funds exist, the Trust seeks to optimise returns at minimal risk. Surplus funds are defined as funds in excess of those deemed to be needed to meet the day to day cash flow requirements for the financial management of schools taking into account the agreed minimum reserves level. The Chief Financial Officer 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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

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

Both the Finance and Business and Audit and Risk committees are continually monitoring the Trust's exposure to risk as well as monitoring financial procedures across the Trust. During the period, Trustees have undertaken a full review of its risk management processes via an independent internal auditor as part of its programme of internal scrutiny. This has resulted in the production of a new risk register which includes an associated action plan and has also informed the programme of internal scrutiny going forward. Trustees have also selected areas of risk to review over the coming year as part of a process of continuous monitoring.

Following periods of interim financial leadership an experienced central finance and operations team has also been appointed to improve financial management across the trust and reduce both financial and compliance risks.

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 LGPS pension fund deficit, held with Suffolk County Council. The Trust understands the need to monitor the impact of cashflow, and undertakes a range of monitoring processes and reports to ensure financial stability. All budgets are based on current year plus 2 years and are monitored via the ESFA. Projections are based on knowledge available at the time, and by using established budget monitoring tools. All budgets are regularly reviewed by way of medium term plan and management reports to allow for in-year changes, and by operating a 3 year overview future risk can be reduced or averted in a timely manner.

There is currently a deficit in the Local Government Pension Scheme of £4,412,000, 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.

Fundraising

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

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

Many developments in 2020/21 were curtailed as a result of COVID-19, and events in 2021/22 are also likely to be restricted.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Trust will continue to work on delivering the best outcomes for learners through the strategic objectives presently identified in the Three Year Strategic Plan. During the course of 2021/22, the Trust will be updating its long-term vision and growth strategy.

In the academic year 2021/22, there is a particular focus on:

1. Mitigating the impact of Covid through targeted intervention and a focus on quality first teaching;
2. Maintaining the upwards trajectory of outcomes and ensuring the progress of all groups of learners at all school;
3. Consolidating work on the curriculum to ensure support and challenge and building on the success of Trust-wide task groups;
4. Ensuring that school leadership models maximise progress post-Covid and enable excellence and expertise to be shared;
5. Accelerating the positive impact of central services on the Trust's Charitable objects;
6. Fully integrating the two new SEND units;
7. Increasing post 16 provision and higher education partnerships within the trust.

Funds held as custodian on behalf of others

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
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 16th December 2021 and signed on its behalf by:



.....
A Ridealgh
Chair of Trustees



.....
D Nunn
Vice Chair of Trustees

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

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

The Trustees are satisfied that they have maintained effective oversight of funds via their 4 meetings. Oversight of funds is maintained via the Trust's extensive committee programme which includes Finance & Business, Learning & Performance and Remuneration as well as a separate Audit & Risk committee. For the 2021-22 financial year an additional two Trust Board meetings are planned to allow further insights into changes in management accountancy procedures and budgeting.

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

Trustee	Meetings attended	Out of a possible
S Hayter	4	4
A Ridealgh, Chair of the Trust	4	4
J Cousins	2	4
A M Mayhew	2	4
T Passmore	2	4
T Barker, Vice Chair of the Trust / Chair of the Audit Committee and Remuneration Committee	4	4
M Abdel-Maguid	2	4
K D L Grimes, Chief Executive Officer	4	4
D Nunn, Vice Chair of the Trust	2	4
A Hauwert	2	2
P Thirkettle, Chair of Standards, Personnel and GDPR	4	4
N Jolly	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;
- A review of the Articles of Association;
- Recruitment of Trustees linked to skills and expertise;
- Review and evaluation of the Trusts own 3-Year Strategic Plan;
- The Trust's framework for school improvement including the termly data collation, school improvement visits and the CEO report;
- Use of GovernorHub to plan, implement and disseminate information to all Trustees;
- Externally-commissioned services and audits including GDPR, Health and Safety (including COVID-19 arrangements).
- Strategic Framework for COVID-19 and the combined risk assessment.

This provides the Trust Board with assurance that:

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

As part of the above work, Trustees are continually reviewing their own effectiveness and that of the governance of the Trust. The provision of an external governance review will be discussed as part of the setting of the next three-year strategic plan in early 2022.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

The Trustees appointed an independent firm of accountants, the NSPCC and a specialist IT firm to carry out a variety of reviews and audits as part of a programme of internal scrutiny during the period.

Changes made as a result of the annual review of governance include but were not limited to:

- A new approach to recording and reviewing risk
- Additional training and resources allocated to IT resilience
- Recruitment of additional Trustees with relevant skills
- Changes to scheme of delegation to manage the response to Covid-19

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Ridealgh, Chair	5	5
D Nunn	5	5
T Barker	5	5
K D L Grimes, Chief Executive Officer	5	5
M Abdel-Maguid	2	5

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Barker, Chair	4	4
K D L Grimes, Chief Executive Officer	4	4
D Nunn	4	4
A Ridealgh, Chair of Trustees	4	4

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Thirkettle, Chair	3	3
K D L Grimes, Chief Executive Officer	3	3

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A Mayhew	3	3
J Cousins	2	3
S Hayter	3	3

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Barker, Chair	1	1
A Ridealgh	1	1
A Mayhew	0	1
D Nunn	0	1

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the academy 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'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 academy has delivered improved value for money during the year by:

- Securing Government grants and prioritising refurbishment to improve school environments;
- Purchasing COVID-19 services and supplies across all Trust schools, thereby benefiting from economies of scale;
- Maximising income generation (in spite of COVID-19 restrictions) by regularly seeking to secure additional funding through non-government grants and by providing consultancy services and training to other schools and organisations;
- Using DfE recommended procurement frameworks (particularly for ICT) which ensure best value;
- Developing leadership and staffing models where skills, knowledge and expertise can be shared across schools.

During the period a restructure of the central finance and operations team has been undertaken to provide both leadership and capacity to making the most out of the trust resources for the benefit of its pupils and staff.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2020 to 31 August 2021 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to employ M+A Partners as internal auditor.

The Board of Trustees procured a number of independent reviews as part of its own programme of internal scrutiny, including the appointment of M+A Partners as an internal auditor to look precisely at the Trust approach to risk management.

The programme of internal scrutiny provides assurance and advice to trustees on a range of matters and performing a range of checks on the Academy Trust's systems. In particular, the checks carried out in the current period included:

- Review of the trusts approach to risk management
- Review and advice on the production of the trust risk register
- Review of the trust's approach to cyber security
- Comprehensive review and testing of safeguarding policies and procedures at all schools within the Trust.

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

- Review and audit of the trusts approach to procurement
- Audit of health and safety policies and procedures across the Trust
- Review of Business continuity procedures
- Audit of key financial controls.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

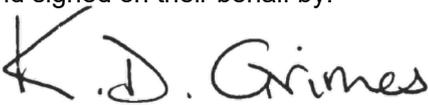
- the work of the internal auditors;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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

.....

A Ridealgh
Chair of Trustees
Date: 16th December 2021


.....
K D L Grimes
Accounting Officer

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of John Milton Academy Trust I have considered my responsibility to notify the academy Board of Trustees and the Education and 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 2020.

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 2020.

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: 16th December 2021

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
A Ridealgh
Chair of Trustees



.....
D Nunn
Vice Chair of Trustees



Date: 16th December 2021

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of John Milton Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

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.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Giles Kerkham FCA DChA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen LLP

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

Date: 17 December 2021

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 8 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of John Milton Academy Trust's funding agreement with the Secretary of State for Education dated 8 October 2021 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

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

Approach

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

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

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

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

Our work has included discussions with the Accounting Officer, detailed testing on a sample basis of expenditure throughout the year to ensure purchases are not novel, contentious or repercussive and to ensure funds have been spent in the interest of public benefit and to further the objectives of the Trust.

We have reviewed the procurement of significant projects to ensure the Finance Policy has been observed and undertaken controls testing over purchases and wages, in line with the Scheme of Delegation.

Lastly, we have reviewed the Trust's compliance with the Academies Trust Financial Handbook and the Academies Accounts Direction and reported for irregularities.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen LLP

1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Date: 17 December 2021

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	4,415,267	19,574	4,434,841	483,676
Other trading activities	5	-	-	180,800	180,800	237,328
Investments	6	-	-	565	565	780
Charitable activities	4	9,129,258	-	-	9,129,258	8,511,837
		<u>9,129,258</u>	<u>4,415,267</u>	<u>200,939</u>	<u>13,745,464</u>	<u>9,233,621</u>
Total income						
Expenditure on:						
Charitable activities	7	9,259,947	708,941	356,574	10,325,462	9,314,748
		<u>9,259,947</u>	<u>708,941</u>	<u>356,574</u>	<u>10,325,462</u>	<u>9,314,748</u>
Net (expenditure)/income						
Transfers between funds	20	(130,689)	3,706,326	(155,635)	3,420,002	(81,127)
		(189,793)	202,987	(13,194)	-	-
Net movement in funds before other recognised gains/(losses)						
		<u>(320,482)</u>	<u>3,909,313</u>	<u>(168,829)</u>	<u>3,420,002</u>	<u>(81,127)</u>
Actuarial losses on defined benefit pension schemes	27	(925,000)	-	-	(925,000)	(984,000)
		<u>(925,000)</u>	<u>-</u>	<u>-</u>	<u>(925,000)</u>	<u>(984,000)</u>
Net movement in funds						
		<u>(1,245,482)</u>	<u>3,909,313</u>	<u>(168,829)</u>	<u>2,495,002</u>	<u>(1,065,127)</u>
Reconciliation of funds:						
Total funds brought forward		(2,902,808)	21,595,624	666,534	19,359,350	20,424,477
Net movement in funds		(1,245,482)	3,909,313	(168,829)	2,495,002	(1,065,127)
		<u>(4,148,290)</u>	<u>25,504,937</u>	<u>497,705</u>	<u>21,854,352</u>	<u>19,359,350</u>
Total funds carried forward						

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

The notes on pages 33 to 65 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	295	1,285
Tangible assets	15	24,586,497	21,172,859
		<u>24,586,792</u>	<u>21,174,144</u>
Current assets			
Stocks	16	-	1,656
Debtors	17	1,733,878	709,044
Cash at bank and in hand		945,141	1,018,055
		<u>2,679,019</u>	<u>1,728,755</u>
Creditors: amounts falling due within one year	18	(952,564)	(403,549)
		<u>1,726,455</u>	<u>1,325,206</u>
Net current assets			
		<u>1,726,455</u>	<u>1,325,206</u>
Total assets less current liabilities		<u>26,313,247</u>	<u>22,499,350</u>
Creditors: amounts falling due after more than one year	19	(46,895)	-
		<u>26,266,352</u>	<u>22,499,350</u>
Net assets excluding pension liability			
		<u>26,266,352</u>	<u>22,499,350</u>
Defined benefit pension scheme liability	27	(4,412,000)	(3,140,000)
		<u>21,854,352</u>	<u>19,359,350</u>
Total net assets		<u>21,854,352</u>	<u>19,359,350</u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	25,504,937	21,595,624
Restricted income funds	20	263,710	237,192
		<u>25,768,647</u>	<u>21,832,816</u>
Restricted funds excluding pension asset	20	25,768,647	21,832,816
Pension reserve	20	(4,412,000)	(3,140,000)
		<u>21,356,647</u>	<u>18,692,816</u>
Total restricted funds	20	<u>21,356,647</u>	<u>18,692,816</u>
Unrestricted income funds	20	<u>497,705</u>	<u>666,534</u>
		<u>21,854,352</u>	<u>19,359,350</u>
Total funds		<u>21,854,352</u>	<u>19,359,350</u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 65 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
A Ridealgh
Chair of Trustees
Date: 16th December 2021



.....
D Nunn
Vice Chair of Trustees



The notes on pages 33 to 65 form part of these financial statements.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	22	(442,388)	(112,056)
Cash flows from investing activities	23	369,474	184,322
Change in cash and cash equivalents in the year		(72,914)	72,266
Cash and cash equivalents at the beginning of the year		1,018,055	945,789
Cash and cash equivalents at the end of the year	24, 25	945,141	1,018,055

The notes on pages 33 to 65 form part of these financial statements

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Charitable activities**

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

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

1.5 Interest receivable

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

1.6 Taxation

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

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Intangible assets

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

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

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 50 % straight line
-------------------	----------------------

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Tangible fixed assets

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

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

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

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

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

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.12 Liabilities

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

1.13 Financial instruments

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

1.14 Operating leases

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Fund accounting

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

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

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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

	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	3,001,000	19,574	3,020,574
Capital grants	1,414,267	-	1,414,267
	<u>4,415,267</u>	<u>19,574</u>	<u>4,434,841</u>

Donations include £3.001 million in respect of the completion of construction (by Suffolk County Council) and opening of the new sixth form block at Stowupland High School.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants (continued)

	<i>Restricted fixed asset funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	-	9,329	9,329
Capital grants	474,347	-	474,347
	<u>474,347</u>	<u>9,329</u>	<u>483,676</u>

4. Funding for the academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	7,775,886	7,775,886
Other DfE/ESFA grants		
UIFSM	84,708	84,708
Pupil premium	377,706	377,706
Other DfE/ESFA revenue grants	672,267	672,267
	<u>8,910,567</u>	<u>8,910,567</u>
Other Government grants		
SEN funding	74,782	74,782
Other incoming resources	9,202	9,202
	<u>83,984</u>	<u>83,984</u>
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	125,120	125,120
	<u>125,120</u>	<u>125,120</u>
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	9,587	9,587
	<u>9,587</u>	<u>9,587</u>
	<u>9,129,258</u>	<u>9,129,258</u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

The academy received £125,120 (2020 - £nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £125,120.

The academy furloughed its sports centre staff under the government's CJRS. The funding received of £9,587 (2020 - £5,352) staff costs in respect of sports centre staff which are included within note 10 below as appropriate.

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,469,822	-	7,469,822
Other DfE/ESFA grants			
UIFSM	98,035	-	98,035
Pupil premium	371,470	-	371,470
Other DfE/ESFA revenue grants	458,522	-	458,522
	<hr/> 8,397,849	<hr/> -	<hr/> 8,397,849
Other Government grants			
SEN funding	54,774	-	54,774
Other incoming resources	500	53,362	53,862
	<hr/> 55,274	<hr/> 53,362	<hr/> 108,636
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	5,352	-	5,352
	<hr/> 5,352	<hr/> -	<hr/> 5,352
	<hr/> 8,458,475	<hr/> 53,362	<hr/> 8,511,837

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Letting income	10,151	10,151
Income from ancillary trading activities	170,649	170,649
	180,800	180,800
	180,800	180,800

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Letting income	32,563	32,563
Income from ancillary trading activities	204,765	204,765
	237,328	237,328
	237,328	237,328

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	565	565
	565	565
	565	565

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	780	780
	780	780
	780	780

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academies' educational operations:				
Direct costs	6,362,673	-	1,155,427	7,518,100
Support costs	1,333,151	618,506	855,705	2,807,362
	<u>7,695,824</u>	<u>618,506</u>	<u>2,011,132</u>	<u>10,325,462</u>

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Academies' educational operations:				
Direct costs	6,032,868	-	1,117,760	7,150,628
Support costs	1,039,860	494,783	621,477	2,156,120
	<u>7,072,728</u>	<u>494,783</u>	<u>1,739,237</u>	<u>9,306,748</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academies' educational operations	<u>7,518,100</u>	<u>2,807,362</u>	<u>10,325,462</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Academies' educational operations	<u>7,150,628</u>	<u>2,156,120</u>	<u>9,306,748</u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £	Total funds 2021 £
Staff costs	1,333,151	1,333,151
Amortisation	990	990
Technology costs	122,519	122,519
Premises costs	528,233	528,233
Other support costs	798,019	798,019
Governance costs	24,450	24,450
	<u>2,807,362</u>	<u>2,807,362</u>

Included within other support costs is £95,933 (2020: £nil) relating to the construction of a SEND unit at Mendlesham Primary School, on behalf of Suffolk County Council.

	<i>Educational Operations 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	1,039,860	1,039,860
Amortisation	2,255	2,255
Technology costs	60,673	60,673
Premises costs	494,783	494,783
Other support costs	534,811	534,811
Governance costs	23,738	23,738
	<u>2,156,120</u>	<u>2,156,120</u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	610,465	552,863
Amortisation of intangible assets	990	2,255
Operating Lease Rentals	17,007	34,071
Fees paid to auditors for:		
- audit	12,550	11,845
- other services	4,655	4,635
	610,465	552,863

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,392,897	4,933,593
Social security costs	498,958	441,657
Pension costs	1,642,610	1,402,143
	7,534,465	6,777,393
Agency staff costs	161,359	295,335
	7,695,824	7,072,728
	2021 £	2020 £
Severance payments	3,742	5,765
	3,742	5,765

Included within pension costs is £93,790 (2020: £nil) relating to an ill health liability.

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £3,742 (2020: £5,765). Individually, the payments were: £2,250 and £1,492.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	93	<i>80</i>
Administration and support	116	<i>122</i>
Management	4	<i>14</i>
	213	<i>216</i>

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>1</i>
In the band £70,001 - £80,000	-	<i>1</i>
In the band £80,001 - £90,000	1	<i>-</i>
In the band £90,001 - £100,000	1	<i>1</i>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £543,328 (2020 - £473,939).

The increase in key management personnel remuneration is a result of cross over periods between the interim and now incumbent Director of Finance and Operations and Trust management accountant.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services

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

- Payroll
- Finance
- Human Resources
- Pensions
- Recruitment

The academy charges for these services on the following basis:

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

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Bacton Primary School	79,433	64,632
Cedars Park Primary School	210,328	178,577
Mendlesham Primary School	65,053	46,407
Stowupland High School	589,349	580,579
Total	944,163	870,195

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:

		2021 £	2020 £
K D L Grimes, Chief Executive Officer	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 was £315 (2020 - £302). The cost of this insurance is included in the total insurance cost.

14. Intangible assets

	Computer software £
Cost	
At 1 September 2020	27,239
At 31 August 2021	<u>27,239</u>
Amortisation	
At 1 September 2020	25,954
Charge for the year	990
At 31 August 2021	<u>26,944</u>
Net book value	
At 31 August 2021	<u>295</u>
<i>At 31 August 2020</i>	<u>1,285</u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2020	14,824,072	7,053,044	48,636	765,821	292,605	22,984,178
Additions	3,350,622	8,211	509,425	72,483	83,362	4,024,103
Transfers between classes	226,215	-	(226,215)	-	-	-
At 31 August 2021	<u>18,400,909</u>	<u>7,061,255</u>	<u>331,846</u>	<u>838,304</u>	<u>375,967</u>	<u>27,008,281</u>
Depreciation						
At 1 September 2020	851,351	478,193	-	290,003	191,772	1,811,319
Charge for the year	260,366	125,176	-	159,861	65,062	610,465
At 31 August 2021	<u>1,111,717</u>	<u>603,369</u>	<u>-</u>	<u>449,864</u>	<u>256,834</u>	<u>2,421,784</u>
Net book value						
At 31 August 2021	<u><u>17,289,192</u></u>	<u><u>6,457,886</u></u>	<u><u>331,846</u></u>	<u><u>388,440</u></u>	<u><u>119,133</u></u>	<u><u>24,586,497</u></u>
At 31 August 2020	<u><u>13,972,721</u></u>	<u><u>6,574,851</u></u>	<u><u>48,636</u></u>	<u><u>475,818</u></u>	<u><u>100,833</u></u>	<u><u>21,172,859</u></u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets (continued)

As also described in Note 3, freehold property additions include £3.001 million in respect of the transfer from Suffolk County Council on completion of construction of the new sixth form block at Stowupland High School.

16. Stocks

	2021	2020
	£	£
Finished goods and goods for resale	-	1,656
	-	1,656

17. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	11,082	6,685
Other debtors	176,179	88,870
Prepayments and accrued income	1,546,617	613,489
	1,733,878	709,044

At the year end £4,898 (2020: £nil) was written off from trade debtors. This was a result of mispostings in previous years, rather than the write off of unrecoverable debts.

18. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	411,412	161,999
Other taxation and social security	129,054	113,320
Other creditors	54,472	7,429
Accruals and deferred income	357,626	120,801
	952,564	403,549

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	81,546	67,955
Resources deferred during the year	72,485	81,546
Amounts released from previous periods	(81,546)	(67,955)
Deferred income at 31 August 2021	<u>72,485</u>	<u>81,546</u>
19. Creditors: Amounts falling due after more than one year		
	2021 £	2020 £
Other creditors	<u>46,895</u>	<u>-</u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	666,534	200,939	(356,574)	(13,194)	-	497,705
Restricted general funds						
General Annual Grant (GAG)	217,693	7,780,388	(7,646,232)	(189,793)	-	162,056
Pupil premium	18,999	377,706	(396,705)	-	-	-
Other DFE/ESFA Grants	-	966,464	(870,010)	-	-	96,454
Other restricted	500	4,700	-	-	-	5,200
Pension reserve	(3,140,000)	-	(347,000)	-	(925,000)	(4,412,000)
	<u>(2,902,808)</u>	<u>9,129,258</u>	<u>(9,259,947)</u>	<u>(189,793)</u>	<u>(925,000)</u>	<u>(4,148,290)</u>
Restricted fixed asset funds						
Restricted Fixed Asset funds	21,595,624	4,415,267	(708,941)	202,987	-	25,504,937
Total Restricted funds	<u>18,692,816</u>	<u>13,544,525</u>	<u>(9,968,888)</u>	<u>13,194</u>	<u>(925,000)</u>	<u>21,356,647</u>
Total funds	<u><u>19,359,350</u></u>	<u><u>13,745,464</u></u>	<u><u>(10,325,462)</u></u>	<u><u>-</u></u>	<u><u>(925,000)</u></u>	<u><u>21,854,352</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.

Other DfE/ESFA grants

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

Restricted Pension Reserve

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

Restricted Fixed Asset Fund

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

Transfers

£198,723 was transferred from GAG to restricted fixed asset funds for the purchase of assets from the Trust's GAG funds. £8,930 was transferred from restricted fixed asset funds to fund repair works using capital income. This makes up the net transfer out of GAG of £189,793.

£13,194 was transferred from unrestricted funds to restricted fixed asset funds for the purchase of assets from the Trust's unrestricted funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	537,680	300,799	(171,945)	-	-	666,534
Restricted general funds						
General Annual Grant (GAG)	153,240	7,469,821	(7,354,562)	(50,806)	-	217,693
Pupil premium	-	371,471	(352,472)	-	-	18,999
Other DFE/ESFA Grants	2,964	616,683	(619,647)	-	-	-
Other restricted	-	500	-	-	-	500
Pension reserve	(1,895,000)	-	(261,000)	-	(984,000)	(3,140,000)
	<u>(1,738,796)</u>	<u>8,458,475</u>	<u>(8,587,681)</u>	<u>(50,806)</u>	<u>(984,000)</u>	<u>(2,902,808)</u>
Restricted fixed asset funds						
Restricted Fixed Asset funds	21,625,593	474,347	(555,122)	50,806	-	21,595,624
Total Restricted funds	<u>19,886,797</u>	<u>8,932,822</u>	<u>(9,142,803)</u>	<u>-</u>	<u>(984,000)</u>	<u>18,692,816</u>
Total funds	<u><u>20,424,477</u></u>	<u><u>9,233,621</u></u>	<u><u>(9,314,748)</u></u>	<u><u>-</u></u>	<u><u>(984,000)</u></u>	<u><u>19,359,350</u></u>

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Bacton Primary School	(183,869)	(5,148)
Cedars Park Primary School	370,074	344,120
Mendlesham Primary School	92,261	118,208
Stowupland High School	497,749	360,038
Central MAT	(14,800)	86,508
	761,415	903,726
Total before fixed asset funds and pension reserve	761,415	903,726
Restricted fixed asset fund	25,504,937	21,595,624
Pension reserve	(4,412,000)	(3,140,000)
	21,854,352	19,359,350
Total	21,854,352	19,359,350

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Bacton Primary School	183,869
Central MAT	14,800
	198,669

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

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

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

With significant housing development in the area and the expectation of improved OFSTED grading we forecast the school will return to a surplus position. The school already shares a number of costs with another trust school and is well managed. The majority of expenses this year related to significant building improvements which will not be required in future periods.

The small deficit position of £14,800 in the Central MAT is primarily due to additional pension costs incurred in the period that will be met for accounting purposes by the trust centrally. This position will be corrected within the following year.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021
	£	£	£	£	£
Bacton Primary School	569,221	51,851	40,488	172,144	833,704
Cedars Park Primary School	1,259,198	112,636	95,819	196,660	1,664,313
Mendlesham Primary School	399,454	37,498	36,628	126,557	600,137
Stowupland High School	3,688,550	463,328	299,128	477,127	4,928,133
Central MAT	446,700	667,838	17,899	555,283	1,687,720
Academy	6,363,123	1,333,151	489,962	1,527,771	9,714,007

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

	<i>Teaching and educational support staff costs</i>	<i>Other support staff costs</i>	<i>Educational supplies</i>	<i>Other costs excluding depreciation</i>	<i>Total 2020</i>
	£	£	£	£	£
Bacton Primary School	717,909	47,870	28,612	105,476	899,867
Cedars Park Primary School	1,199,782	133,829	75,958	219,397	1,628,966
Mendlesham Primary School	395,169	37,569	30,243	77,767	540,748
Stowupland High School	3,447,086	361,670	185,019	653,898	4,647,673
Central MAT	272,922	458,922	13,520	297,008	1,042,372
Academy	6,032,868	1,039,860	333,352	1,353,546	8,759,626

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	24,586,497	-	24,586,497
Intangible fixed assets	-	295	-	295
Current assets	1,042,969	1,130,770	505,280	2,679,019
Creditors due within one year	(732,364)	(212,625)	(7,575)	(952,564)
Creditors due in more than one year	(46,895)	-	-	(46,895)
Provisions for liabilities and charges	(4,412,000)	-	-	(4,412,000)
Total	(4,148,290)	25,504,937	497,705	21,854,352

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	21,172,859	-	21,172,859
Intangible fixed assets	-	1,285	-	1,285
Current assets	633,293	421,480	673,982	1,728,755
Creditors due within one year	(396,101)	-	(7,448)	(403,549)
Provisions for liabilities and charges	(3,140,000)	-	-	(3,140,000)
Total	(2,902,808)	21,595,624	666,534	19,359,350

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,420,002	(81,127)
Adjustments for:		
Amortisation	990	2,255
Depreciation	610,465	552,863
Capital grants from DfE and other capital income	(1,392,012)	(431,782)
Interest receivable	(565)	-
Defined benefit pension scheme cost less contributions payable	292,000	223,000
Defined benefit pension scheme finance cost	55,000	38,000
Decrease in stocks	1,656	5,929
Increase in debtors	(1,024,834)	(122,504)
Increase/(decrease) in creditors	595,910	(298,690)
Donated assets	(3,001,000)	-
Net cash used in operating activities	(442,388)	(112,056)

23. Cash flows from investing activities

	2021 £	2020 £
Purchase of intangible assets	-	(3,540)
Purchase of tangible fixed assets	(1,023,103)	(243,920)
Capital grants from DfE Group	1,392,012	431,782
Interest received	565	-
Net cash provided by investing activities	369,474	184,322

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	945,141	1,018,055
Total cash and cash equivalents	945,141	1,018,055

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,018,055	(72,914)	945,141
	<u>1,018,055</u>	<u>(72,914)</u>	<u>945,141</u>

26. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements	<u>1,455,050</u>	<u>344,295</u>

27. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £863,000 (2020 - £996,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £476,000 (2020 - £484,000), of which employer's contributions totalled £394,000 (2020 - £406,000) and employees' contributions totalled £ 82,000 (2020 - £78,000). The agreed contribution rates for future years are 23 per cent for employers and tiered per cent for employees.

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

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

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.7
Females	26.4	25.6

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	(215,000)	(165,000)
Discount rate -0.1%	215,000	165,000
Mortality assumption - 1 year increase	346,000	255,000
Mortality assumption - 1 year decrease	(346,000)	(225,000)
CPI rate +0.1%	201,000	153,000
CPI rate -0.1%	(201,000)	(153,000)

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	2,802,000	1,907,000
Corporate bonds	1,061,000	841,000
Property	297,000	291,000
Cash and other liquid assets	85,000	194,000
Total market value of assets	4,245,000	3,233,000

The actual return on scheme assets was £717,000 (2020 - £168,000).

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

	2021 £	2020 £
Current service cost	(686,000)	(608,000)
Past service cost	-	(21,000)
Interest income	59,000	57,000
Interest cost	(114,000)	(95,000)
Total amount recognised in the Statement of Financial Activities	(741,000)	(667,000)

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

	2021 £	2020 £
At 1 September	6,373,000	4,686,000
Current service cost	686,000	608,000
Interest cost	114,000	95,000
Employee contributions	82,000	78,000
Actuarial losses	1,446,000	949,000
Benefits paid	(44,000)	(64,000)
Past service costs	-	21,000
At 31 August	8,657,000	6,373,000

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	3,233,000	2,791,000
Interest income	59,000	57,000
Actuarial gains/(losses)	521,000	(35,000)
Employer contributions	394,000	406,000
Employee contributions	82,000	78,000
Benefits paid	(44,000)	(64,000)
At 31 August	4,245,000	3,233,000

28. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	10,926	19,757
Later than 1 year and not later than 5 years	6,081	14,314
	17,007	34,071

29. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

30. Related party transactions

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

31. Post balance sheet events

On 11 October 2021, Suffolk County Council completed construction of a SEND unit at Stowupland High School. This will be included in the 2021/22 accounts at an estimated valuation of £719,000.

JOHN MILTON ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

32. Controlling party

There is no ultimate controlling party.