

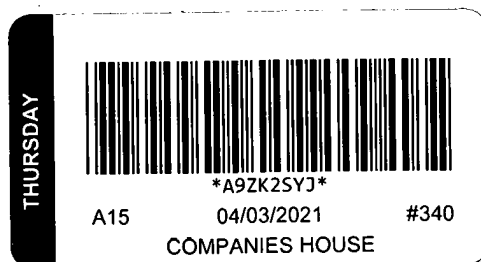
Company Registration Number: 07421140 (England & Wales)

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

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**                      S Treanor (Chair) (resigned 17 October 2019)  
                                     C Hopkins (appointed Chair 30 June 2020)  
                                     G Moss  
                                     Church of England Central Education Trust  
                                     A Stainer (resigned 30 June 2020)  
                                     J Jessel (appointed 30 June 2020)

**Trustees**                      G Moss, (Chair)  
                                     T Hopkins  
                                     B Richardson  
                                     A Grandfield MBE  
                                     D Beaty  
                                     A Lee  
                                     A Stainer (appointed 16 December 2019)  
                                     M Donoghue; (Accounting Officer)

**Company registered  
number**                      07421140

**Company name**            John Taylor MAT

**Principal and registered  
office**                        John Taylor Free School  
                                     Branston Road  
                                     Tatenhill  
                                     Burton on Trent  
                                     Staffordshire  
                                     DE13 9SA

**Company secretary**      B Mahoney

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Senior management team**

M. Donoghue, JTMAT CEO  
K Cochrane, Head of School John Taylor High School  
M Mincher, Head of School Kingsmead School  
L Farmer, Co-Head of Thomas Russell Infant's School  
S Burton, Co-Head of Thomas Russell Infant's School  
S Draper, Headteacher of Yoxall St Peter's C of E Primary School  
R Cruise, Headteacher of Rykneld Primary School (appointed 1 September 2019)  
D Adams, Headteacher of Shobnall Primary School (appointed 1 September 2019)  
M Baxter, Headteacher of Mosley Academy  
A Goodson, Headteacher of Winhill Village Primary and Nursery School  
B Mahoney, Chief Operating Officer, JTMAT  
S Plant, Head of School, John Taylor Free School  
C Gethin, Executive Headteacher of All Saints C of E and Needwood C of E Primary Schools  
S Rowe, Headteacher of Walton on Trent C of E Primary and Nursery School  
L Mansell, Co-Head of Church Gresley Infant and Nursery School (joined 1 September 2019)  
J Cripps, Co-Head of Church Gresley Infant and Nursery School (joined 1 September 2019)  
I McArthur, Headteacher of Paulet High School (joined 1 February 2020)

**Independent auditor**

Mazars LLP  
Chartered Accountants  
Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

**Bankers**

Lloyds TSB  
High Street  
Burton on Trent  
Staffordshire  
DE13 9LT

**Solicitors**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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**JOHN TAYLOR MAT**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Members and Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

During 2019/20 the trust operated fourteen academies (twelve in 2018/19) for pupils aged 2 to 19 serving catchment areas in Barton under Needwood, Burton Upon Trent, Yoxall and Hednesford (Staffordshire) and Walton on Trent and Church Gresley (Derbyshire).

Achievements of John Taylor Multi Academy Trust during 2019/20:

- The growth of the Trust through the incorporation of Church Gresley Infant and Nursery School (September 2019) and Paulet High School (February 2020).
- The expansion of the Trust's core team to include a dedicated part-time HR Manager and an Estate's Manager, adding to our capacity and capability in providing support to our schools.
- Successful first year of Staffordshire Research School based at John Taylor High School, as it extends its footprint of activity and its influence.
- The growth of our collaborative networks and our Teaching and Learning Repository, even during lockdown restrictions.
- Provision of the highest quality education throughout enhanced Covid 19 restrictions – on site for key worker/vulnerable children and remote learning for many.

**Structure, governance and management**

**a. Constitution**

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

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

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.

During the year under review 6 Trustee Board meetings were held plus one extraordinary meeting (to discuss Covid 19 school Risk Assessments) and an Annual General meeting. The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Directors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

**b. Members' liability**

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

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**JOHN TAYLOR MAT**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**c. Directors' indemnities**

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

**d. Method of recruitment and appointment or election of Trustees**

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

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

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

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**JOHN TAYLOR MAT**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**f. Organisational structure**

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

These Committees meet half termly and have responsibility for a number of related areas.

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

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

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

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**JOHN TAYLOR MAT**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	6

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	4
1%-50%	2
51%-99%	-
100%	-

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

Total cost of facility time	832
Total pay bill	21,505,211

Percentage of total pay bill spent on facility time	0.00387	%
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**Paid trade union activities**

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

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



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**j. Engagement with employees (including disabled persons)**

John Taylor Multi-Academy Trust recognises the importance of employee engagement as a means of aiding recruitment, securing employee retention and productivity, and as a way to ensure wellbeing. It seeks to engage its employees via a number of strategies:

- An annual staff survey regarding workload, workplace relationships, training and support and other features that enable us to review and refine our provision.
- Staff representation (teaching and support) on all schools' Local Governing Bodies to enable direct engagement in the decision-making process and the setting of strategic direction for schools.
- A regular and engaging social media presence, with open access for all employees to follow events, news and developments within JTMAT and our partnerships.
- Engagement with trade unions and professional associations via paid facilities time and local forums.
- A standardised performance management system which ensures all employees have access to support, professional development and career advancement opportunities.

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

- During employment the Academy Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

**k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust**

JTMAT recognises that it has a duty to act in a professional and ethical manner with all with whom we engage. As a charitable company, and a public sector body, we are acutely aware that we have multiple stakeholders. These include:

- Children in our schools
- The parents and families of children in our schools
- The Trust's employees
- The wider communities within which our schools operate
- The Department for Education and its agencies (ESFA, Ofsted)
- Other government departments to whom the electorate and the taxpayer are accountable
- The Members of the Trust
- Commercial and non-commercial partners and suppliers

The Trust's Communications Policy, underpinned by the National Standards for Teachers, the National Standards for Headteachers, the Nolan Principles for Public Life and statute, set out the standards and media through which we should engage with all stakeholders. Should the Trust, or an employee within it, exceed or fall short of these standards, JTMAT's complaints and compliments policy is available for stakeholders to express satisfaction or seek redress. This Policy can be viewed on the Trust's website.

**Objectives and activities**

**a. Objects and aims**

To provide an excellent broad and balanced curriculum for all learners in MAT academies that ensures each individual achieves stretching personal goals and fulfils their potential. The principal object and activity of the charitable company is the operation of John Taylor MAT to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

The main objectives of the Trust during the year ended 31 August 2020 are summarised below:

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

**b. Objectives, strategies and activities**

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

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

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

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

**c. Public benefit**

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

**d. Equality statement**

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

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

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Academies within the Trust continue to perform strongly or are improving in a range of key performance indicators. Academic achievement is clearly very closely aligned to our strategic objectives as articulated on pages 8 and 9 – particularly regarding children's preparedness for the next stages of their lives (our first objective) and the most demonstrable way in which we can indicate that our Trust adds value (the second objective).

As a result of Covid 19 restrictions, no public examinations (secondary phase) or national tests (primary phase) were sat by children and young people in the summer of 2020. It is therefore unhelpful and problematic to attempt to report attributed outcomes for learners in a comparative manner or one which articulates our schools' and leavers' performance.

Internal assessment data will be used by the Trust's School Improvement Team to target areas for development across our schools.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review**

**a. Reserves policy**

The appropriate level of reserves will be determined by the JT MAT Audit Committee in line with its Reserves Policy and will be subject to annual approval by the Trust Board (currently up to 12% of total GAG income). The Trust aims to maintain an adequate level of uncommitted reserves to:

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

The Group's current level of free reserves (total funds less the amount held in fixed assets and restricted pension funds) is £6,045,380 (2019 - £4,293,839) which is higher than the stated level. Two High Schools who are contributing to the high balance have significant capital development plans in place to reduce the level of their reserves during the next 3 years.

The Trust regularly monitors and reviews the level of reserves in the light of the changing funding and financial climate and other risks such as the potential cash impact on its pension scheme liability. This will be reviewed further following the release of the 2020 triennial pension scheme valuation.

The Group held total fund balances at 31 August 2020 of £95,172,654 (2019 - £71,169,368) comprising £91,525,452 (2019 - £68,016,340) of restricted funds and £3,647,202 (2019 - £3,153,028) of unrestricted general funds and included within the restricted reserves is a pension reserve deficit of £13,744,000 (2019 - £9,976,000).

The Trust has a restricted fixed assets fund, with a balance of £102,871,274 which is in respect of fixed assets and capital expenditure of the Trust, which is not available for general purpose of the Trust and will only be realised by disposing of the tangible assets.

The pension liability at 31 August 2020 is £13,744,000 which is shown separately in a restricted fund and the Trustees continue to review the contribution due based on the reports received from the schemes actuaries ensuring the cash is available to meet contributions as they fall due.

**b. Investment policy**

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

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

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

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

**d. Financial review**

Most of the Trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for tangible fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' SORP (FRS102), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £35,143,553 (2019 - £27,399,061) was covered by recurrent grant funding from the ESFA and other incoming resources. The surplus of income over expenditure for the year (excluding restricted fixed asset funds of £26,019,745 and the income on conversion of £873,833) was £877,708 (2019 - £76,056).

At 31 August 2020 the net book value of fixed assets was £101,562,348 (2019 - £76,377,818). Assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust.

The deficit of the pension reserve of £13,744,000 (2019 - £9,976,000) relates to the non-teaching staff pension scheme, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer to employee contributions, increased government funding or changes to scheme benefits.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

**e. Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust and its Central Team continues to grow which enables it to support its schools during difficult times such as the recent/current pandemic. This has resulted in our schools suffering no or only minimal detriment throughout the continuing situation. Trust schools are regularly over-subscribed and enjoy an excellent reputation amongst the communities they serve. This, together with careful financial management, has resulted in all schools having a positive reserve position of varying levels, enabling some to undertake significant capital planning during the next few years. For this reason the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Promoting the Success of the Company**

The Board and its Directors are acutely aware of the impact of their decisions upon the success of the company, and the consequent impact the Trust's success has on the lives, outcomes, and life chances of the children we make provision for. Clear moral purpose, combined with financial prudence and informed and effective strategic risk management combine to ensure decisions made regarding growth, investment, and organisational change are taken with due sobriety and measurement. The Trust's risk management strategy has evolved over many years, and is seen as a model of effective practice.

All associated with the Trust are aware of its reputational value, and that individual and corporate actions will enhance or erode that value. As such, we actively monitor and evaluation our engagement with stakeholders, and seek feedback on how we can improve (see previous section on Engagement with suppliers, customers and others in a business relation with the Trust). Reputational value assists the Trust in securing pupil admissions by gaining and retaining the parental confidence of the communities we serve. It helps to ensure the recruitment of high calibre professionals who have ambitions to work for a highly regarded employer that is noted for its performance and its staff development. It assures the Department for Education and other governmental agencies that the Trust is worthy of serious consideration for new strategic growth opportunities and consequent funding streams.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

**f. Key performance indicators:**

Members and directors must have the skills, knowledge and experience to run the Multi Academy Trust. Their duties include ensuring that the trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook. The Trust will continue to grow and has reached its target of at least fourteen schools by 2021, having already outstripped its previous growth projection (eight schools by 2019). Updated growth targets will be articulated in a new strategic plan to encompass the period 2021-24.

**Governance KPI's**

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

**Financial KPI's**

1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money).
2. Assurance received that annual financial accounts have been properly prepared and are free of material misstatements.
3. Accounts filed with Companies House for public access by 31 December each year and on the Trust website by 31 January of the following year.
4. All statutory returns submitted on time.
5. Staffing costs should be capped at 80% of total Trust income (excluding restricted fixed asset funds) and the income on conversion/transfer of existing academies however actual staff costs for 2019/20 were 81%.
6. Alternative sources of funding are pursued, consistent with the Trust's core competencies.
7. Sufficient levels of income are generated to support the asset base of the Trust.
8. Sources of funding pursued for capital development projects.

**Human Resource KPI's**

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

**School Standards KPI's**

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



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**JOHN TAYLOR MAT**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Plans for future periods****Future developments**

The Academy Trust will continue striving to improve the levels of performance of its pupils and students at all levels and will continue its efforts to ensure they secure employment or a place in Higher Education once they leave school. Key priorities are identified in our Strategic Plan 2018/21.

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

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

**Opportunities for Strategic Development 2: Leadership**

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Principal risks and uncertainties**

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

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

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

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

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

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

**1. Government funding**

The Academy has considerable reliance on continued government funding through the ESFA. In 2019-20, nearly 98% of the Academy's revenue was ultimately public funded. There can be no assurance gained that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

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

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

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

We are aware that the uncertainty currently surrounding Brexit could potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

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**JOHN TAYLOR MAT**

**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Fundraising**

John Taylor Multi Academy Trust does not undertake formal fundraising via external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**Streamlined Energy and Carbon Reporting**

John Taylor Multi Academy Trust is a large company as determined by sections 465 and 466 of the companies Act 2006 and consumes more than 40,000 KWh of energy in a reporting period. This report has been compiled using energy data from the period 1st September 2019 to 31st August 2020. It should be noted that energy consumption has been impacted negatively for the period schools were required to participate in the national lockdown procedures between 23 March 2020 and 31 August 2020 due to the global Corona Virus pandemic and therefore these figures do not represent a typical operating level of energy use for an academic year. This report includes the following for the stated period:

- its UK energy use and associated greenhouse gas emissions, as a minimum relating to gas, purchased electricity and transport fuel;
- its energy use and emissions;
- an emissions intensity ratio;
- methodologies used in the calculations;
- measures taken to improve energy efficiencies in the period.

JOHN TAYLOR MAT  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Streamlined Energy and Carbon Reporting (continued)**

<b>UK Greenhouse gas emissions and energy use data for the period 1<sup>st</sup> September 2019 to 31<sup>st</sup> August 2020</b>	
Energy consumption used to calculate emissions (kWh)	5,895,383
Energy Consumption break down (kWh) <ul style="list-style-type: none"> <li>Gas</li> <li>Electricity</li> <li>Transport fuel</li> <li>Heating Oil</li> <li>Liquid Petroleum Gas (lpg)</li> <li>Biomass</li> </ul>	3,221,354 1,633,772 29,724 503,142 77,298 430,093
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Heating LPG Heating Oil Biomass Owned transport – mini- buses <u>Total Scope 1</u>	592.31 0.64 118.97 6.48 2.26 720.66
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	380.90
<u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles	4.35
Total gross emissions in metric tonnes CO2e	1105.90
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.177
<p><u>Quantification and Reporting Methodology</u> The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. We have used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Governments Conversion Factors for Company Reporting.</p> <p><u>Intensity measurement</u> The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil.</p> <p><u>Measures taken to improve energy efficiency</u> The Trust has not embarked on a specific strategy to improve energy efficiency, it does have a considerable awareness of the need to reduce its energy use and this is a major consideration when carrying out improvements to school buildings. Examples of this can be evidenced with works such as the replacement of discharge lighting for new energy efficient LED lighting and the replacement of high gas consuming heating plant for new efficient condensing boiler technology. Awareness of the need to save energy in the school environment is promoted both from an education and financial perspective.</p>	

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**JOHN TAYLOR MAT**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Plans for future periods**

The Trust will engage with school leaders in its current estate to continue to drive awareness of energy saving principles. It is hoped that continued efforts towards saving energy could yield an overall 10% reduction in electricity and gas consumption. The Trust will consider when making allocations of its school improvement fund (SCA) to include energy efficient strategies when improving or extending the estate, for example, re-roofing projects will include the upgrading of insulation as a standard specification requirement where possible. The Trust has moved to a video conferencing platform with regards to regular and specific meetings, this strategy has predominately been brought about by a need to exercise social distancing during the current COVID pandemic. This approach will potentially see a significant reduction of business miles claimed by staff, as the technology to meet in this manner becomes more stable the Trust will continue with its practice for the immediate and longer-term future. The Trust will continue to work with its current energy advice providers to look at best practice in relation to energy management and usage.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

**Auditor**

The auditor, Mazars LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2020 and signed on its behalf by:

G. Moss  
.....  
**G Moss**  
Chair of Trustees

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**JOHN TAYLOR MAT**

(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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 CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Taylor MAT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 7 times during the year which includes one extra-ordinary meeting scheduled due to the Covid 19 pandemic.

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

Trustee	Meetings attended	Out of a possible
G Moss, (Chair)	7	7
T Hopkins	7	7
B Richardson	7	7
A Grandfield MBE	3	7
D Beaty	5	7
A Lee	6	7
A Stainer (first meeting 16 December 2019)	5	6
M Donoghue, (Accounting Officer)	6	7

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

The Board has undergone no structural changes (still retaining a composition of nine directors) since the previous trustee's report. The scale and scope of its work remains unchanged, and is discharged through Board meetings, two Committees (Audit and Compliance, and Achievement and Progress) and individual Director engagement with the CEO and other senior leaders within the Trust and its schools.

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**JOHN TAYLOR MAT**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Board annually reviews its competences, and its effectiveness, and will engage in formal self-reflection following each Board meeting from 2020/21. JTMAT was subject to a routine Trust Review conducted by colleagues from the Department of Education Regional Delivery Division (RDD) in 2019, the outcome of which was extremely positive. JTMAT is signposted by the Department as a model of effective governance, and has hosted and led numerous training sessions for the Department on a range of topics – from CEO Induction through Academy finance to governance.

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

Attendance at meetings in the year was as follows:

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

In addition to the MAT Board, the Trust has established Local Governing Body Managing and Organising Committees at each school which met 6 times during the year (pro rata for in year joiners). They receive Management Accounts and detailed financial reports at each meeting in addition to Capital, Health and Safety and Premises related income and expenditure issues.

**Future Plans**

In its previous Strategic Plan, the Trust proposed to become a group of eight academies by 2019 (compared with its four at the time of writing), with both primary (three further schools) and secondary growth (one school) anticipated. Naturally, these projections were subject to revision – and the proposed trajectory was exceeded, as the Trust by the end of the academic year 2018/19 comprised three secondary schools and nine primaries. A further infant and nursery school joined the Trust on 1st September 2019 and another secondary school on 1 February 2020. The Trust Board wholeheartedly and unanimously endorsed these incorporations as an ideal opportunity to provide exceptional educational provision to more communities in our area, and to further the Trust's objectives. Consequently, a revised Strategic Plan - (for the period 2018-21) has been constructed and approved in order to recognise our new position. A new plan will be formulated for September 2021 for the period 2021-24.

**Review of value for money**

As Accounting Officer, the CEO 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.



**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

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:

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

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

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

**2. Reviewing controls and managing risks**

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

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

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

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

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

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

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

**3. Maximising income generation**

The Trust deposits surplus cash balances in accounts which offer the best interest rates available for secure investment to maximise interest earning potential. In 2019-20, this proved an effective strategy resulting in £43k. The Trust explores every opportunity to generate income through fund raising and grant applications. The successful application for Free School provision in Tatenhill has significantly added to the Trust's infrastructure, as has the successful application for the nursery and primary Free Schools at Fradley Park and Branston Locks together with growth from the incorporation of additional schools.

As the hub school for a Teaching School Alliance (The National Forest Teaching School), John Taylor High School encourages applications for grants and funding streams that provide opportunities to engage in research and development, initial teacher training, school to school support and other strategies that directly relate to the Trust's core purpose and mission. The accommodation of nursery provision at several of our primary schools also generates income for the Trust. Income generated from lettings has also risen, and the Trust continues to seek ways in which it can enhance its use as a community resource and generate additional income towards its core activities in the process. Seeking Teaching School Hub status in 2020-21 could also markedly improve income generation.

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

The CEO and COO prepare the budget for directors' approval from the priorities established in the Strategic Plan produced with reference to the Academy's Strategic Plan 2018-21, available at [www.jtmat.co.uk](http://www.jtmat.co.uk). Through the improvement planning and self-evaluation processes, the Trust evaluates the effectiveness of strategies introduced in previous years in order to secure greater effectiveness and efficiency of resource deployment in subsequent plans. This is also assisted by the use of a self-evaluation tool at Trust level.

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

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

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Taylor MAT for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Directors have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal on going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the 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
- identification and management of risks
- exceptional risk assessments for Covid-19 related risks.

All of the above is augmented by the Trust's Whistleblowing Policy which is available to all stakeholders. The Audit Committee has considered the need for a specific internal audit function and currently utilises the services of RSM UK Group LLP auditors as internal auditor which reports biannually. The key areas of focus for the audit committee has been around operational and regularity issues with a particular focus on the risk of fraud.

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**JOHN TAYLOR MAT**

**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the external auditors and executive managers 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:

..... G. Moss

**G Moss**  
Chair of Trustees

Date: 14 December 2020

..... M. Donoghue

**M Donoghue**  
Accounting Officer

Date: 14 December 2020

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**JOHN TAYLOR MAT**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of John Taylor MAT I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.

M. Donoghue  
.....  
**M Donoghue**  
Accounting Officer

Date: 14 December 2020

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**JOHN TAYLOR MAT**

**(A company limited by guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

G. Moss

.....  
**G Moss**

Chair of Trustees

Date: 14 December 2020

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

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

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**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**JOHN TAYLOR MAT**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN TAYLOR MAT (CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the incorporated strategic report.

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

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



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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN TAYLOR MAT (CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement on page 27, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

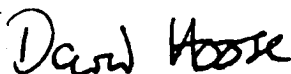
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of the audit report**

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



David Hoose (Senior Statutory Auditor)  
for and on behalf of  
**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 16/12/2020

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

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

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In accordance with the terms of our engagement letter dated 12 September 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Taylor MAT during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of John Taylor MAT's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of John Taylor MAT's funding agreement with the Secretary of State for Education dated 28 May 2015 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Mazars LLP*

**Mazars LLP**

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 16/12/2020

**JOHN TAYLOR MAT****(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		469,751	(1,012,918)	27,259,786	26,716,619	30,995,813
Other donations and capital grants		86,850	-	1,299,806	1,386,656	1,182,069
Charitable activities:						
Funding for the Academy Trust's educational operations	4	225,295	30,158,008	-	30,383,303	23,037,423
Teaching schools	29	-	1,204,346	-	1,204,346	1,366,655
Other trading activities	5	340,070	181,842	-	521,912	639,570
Investments	6	43,003	-	-	43,003	17,484
<b>Total income</b>		<b>1,164,969</b>	<b>30,531,278</b>	<b>28,559,592</b>	<b>60,255,839</b>	<b>57,239,014</b>
<b>Expenditure on:</b>						
Raising funds	7	357,741	163,400	-	521,141	491,580
Charitable activities:						
Academy Trust educational operations	8	253,144	30,769,543	2,596,819	33,619,506	25,517,023
Teaching schools		-	1,002,906	-	1,002,906	1,390,458
<b>Total expenditure</b>		<b>610,885</b>	<b>31,935,849</b>	<b>2,596,819</b>	<b>35,143,553</b>	<b>27,399,061</b>
<b>Net income</b>		<b>554,084</b>	<b>(1,404,571)</b>	<b>25,962,773</b>	<b>25,112,286</b>	<b>29,839,953</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Net income</b>		554,084	(1,404,571)	25,962,773	25,112,286	29,839,953
Transfers between funds	17	(59,910)	2,938	56,972	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		494,174	(1,401,633)	26,019,745	25,112,286	29,839,953
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(1,109,000)	-	(1,109,000)	(2,448,000)
<b>Net movement in funds</b>		494,174	(2,510,633)	26,019,745	24,003,286	27,391,953
<b>Reconciliation of funds:</b>						
Total funds brought forward		3,153,028	(8,835,189)	76,851,529	71,169,368	43,777,415
Net movement in funds		494,174	(2,510,633)	26,019,745	24,003,286	27,391,953
<b>Total funds carried forward</b>		3,647,202	(11,345,822)	102,871,274	95,172,654	71,169,368

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07421140**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	101,562,348	76,377,818
		<u>101,562,348</u>	<u>76,377,818</u>
<b>Current assets</b>			
Debtors	15	1,067,714	596,493
Cash at bank and in hand	21	9,171,796	6,348,492
		<u>10,239,510</u>	<u>6,944,985</u>
Creditors: Amounts falling due within one year	16	(2,885,204)	(2,177,435)
<b>Net current assets</b>		<u>7,354,306</u>	<u>4,767,550</u>
<b>Net assets excluding pension liability</b>		<u>108,916,654</u>	<u>81,145,368</u>
Defined benefit pension scheme liability	24	(13,744,000)	(9,976,000)
<b>Total net assets</b>		<u><u>95,172,654</u></u>	<u><u>71,169,368</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	102,871,274	76,851,529
Restricted income funds	17	2,398,178	1,140,811
		<u>105,269,452</u>	<u>77,992,340</u>
Restricted funds excluding pension liability	17	105,269,452	77,992,340
Pension reserve	17	(13,744,000)	(9,976,000)
<b>Total restricted funds</b>	17	<u>91,525,452</u>	<u>68,016,340</u>
Unrestricted income funds	17	3,647,202	3,153,028
<b>Total funds</b>		<u><u>95,172,654</u></u>	<u><u>71,169,368</u></u>

**JOHN TAYLOR MAT**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07421140**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 34 to 72 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

**G. Moss**  
.....

**G Moss**  
Chair of Trustees

Date: 14 December 2020

The notes on pages 39 to 72 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	<b>19</b>	769,704	1,190,173
<b>Cash flows from investing activities</b>	<b>20</b>	2,053,600	1,043,702
<b>Change in cash and cash equivalents in the year</b>		2,823,304	2,233,875
Cash and cash equivalents at the beginning of the year		6,348,492	4,114,617
<b>Cash and cash equivalents at the end of the year</b>	<b>21, 22</b>	<u>9,171,796</u>	<u>6,348,492</u>

The notes on pages 39 to 72 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

John Taylor MAT meets the definition of a public benefit entity under FRS 102.

**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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the 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.

• **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 Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from donations and capital grants' to the net assets received.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

Assets costing £10,000 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 each asset on a straight-line basis over its expected useful life, as follows:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.5 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Freehold property	- 2%
Long-term leasehold property	- 2%
Furniture and equipment	- 10%
Computer equipment	- 33.3%
Motor vehicles	- 20%

The Academy Trust occupies certain land (including buildings) which are owned by its Trustees. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church's contribution since 1847 to provide State funded education in partnership with the State.

The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the company.

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

**1.6 Liabilities**

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

**1.7 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.8 Leased assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

**1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.10 Taxation**

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

**1.12 Fund accounting**

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

**1.13 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

The Academy Trust occupies certain land (including buildings) which are owned by its Trustees. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the company.

Critical areas of judgement:

At 4 of the trust's academies, the charitable company occupies the buildings under a Church Supplemental Agreement which includes a two year break clause, thus judgement has been applied in determining that these buildings should not be recognised on the balance sheet.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer from local authority on conversion	469,751	(1,012,918)	27,259,786	26,716,619	30,995,813
Other donations	86,850	-	-	86,850	234,420
Capital Grants	-	-	1,299,806	1,299,806	947,649
<b>Total 2020</b>	<b>556,601</b>	<b>(1,012,918)</b>	<b>28,559,592</b>	<b>28,103,275</b>	<b>32,177,882</b>
<b>Total 2019</b>	<b>514,462</b>	<b>(237,617)</b>	<b>31,901,037</b>	<b>32,177,882</b>	



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	25,313,216	25,313,216	19,863,905
Start up grants	-	228,500	228,500	230,000
Other DfE Group grants	-	3,276,341	3,276,341	1,742,200
Teaching school grants	-	333,225	333,225	272,280
	-	29,151,282	29,151,282	22,108,385
<b>Other government grants</b>				
Local authority grants	-	976,200	976,200	710,362
Other income from the Academy Trust's educational operations	225,295	-	225,295	218,676
	225,295	976,200	1,201,495	929,038
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme grant	-	5,706	5,706	-
Coronavirus exceptional support	-	24,820	24,820	-
<b>Total 2020</b>	225,295	30,158,008	30,383,303	23,037,423
<b>Total 2019</b>	218,676	22,818,747	23,037,423	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £24,820 of free school meal and cleaning costs. These costs are included in note 7 below as appropriate.

The academy furloughed some of its wrap around care staff under the government's CJRS. The funding received of £5,706 relates to staff costs which are included within note 10 below as appropriate.

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	45,958	-	45,958	75,741
Income from other charitable activities	294,112	181,842	475,954	563,829
<b>Total 2020</b>	<b>340,070</b>	<b>181,842</b>	<b>521,912</b>	<b>639,570</b>
<b>Total 2019</b>	<b>418,375</b>	<b>221,195</b>	<b>639,570</b>	

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest from short term deposits	43,003	43,003	17,484
<b>Total 2019</b>	<b>17,484</b>	<b>17,484</b>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Resources expended**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities	-	-	521,141	521,141	491,580
Educational operations:					
Direct costs	19,085,004	1,722,114	1,585,454	22,392,572	16,203,081
Support costs	6,763,278	2,181,868	2,281,788	11,226,934	9,313,942
Teaching schools	237,450	-	765,456	1,002,906	1,390,458
<b>Total 2020</b>	<b>26,085,732</b>	<b>3,903,982</b>	<b>5,153,839</b>	<b>35,143,553</b>	<b>27,399,061</b>
<b>Total 2019</b>	<b>19,380,213</b>	<b>2,947,281</b>	<b>5,071,567</b>	<b>27,399,061</b>	

**8. Charitable activities**

	2020 £	2019 £
Direct costs – educational operations	22,392,572	16,203,081
Support costs – educational operations	11,226,934	9,313,942
	<b>33,619,506</b>	<b>25,517,023</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**8. Charitable activities (Continued)**

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	6,763,278	5,954,763
Depreciation	516,183	516,436
Technology costs	508,206	303,607
Premises costs	2,181,868	1,780,316
Legal costs - conversion	18,561	-
Other support costs	1,191,035	708,736
Governance costs	47,803	50,084
	<u>11,226,934</u>	<u>9,313,942</u>

**9. Net income**

Net income for the year includes:

	2020 £	2019 £
Operating lease rentals	70,393	73,164
Depreciation of tangible fixed assets	2,238,298	1,931,483
Fees paid to auditor for:		
- audit	31,160	28,500
- other services	9,095	7,915

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	18,351,059	14,381,030
Social security costs	1,799,626	1,401,269
Pension costs	5,506,350	3,380,954
	<u>25,657,035</u>	<u>19,163,253</u>
Agency staff costs	428,697	196,418
Staff restructuring costs	-	20,542
	<u><u>26,085,732</u></u>	<u><u>19,380,213</u></u>

Staff restructuring costs comprise:

Settlement agreements	<u><u>-</u></u>	<u><u>20,542</u></u>
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**b. Staff numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Teachers	298	241
Administration and support	402	301
Management	62	54
	<u><u>762</u></u>	<u><u>596</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**10. Staff (continued)**

**c. Higher paid staff**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	11	5
In the band £70,001 - £80,000	3	6
In the band £80,001 - £90,000	5	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,578,339 (2019 - £1,205,969).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**11. Central services**

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

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

The Academy Trust charges for these services on the following basis:

The academy charges for these services on a scale ranging from 3% - 6% based on Ofsted rating at the point of conversion - 3% for outstanding to 6% for inadequate rated schools. Newly opened schools are initially assessed at 4%.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
John Taylor High School	220,390	212,772
Kingsmead School	212,030	214,248
Thomas Russell Infants School	27,407	27,000
Yoxall St Peters School	22,801	21,912
Rykeld Primary School	83,720	74,268
Shobnall Primary School	25,427	26,136
Mosley Academy	21,473	19,764
Winhill Village Primary and Nursery School	48,287	49,092
John Taylor Free School	86,884	42,636
Needwood Primary School	11,591	8,064
All Saints Primary School	13,192	9,675
Walton on Trent School	15,735	9,848
Church Gresley Infant and Nursery School	39,144	-
Paulet High School	98,119	-
<b>Total</b>	<b>926,200</b>	<b>715,415</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. Trustees' remuneration and expenses**

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

		2020 £000	2019 £000
M Donoghue, (Accounting Officer)	Remuneration	145 - 150	130 - 135
	Pension contributions paid	35 - 40	20 - 25

During the year ended 31 August 2020, expenses totalling £384 were reimbursed or paid directly to 1 Trustee (2019 - £586 to 1 Trustee). Expenses reimbursed to the CEO, who is the only Trustee that is a member of staff, were paid whilst carrying out their duties as an Academy Trust employee and not as a Trustee.

**13. Trustees' and Officers' insurance**

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



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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 September 2019	16,605,000	62,593,586	841,818	1,438,248	81,640	81,560,292
Additions	-	155,085	29,950	67,793	-	252,828
Acquisitions	-	27,170,000	-	-	-	27,170,000
Disposals	-	-	-	(56,923)	-	(56,923)
At 31 August 2020	16,605,000	89,918,671	871,768	1,449,118	81,640	108,926,197
<b>Depreciation</b>						
At 1 September 2019	1,027,600	3,380,234	106,119	622,373	46,148	5,182,474
Charge for the year	256,900	1,465,214	84,681	417,861	13,642	2,238,298
On disposals	-	-	-	(56,923)	-	(56,923)
At 31 August 2020	1,284,500	4,845,448	190,800	983,311	59,790	7,363,849
<b>Net book value</b>						
At 31 August 2020	15,320,500	85,073,223	680,968	465,807	21,850	101,562,348
At 31 August 2019	15,577,400	59,213,352	735,699	815,875	35,492	76,377,818

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	9,123	17,288
VAT repayable	200,020	106,539
Other debtors	8,321	4,161
Prepayments and accrued income	850,250	468,505
	<u>1,067,714</u>	<u>596,493</u>

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

	2020 £	2019 £
Trade creditors	736,438	561,172
Other taxation and social security	461,484	365,257
Other creditors	732,503	525,987
Accruals and deferred income	954,779	725,019
	<u>2,885,204</u>	<u>2,177,435</u>
	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September 2019	422,971	525,946
Resources deferred during the year	486,937	422,971
Amounts released from previous periods	(422,971)	(525,946)
	<u>486,937</u>	<u>422,971</u>

Included within deferred income is £399,448 (2019 - £330,261) relating to grants received in advance in the year. Income of £87,489 (2019 - £92,710) which relates to trip income, music tuition, capitation and dinner monies for the 2020/21 financial year has also been deferred.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**17. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds	3,153,028	1,164,969	(610,885)	(59,910)	-	3,647,202
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,140,811	25,313,216	(24,058,787)	2,938	-	2,398,178
Start Up Grants	-	228,500	(228,500)	-	-	-
Pupil Premium	-	1,095,494	(1,095,494)	-	-	-
Other grants	-	5,311,068	(5,311,068)	-	-	-
Pension reserve	(9,976,000)	(1,417,000)	(1,242,000)	-	(1,109,000)	(13,744,000)
	(8,835,189)	30,531,278	(31,935,849)	2,938	(1,109,000)	(11,345,822)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,559,938	1,299,806	(794,605)	-	-	2,065,139
Assets donated on conversion	75,179,656	27,259,786	(1,746,174)	-	-	100,693,268
Capital expenditure from GAG	111,935	-	(56,040)	56,972	-	112,867
	76,851,529	28,559,592	(2,596,819)	56,972	-	102,871,274
<b>Total Restricted funds</b>	68,016,340	59,090,870	(34,532,668)	59,910	(1,109,000)	91,525,452
<b>Total funds</b>	71,169,368	60,255,839	(35,143,553)	-	(1,109,000)	95,172,654

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

**Restricted general funds**

The General Annual Grant is the recurrent funding to be used for the educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE. The pension reserve of £13,744,000 (overdrawn) represents the Academy Trust's share of the deficit in the Staffordshire Pension Fund.

Payments are being made in line with those required by the tri annual valuation in order to reduce the trust's share of the deficit.

**Restricted other funds**

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

**Fixed asset funds**

This fund represents the net book value of fixed assets that the Academy Trust has purchased out of grants and donations received or were transferred on conversion. It also includes unspent capital monies at the year end.

**Unrestricted funds**

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Transfers relate to GAG funds used for capital expenditure.

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

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
John Taylor High School	2,064,568	1,818,147
Kingsmead School	615,940	682,180
Thomas Russell Infants School	145,832	169,541
Yoxall St Peters School	68,124	66,043
Mosley Academy	231,019	180,230
Rykneld Primary School	47,198	(14,472)
Shobnall Primary School	166,946	153,853
Winshill Village Primary School	257,334	279,937
John Taylor Free School	499,317	121,683
Needwood Primary School	108,899	102,542
All Saints Primary School	96,466	104,075
Walton on Trent School	152,386	153,184
Church Gresley Infant and Nursery School	193,087	-
Paulet High School*	791,159	-
Central Services	607,105	476,896
<b>Total before fixed asset funds and pension reserve</b>	<b>6,045,380</b>	<b>4,293,839</b>
Restricted fixed asset fund	102,871,274	76,851,529
Pension reserve	(13,744,000)	(9,976,000)
<b>Total</b>	<b>95,172,654</b>	<b>71,169,368</b>

\*Included within the funds of Paulet High School is a balance of £339,778 which relates to a specific restricted maintenance sinking fund in relation to sports facilities.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. 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 2020 £	Total 2019 £
John Taylor High School	5,926,454	1,076,560	1,161,245	741,255	8,905,514	8,897,491
Kingsmead School	4,099,062	754,503	401,464	807,599	6,062,628	5,632,335
Thomas Russell Infants School	576,013	105,168	18,239	154,954	854,374	835,890
Yoxall St Peters School	424,746	84,867	49,126	155,557	714,296	665,642
Mosley Academy	522,282	108,772	33,336	160,402	824,792	752,033
Rykneld Primary School	1,727,665	258,305	35,186	358,835	2,379,991	2,073,314
Shobnall Primary School	676,518	179,024	40,784	205,379	1,101,705	1,085,095
Winhill Village Primary School	773,924	203,144	19,251	170,886	1,167,205	1,102,821
John Taylor Free School	1,488,833	386,759	137,399	471,510	2,484,501	1,350,227
Needwood Primary School	304,128	62,023	19,612	109,214	494,977	334,038
All Saints Primary School	352,349	58,948	21,265	116,605	549,167	380,636
Walton on Trent School	419,244	107,024	58,546	157,807	742,621	414,202
Church Gresley - Infant and Nursery School	992,074	276,964	30,669	192,546	1,492,253	-
Paulet High School*	1,936,566	331,361	152,555	204,803	2,625,285	-
Central Services	320,134	1,552,318	283,185	350,310	2,505,947	1,943,854
<b>Academy Trust</b>	<b>20,539,992</b>	<b>5,545,740</b>	<b>2,461,862</b>	<b>4,357,662</b>	<b>32,905,256</b>	<b>25,467,578</b>

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
General Funds	2,451,437	1,168,997	(467,406)	-	3,153,028
<b>Restricted general funds</b>					
General Annual Grant (GAG)	643,921	19,863,905	(19,367,015)	-	1,140,811
Start Up Grants	-	230,000	(230,000)	-	-
Pupil Premium	-	873,756	(873,756)	-	-
Other grants	-	3,463,319	(3,463,319)	-	-
Pension reserve	(6,448,000)	(262,000)	(818,000)	(2,448,000)	(9,976,000)
	<u>(5,804,079)</u>	<u>24,168,980</u>	<u>(24,752,090)</u>	<u>(2,448,000)</u>	<u>(8,835,189)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	1,296,707	947,649	(684,418)	-	1,559,938
Assets donated on conversion	45,665,375	30,953,388	(1,439,107)	-	75,179,656
Capital expenditure from GAG	167,975	-	(56,040)	-	111,935
	<u>47,130,057</u>	<u>31,901,037</u>	<u>(2,179,565)</u>	<u>-</u>	<u>76,851,529</u>
<b>Total Restricted funds</b>	<u>41,325,978</u>	<u>56,070,017</u>	<u>(26,931,655)</u>	<u>(2,448,000)</u>	<u>68,016,340</u>
<b>Total funds</b>	<u><u>43,777,415</u></u>	<u><u>57,239,014</u></u>	<u><u>(27,399,061)</u></u>	<u><u>(2,448,000)</u></u>	<u><u>71,169,368</u></u>

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	101,562,348	101,562,348
Current assets	3,647,202	5,283,382	1,308,926	10,239,510
Creditors due within one year	-	(2,885,204)	-	(2,885,204)
Provisions for liabilities and charges	-	(13,744,000)	-	(13,744,000)
<b>Total</b>	<b>3,647,202</b>	<b>(11,345,822)</b>	<b>102,871,274</b>	<b>95,172,654</b>

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	76,377,818	76,377,818
Current assets	3,153,028	3,318,246	473,711	6,944,985
Creditors due within one year	-	(2,177,435)	-	(2,177,435)
Provisions for liabilities and charges	-	(9,976,000)	-	(9,976,000)
<b>Total</b>	<b>3,153,028</b>	<b>(8,835,189)</b>	<b>76,851,529</b>	<b>71,169,368</b>



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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net income for the period (as per statement of financial activities)	25,112,286	29,839,953
<b>Adjustments for:</b>		
Depreciation charges	2,238,298	1,931,483
Investment income	(43,003)	(17,484)
(Increase)/decrease in debtors	(471,221)	113,045
Increase in creditors	707,769	448,638
Capital grants from DfE and other capital income	(1,299,806)	(947,649)
Defined benefit pension scheme cost less contributions payable	1,035,000	624,000
Defined benefit pension scheme finance cost	207,000	194,000
Defined benefit pension scheme effect of business combinations	1,417,000	262,000
Net assets transferred on conversion	(28,133,619)	(31,257,813)
<b>Net cash provided by operating activities</b>	<b>769,704</b>	<b>1,190,173</b>

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**20. Cash-flows from investing activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Investment income	43,003	17,484
Purchase of tangible fixed assets	(252,828)	(225,856)
Capital grants from DfE Group	1,299,806	947,649
Cash transferred on conversion from local authority	963,619	304,425
<b>Net cash provided by investing activities</b>	<b>2,053,600</b>	<b>1,043,702</b>

**21. Analysis of cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash in hand	9,171,796	6,348,492

**22. Analysis of changes in net debt**

	<b>At 1 September 2019 £</b>	<b>Cash flows £</b>	<b>Conversion from local authority £</b>	<b>At 31 August 2020 £</b>
Cash at bank and in hand	6,348,492	1,859,685	963,619	9,171,796

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Conversion to an Academy Trust**

On 1 September 2019 Church Gresley Infant and Nursery School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to John Taylor MAT from Derbyshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	5,910,000	5,910,000
Cash - representing budget surplus on LA funds	207,089	-	-	207,089
Cash - representing budget surplus on other school funds	-	50,984	4,229	55,213
LGPS pension deficit	-	(422,000)	-	(422,000)
	<u>207,089</u>	<u>(371,016)</u>	<u>5,914,229</u>	<u>5,750,302</u>

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**23. Conversion to an Academy Trust (continued)**

On 1 February 2020 Paulet High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to John Taylor MAT from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	21,260,000	21,260,000
Cash - representing budget surplus on LA funds	262,662	-	-	262,662
Cash - representing budget surplus on other school funds	-	353,098	85,557	438,655
LGPS pension deficit	-	(995,000)	-	(995,000)
	<u>262,662</u>	<u>(641,902)</u>	<u>21,345,557</u>	<u>20,966,317</u>

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**24. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire 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 2017.

Contributions amounting to £516,464 were payable to the schemes at 31 August 2020 (2019 - £338,328) and are included within creditors.

**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 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.

**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.

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**24. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £3,055,362 (2019 - £1,699,954).

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

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

**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 2020 was £1,441,000 (2019 - £1,081,000), of which employer's contributions totalled £1,156,000 (2019 - £863,000) and employees' contributions totalled £285,000 (2019 - £218,000). The agreed contribution rates for future years are 24.2% for employers and 5.5% to 12.5% for employees.

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

**Principal actuarial assumptions**

	2020 %	2019 %
Rate of increase in salaries	2.60 - 3.00	2.70 - 2.80
Rate of increase for pensions in payment/inflation	2.20 - 2.30	2.30
Discount rate for scheme liabilities	1.70	1.80 - 1.90

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.2 - 21.6	21.1 - 21.9
Females	23.6 - 23.7	23.5 - 24.4
<i>Retiring in 20 years</i>		
Males	22.1 - 22.6	22.2 - 23.9
Females	25.0 - 25.1	24.8 - 26.5

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**24. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Discount rate - 0.5%	3,452,000	2,424,000
Salary increase rate + 0.5%	423,000	359,000
Pension increase rate + 0.5%	2,964,000	2,014,000

The Academy Trust's share of the assets in the scheme was:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Equities	9,398,480	6,861,000
Corporate bonds	2,811,200	2,228,000
Property	1,112,880	808,000
Other assets	585,440	212,000
<b>Total market value of assets</b>	<b>13,908,000</b>	<b>10,109,000</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current service cost	(2,191,000)	(1,380,000)
Past service cost	-	(107,000)
Interest income	227,000	250,000
Interest cost	(434,000)	(444,000)
<b>Total amount recognised in the statement of financial activities</b>	<b>(2,398,000)</b>	<b>(1,681,000)</b>

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**24. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	20,085,000	14,674,000
Obligations acquired on conversion	4,036,000	610,000
Current service cost	2,191,000	1,380,000
Interest cost	434,000	444,000
Employee contributions	285,000	218,000
Actuarial losses	802,000	2,783,000
Benefits paid	(181,000)	(131,000)
Past service costs	-	107,000
<b>At 31 August</b>	<u>27,652,000</u>	<u>20,085,000</u>

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

	2020 £	2019 £
<b>At 1 September</b>	10,109,000	8,226,000
Assets acquired on conversion	2,619,000	348,000
Interest income	227,000	250,000
Actuarial (losses)/gains	(307,000)	335,000
Employer contributions	1,156,000	863,000
Employee contributions	285,000	218,000
Benefits paid	(181,000)	(131,000)
<b>At 31 August</b>	<u>13,908,000</u>	<u>10,109,000</u>



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**25. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
<b>Amounts payable:</b>		
Within 1 year	63,942	71,614
Between 1 and 5 years	91,860	120,768
In over 5 years	-	28
	<u>155,802</u>	<u>192,410</u>

**26. 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.

**27. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

AMG IT Solutions – an entity which is connected to a key management personnel of the entity. Total expenditure on IT services for the year was £23,040 (2019 - £1,601). There is no year end creditor (2019 - £Nil).

**28. Agency arrangements**

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year it received £44,493 (2019 - £38,896) and disbursed £40,182 (2019 - £38,250) from the fund. An amount of £5,315 (2019 - £646) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Academy Trust also distributes SCITT bursary funds as an agent for the DfE. In the year it received £561,225 (2019 - £540,000) and disbursed £560,900 (2019 - £540,000) from the fund. An amount of £Nil (2019 - £Nil) is included in other creditors relating to undistributed funds that are repayable to the DfE.

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**29. Teaching school trading account**

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
<b>Direct income</b>				
NCTL income	129,480		348,484	
<b>Other income</b>				
Self generated income	1,074,866		1,018,171	
<b>Total income</b>		1,204,346		1,366,655
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	237,449		270,910	
Other direct costs	765,457		1,119,548	
<b>Total expenditure</b>		1,002,906		1,390,458
<b>Surplus/(deficit) from all sources</b>		201,440		(23,803)
<b>Teaching school balances at 1 September 2019</b>		229,052		252,855
<b>Teaching school balances at 31 August 2020</b>		430,492		229,052