

**John Taylor MAT
(formerly John Taylor High School)
(A Company Limited by Guarantee)**

Annual Report and Consolidated Financial Statements

Year Ended 31 August 2015

**Company Registration No: 07421140
(England and Wales)**

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COMPANIES HOUSE

John Taylor MAT (formerly John Taylor High School)

Reference and administrative details

Year Ended 31 August 2015

**Members & Governors
as at 31/08/2015**

G Moss (Chair)
D Beaty
J Hodgkinson
A Lee
S Treanor

Governors

M Donoghue (Accounting Officer)
C Cheadle (resigned 31/08/2015)*
P Cleary (resigned 31/08/2015)*
C Sanders (resigned 31/08/2015) *
R Dungworth (resigned 31/08/2015)
A Skipper (resigned 31/08/2015)
V Flek (resigned 31/08/2015)*
C Crutchley (maternity leave)
A Jenkins (resigned 31/08/2015)*
B Richardson
A Bird (resigned 02/03/2015)
C Foster (wef 30/11/2015)
R Hayes (wef 30/11/2015)

*Resigned as Trust Directors following the formation of
JTMAT but remaining on JTHS Local Governing Body

Company secretary

B Mahoney

Senior Leadership Team

Principal/CEO

M Donoghue

Vice Principal

C Burns

Vice Principal

J Twynham

Assistant Principal

H Barnby

Assistant Principal

J Blanchenot

Assistant Principal

N Gibbs

Assistant Principal

G Howell

Assistant Principal

G Martin

Director of Business

B Mahoney

Company registration number

07421140 (England and Wales)

Independent auditor

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers

Lloyds TSB
High Street
Burton on Trent
Staffordshire
DE13 9LT

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

The Members and Governors present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2015.

During 2015 the trust operated an academy for pupils aged 11 to 19 serving a catchment area in Barton. It has a pupil capacity of 1,417 and had a roll of 1,516 in the school census on October 2015 (capacity review required following the addition of 10 new classrooms and growing student numbers).

Structure, Governance and Management

Constitution

The Academy 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 Members 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.

Detail of the Members and Governors who served during the year are included in the Reference and Administrative Details on page 1.

Directors Liability

Each Director 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 director, or within one year after they cease to be a director, such amount as may be required not exceeding £10, for the debts and liabilities contracted before they ceased to be a director.

The attendance of Members and Governors who were in office at 31 August 2015 and served throughout the year is listed on Page 14.

During the year under review 0 members' meetings and 6 full governors' meetings were held. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual.

In accordance with normal commercial practice the Academy purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

Principal Activities

To provide an excellent broad and balanced curriculum for all learners that ensures each individual reaches stretching personal goals and fulfils their potential.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Other Purposes

- To be an educational 'centre of excellence' providing services and expertise to other educational establishments.
- To be a valuable resource for residents in the local towns and villages.
- To be a desired employer.
- To provide all of the above whilst operating in a robust financial position. This means being open to making a surplus where possible and reasonable without losing the core ethics of providing free education to all 11 – 19 year olds as defined by our admissions criteria.

Method of Recruitment and Appointment or Election of Members

Members of the academy are constituted on an ex officio basis. The Principal, Chair of Governors, Chairs of Governing Body Sub-Committees and the Responsible Officer (who chairs the Quality, Compliance and Audit Committee also) are annually elected to their roles in the first committee meeting of the academic year.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for each new Governor will depend on their existing experience. The Academy Trust purchases support that provides for individual and full Governing Body training through an annual programme of training which is reviewed each year to reflect any changes in practice and legislation. The Academy Trust, as a matter of course, will annually revisit training needs of existing governors and discuss in their induction process any needs pertaining to new governors.

Organisational Structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, 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 Senior Leadership Team comprises of the Principal, two Vice Principals, five Assistant Principals and the Director of Business. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are 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 to staff within leadership responsibilities that lie below senior level (e.g. curriculum leaders), with limits above this being countersigned by the Principal, a Vice Principal or the Director of Business, in line with the approved Scheme of Delegation.

Risk Management

The Governors have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks will be tabled at all Finance committee meetings and mitigating actions agreed as required. The risk register will be reviewed at a full Governors meeting on an annual basis.

NB: John Taylor MAT has, subsequent to the period reviewed herein, amended its governance structure with revised terms of reference for its committees.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Connected Organisations including related Party Relationships

As a converter academy, John Taylor High School has no structural or commercial affiliation to any other organisations. All pecuniary interests for staff and governors are recorded, and reviewed annually. "Pecuniary interests" is a standing item on every Governors' meeting.

Objectives and Activities

Objects and aims

The principal object and activity of the charitable company is the operation of John Taylor High School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19.

The governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

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 the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

The main objectives of the Academy during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Four key priorities are identified in our Strategic Plan:

- 1) As a teaching school all staff deliver and share outstanding practice to ensure all students make at least good progress
- 2) To ensure that all students, (including those in identified learner groups), make at least good progress through appropriate intervention
- 3) To raise the profile of all successes of the school individual, local, national and global
- 4) To enhance the physical environment to provide an improved teaching and learning facility.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Objectives and Activities (*continued*)

Intent

Within the next 10 Years:

- ***Learning***
 - Students experience optimal learning opportunities at all levels possible.
 - The Academy is always oversubscribed ensuring maximum income.
 - The Academy is truly a 'Community' establishment encouraging:
 - A broad-based and balanced learning opportunity for all relevant stakeholders
 - Learners are community based and not just 11 – 19 years old
- ***Staff***
 - The Academy is known for highest teaching standards meaning that vacancies for teaching staff attract the best candidates and we have to select from the best.
 - Support functions operate at an equally high level and the Academy is a nationally-quoted example of a good employer.
 - Working conditions are the best in the market.
- ***Teaching***
 - The Academy is a leader in 'State of the Art' teaching.
 - Teachers have excellent development opportunities and are expected to develop themselves in accordance with the standards required by the Academy.
- ***Buildings***
 - Buildings are all fully 'fit for purpose' and have optimal carbon footprints.
 - Infra-structure is 'state of the art' and economic to run.
- ***Systems***
 - Management systems, people & hardware are optimal, flexible and capable of absorbing new initiatives.
- ***Use***
 - Facilities are used as a community resource whenever possible and become optimally income generating.

Strategies and activities

The Academy'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'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore science, engineering and other subject areas in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.

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

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Strategies and activities (continued)

The Academy 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 Academy continues. The Academy'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 governors.

Equality statement

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

- a) As part of its accommodation strategy the Academy updates its access audit as required.
- b) The Academy has an appointed SEN Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- c) There is a list of specialist equipment, which the Academy can make available for use by students and a range of assistive technology is available in the Special Needs Department.
- d) The policy for the admittance of all students is described in the Academy'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 Academy has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in Academy prospectuses, and achievements and destinations are recorded and published in the standard Academy format.
- g) We inform pupils and parents, at the point of transfer to schools within the MAT, of its pastoral system and identified staff e.g. House Learning Manager, to whom they can go to if they require support or assistance of any kind.

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 Academy 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.

STRATEGIC REPORT

Achievements and Performance

The school continues to perform strongly in a range of key performance indicators. Below are statistical tables indicating the success at Key Stages 4 and 5 in examinations. The school also exceeded a very challenging attendance target (95.5%) and permanently excluded 2 students in the academic year for which these accounts are filed.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Achievements and Performance (continued)

At the end of Key Stage 4:

Percentages	2015	2014	2013	2012	2011
5+ A*-C inc E&M	77.1%	78.1%	76.5%	72.7%	72.0%
5+ A*-C	n/a	n/a	93.5%	92.2%	90.0%
2+ A*-C in Science	n/a	n/a	90.4%	87.9%	72.8%
1+ A*-C in a MFL	n/a	n/a	63.5%	55.4%	66.7%
English Bacc	50.0%	53.6%	52.2%	42.9%	47.4%
Progress 8	0.58	n/a	n/a	n/a	n/a

Key Stage 5:

A2	2015	2014	2013	2012	2011
Average point score (APS) per academic entry	223.8	229.9	220.8	222.3	
APS per vocational entry	238.2	238.2			
APS per A level entry	223.7	230.1			
APS per entry incl equiv	226.7	231.51	221.8	222.2	228.8
Number of students	161	172	152	136	136
AS					
APS per academic entry	105.3	106.2	108.9 217.7	105.8	100.7
Number of students	167	173	190	151	161

Going concern

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

Key Financial Performance Indicators:

- to pursue alternative sources of funding, consistent with the Academy's core competencies;
- to generate sufficient levels of income to support the asset base of the Academy;
- to pursue sources of funding for capital development projects.

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Governors' Report

Year Ended 31 August 2015

Financial Review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 2015, total expenditure of £7,816,000 (2014: £7,782,000) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £188,000 (2014: £136,000).

At 31 August 2015 the net book value of fixed assets was £11,944,000 (2014: £11,377,000). Assets were used exclusively for providing education and the associated support services to the students of the Academy.

Other sources of capital income

As at 31 August 2015 the Academy has been awarded grants to the value of £557,464 from the Capital Improvement Fund (for toilet refurbishment) to be completed December 2015 and £436,889 towards the cost of a new 4 classroom block to be completed October 2015.

Principal Risks and Uncertainties

The Academy 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 Academy's assets and reputation.

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

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 governor assigned to check the trust's internal controls and the external auditor, as well as the self-assessment process.

A risk register is maintained at the Academy level which is reviewed at least annually by all governor sub-committees and more frequently where necessary (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 Academy/Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. In addition to this risk register, a MAT strategic risk register has been devised.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Financial Review (continued)

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

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

1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2014/15, 96% 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 Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

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 17.

Financial and risk management objectives and policies

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 in place which describe the control mechanisms in place to manage or mitigate each risk. The risk register is reviewed annually by governors. 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.

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £984,000 (2014: £809,000).

Financial position

The Academy held fund balance at 31 August 2015 of £11,313,000 (2014: £10,862,000) comprising £10,329,000 (2014: £10,053,000) of restricted funds and £984,000 (2014: £809,000) of unrestricted general funds and a pension reserve deficit of £2,227,000 (2014: £2,012,000).

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Financial Review (continued)

Investment Policy

The Academy 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.

Plan for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students secure employment or a place in Higher education once they leave.

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Objectives(as in Strategic Plan Feb 2011)	Metric for Year 2016
To become/remain top state school in Staffordshire for attainment and achievement	<ul style="list-style-type: none"> • EBacc Score = 55% • 5 A*-C (E + M) = 80% • Position in County =1st @ Pre-16
To have a curriculum that is broad, balanced and delivering high quality outcomes	<ul style="list-style-type: none"> • % NEET at 16= 0
All teaching to be 'good' or 'outstanding'	<ul style="list-style-type: none"> • Lesson observation findings • External (e.g. Ofsted) findings
Pupils to experience 'learning on demand' via a 24/7 approach	<ul style="list-style-type: none"> • E-learning a reality in all subjects for all year groups • Saturday and evening opening a regular occurrence • Expansion of community learning opportunities via the above
John Taylor to provide a broader range of courses to more students Post-16	<ul style="list-style-type: none"> • 400+ students in Sixth Form • More Level 3 courses than currently available • Greater breadth of Level 2 options. • All Year 13s leave us with at least Level 2 qualifications in Mathematics and English.
Sixth Form is an even more vibrant and enriching experience	<ul style="list-style-type: none"> • Entry into the Sixth Form is the preferred aspiration for 80% of Year 11 pupils at John Taylor
Primary links are at least maintained	<ul style="list-style-type: none"> • Number of events and experiences (measured by pupil hours) is at least the same as in 2011.
New secondary school collaborations are developed	<ul style="list-style-type: none"> • New opportunities exist for pupils and staff. John Taylor is a key partner in a new academies network in the County/region • John Taylor is a designated Teaching School • Courses in leadership are offered for staff across the Midlands, in collaboration with NCSL, SSAT or other providers.
John Taylor has enhanced external partnerships	<ul style="list-style-type: none"> • New industrial partnerships contribute to outstanding provision • University links are embedded further • An annual event is hosted for John Taylor alumni • Languages video link with a French school at post-16. • Links may be advantageous to secure high quality specialist provision in Photography/IT/Dance at Level 3 BTEC/A Level. • Links with other Academies, particularly our supported school/academy. • Links with local Universities in Derby, Stafford, Wolverhampton, Birmingham, Nottingham. • Links are being formed with local commercial industries.
Computer: Pupil ratio improved	<ul style="list-style-type: none"> • 1 computer : 2 pupils
Greater use of mobile technologies	<ul style="list-style-type: none"> • Open access Wi-Fi across the campus • E-readers available in Library • Grants available for subject bids to develop creative use of mobile technologies in their curricular area

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Development of e-learning and e-communication resources	<ul style="list-style-type: none"> • All subject areas to have e-learning content available to all pupils in all years • Subject E-Champions to ensure relevance and currency of content • Website is of high quality • John Taylor has more individuals and organisations connected with it via social networking than it has pupils at the school • Improved telephony and communications systems to include a fully-functioning parent portal, e-mail addresses in a standardised format for all pupils and staff • Employ a digital media champion who will devote time to training staff and uploading content.
A Buildings Management Plan is a working document and a meaningful strategic tool for re-build and refurbishment	<ul style="list-style-type: none"> • The Development Control Plan is being implemented effectively • Our number on roll does not exceed our site capacity number.
Accommodation is improving in key areas of need	<ul style="list-style-type: none"> • Mobile classrooms are either removed or scheduled for removal • Significant open indoor space is available for dining, recreation and learning. • All-weather sporting surfaces are installed or incorporated into Development Plan • Central whole school theatre area designed for multiple use – flexible moveable seating to serve as theatre and gym.
Accommodation is used more effectively	<ul style="list-style-type: none"> • Re-location of SEN/AEN/ELD into a coherent 'hub' of pupil support, to also include a Pupil Reception. • Re-assign some departmental office space.
Accommodation is made more secure and safe	<ul style="list-style-type: none"> • Safeguarding is more robust through greater security measures on site • A detailed risk register specifies health and safety issues on site
John Taylor is fully compliant with all necessary financial, educational and organisational legislation	<ul style="list-style-type: none"> • A robust set of policies, procedures and guidance are evident, approved and regularly reviewed by governors, and maintained in practice by all staff at the school • A new self-evaluation tool is constructed, linking judgments to policy and governance structures • A detailed risk register is comprehensive, and is regularly reviewed and annually validated by governors
John Taylor exhibits its excellence (i.e. above compliance) through the maintenance and acquisition of external accreditation and validation	<ul style="list-style-type: none"> • JTHS attains the highest standards possible in external inspection and audit reports

John Taylor MAT (formerly John Taylor High School)

Governors' Report

Year Ended 31 August 2015

Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditors

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 21 December 2015 and signed on its behalf by:



Mr Gareth Moss
Chairman

John Taylor MAT (formerly John Taylor High School)

Governance Statement

Year Ended 31 August 2015

Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Principal, 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 High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Members of the Trust have not met formally during the year.

The Governing body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body were as follows:

Governor	Meetings attended	Out of a possible
G. Moss	6	6
D. Beaty	4	6
J Hodgkinson	3	6
P Cleary	6	6
C Sanders	5	6
A Skipper (Resigned 31/08/15)	5	6
M Donoghue	6	6
S Treanor	6	6
C Cheadle	6	6
R Dungworth (Resigned 31/08/15)	3	6
A Lee	5	6
V Flek	6	6
A Bird (Resigned 02/03/15)	2	3
C Crutchely	3	6
A Jenkins	6	6
B Richardson	6	6

The Governing body has undertaken a review and self-evaluation of its own effectiveness and has carried out a skills audit of its members.

Future Plans

On 1 September 2015, Kingsmead School converted to Academy status and joined John Taylor MAT. The school was previously a Staffordshire Local Authority 11-19 school comprising approximately 1250 students and is based in Hednesford, Cannock. It has a current land and buildings valuation in the region of £16,605,000 (RCA £22,345,000). Its estimated EFA and other income for 2015-16 is £5,964,362 and has projected cash balances in the region of £500k. The extent of its LGPS deficit is not yet known.

John Taylor MAT (formerly John Taylor High School)

Governance Statement

Year Ended 31 August 2015

Review of Value for Money

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

1. Improving educational results

These are demonstrated by a significant upward trend over time in the academic performance of students at the school. Recent results for GCSE and Advanced Level (or equivalents) can be viewed at <http://www.education.gov.uk/cgi-bin/schools/performance/school.pl?urn=136323>. The Academy has seen the proportion of students gaining 5 GCSEs A*-C including English and Mathematics rise from 71% in 2009 to 77% in 2015. The proportion of pupils making three or more levels of progress in both English and Mathematics is significantly above local (Staffordshire) and national averages. The school is consistently first or second in the County on the English Baccalaureate measure, moving from 42% of students achieving this measure at its inception in 2010 to 50% in 2015.

Post-16 results are also amongst the best in County. In 2015, 67% of grades were at A*-B, and there was well over a 99% pass rate in all courses for Year 13 students. The average "value added" score – whereby progress is measured compared to students' starting position at the end of Key Stage 4 – compares very favourably with County averages. Average points score per entry was also improved from 231, as was the school's retention rate of students, demonstrating both a higher achieving and a more inclusive sixth form. Finally, over the longer term the results are equally impressive, showing an average points score per entry rise above the Staffordshire average.

The Academy continues to develop its curricular offer, its teaching and learning approaches and its strategies for intervention in order to address the challenges and embrace the opportunities of a new national curriculum and a new assessment and examination regimen.

2. 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 from Staffordshire Audit – commissioned by the Academy's Responsible Officer – who undertake quarterly reviews of key financial policies, procedures, and their implementation. Reports are produced which detail the Academy's compliance and demonstrate that the Academy has robust systems and financial controls in place. These reports are presented to the Quality, Compliance and 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 Finance Committee).

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

John Taylor MAT (formerly John Taylor High School)

Governance Statement

Year Ended 31 August 2015

3. Reviewing controls and managing risks

The budget is monitored on a regular basis by the Business Director and the Principal through the production of reports that are generated direct from the school's financial management systems. Remedial action is taken to address any significant variances that may have an impact on the budget outturn.

The Business Director reports half termly to the Finance Committee, presenting a budget monitoring report which details the financial position of the Academy 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 Full Governors meeting.

A risk register is reviewed annually by governors, and financial risk is reviewed by the Finance Committee (compliance risk is reviewed annually by the Quality, Compliance and Audit Committee). The risk register, compiled in conjunction with Staffordshire Audit, details aspects of procedure and practice that contains risk, the extent of the impact were the risk to manifest itself, the likelihood of the Academy's exposure to such an incidence, and the control mechanisms in place to mitigate likelihood and impact. Annually, the Finance Committee asks the Principal and Business Director 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 governor committee agendas, providing a regular opportunity for senior leaders and governors to discuss risk and its management outside of an annual review.

The Business Director, in conjunction with our auditors, has produced a Reserves Policy which provides clarity on the extent and use of reserves generated by the Academy. 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.

4. Maximising income generation

The Academy invests surplus cash balances in accounts which offer the best interest rates available for secure investment to maximise interest earning potential. The Academy explores every opportunity to generate income through fund raising and grant application. In 2014/15, this proved an effective strategy to provide funds for refurbished toilet and changing facilities, and a new, four classroom teaching block. As the hub school for a Teaching School Alliance (The National Forest Teaching School), the Academy 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 Academy's core purpose and mission. Income generated from lettings has also risen, and the Academy 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.

John Taylor MAT (formerly John Taylor High School)

Governance Statement

Year Ended 31 August 2015

Review of Value for Money (*continued*)

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

The Principal, Vice Principals and Business Director prepare the budget for governors' approval from the priorities established in the School Improvement Plan which in turn is produced with reference to the Academy's Strategic Plan 2011-16, available on the school's website here: <http://www.jths.co.uk/user/74/182227.pdf>. Through the improvement planning and self-evaluation processes, the senior leadership team of the Academy evaluate the effectiveness of strategies introduced in previous years in order to secure greater effectiveness and efficiency of resource deployment in subsequent plans.

The staffing structure of the Academy is reviewed annually, 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 Academy always seeks 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. The Academy utilises benchmarking information where available.

The Academy 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 Academy always assesses the cost 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 school for the longer term.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Taylor High School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

John Taylor MAT (formerly John Taylor High School)

Statement on regularity, propriety and compliance

Year Ended 31 August 2015

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 Governors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Staffordshire County Council auditors as internal auditor.

Review of Effectiveness

As accounting officer, Michael Donoghue 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 Responsible Officer;
- the work of the external auditor;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

N.B: It should be noted that on 1st June 2015 John Taylor High School, following Department for Education approval, novated its Articles of Association to those of a Multi-Academy Trust (MAT). As such, John Taylor Multi-Academy Trust was formed. A revised Master Funding Agreement has been issued to the trust by the Education Funding Agency (EFA), with Supplemental Funding Agreements provided to John Taylor High School and Kingsmead School (incorporated into the MAT on 1st September 2015).

As a result, the systems for control and governance have been amended whilst still remaining compliant. Specifically, the "Quality, Compliance and Audit Committee" that serviced the needs of the school as a 'converter' academy has been superseded by a 'Multi-Academy Trust Audit Committee' comprising members, directors (including the CEO), the MAT Business Director, and a school governor from a MAT academy Local Governing Body (LGB).

In addition to the aspiration of yet further improved governance and probity, the MAT will seek to exploit efficiency savings and economies of scale to secure even better value for money.

Approved by order of the Governing Body on 21 December 2015 and signed on its behalf by:



Mr Gareth Moss
Chairman



Mr Michael Donoghue
Accounting Officer

John Taylor MAT (formerly John Taylor High School)

Statement on regularity, propriety and compliance

Year Ended 31 August 2015

As accounting officer of John Taylor MAT, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and noncompliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are unable to identify any material irregular or improper use of 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.

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 EFA.



Michael Donoghue
Accounting Officer
Date: 21 December 2015

John Taylor MAT (formerly John Taylor High School)

Statement of Trustees' responsibilities

Year Ended 31 August 2015

The members and governors who are also the directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the 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 the EFA/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 Board of Directors on 21 December 2015 and signed on its behalf by:



Mr Gareth Moss
Chair of Governors

Independent Auditor's Report to the Members of John Taylor MAT (formerly John Taylor High School)

Year Ended 31 August 2015

We have audited the financial statements of John Taylor MAT (formerly John Taylor High School) for the year ended 31 August 2015 on pages 23 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 17 the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 August 2015 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

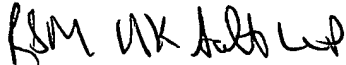
**Independent Auditor's Report to the Members of John Taylor MAT (formerly
John Taylor High School)**

Year Ended 31 August 2015

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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.



Philip Coleman
Senior Statutory Auditor
For and on behalf of

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

Date: 21 December 2015

John Taylor MAT (formerly John Taylor High School)

Group Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year Ended 31 August 2015

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	32	-	616	648	59
Activities for generating funds	4	225	155	-	380	408
Investment income		7	-	-	7	2
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	5	-	7,295	-	7,295	7,182
Total incoming resources		<u>264</u>	<u>7,450</u>	<u>616</u>	<u>8,330</u>	<u>7,651</u>
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating voluntary income		31	-	-	31	-
Fundraising Trading		58	128	-	186	341
<i>Charitable activities:</i>						
Academy's educational operations	7	-	7,269	290	7,559	7,424
Governance costs	8	-	40	-	40	17
Total resources expended	6	<u>89</u>	<u>7,437</u>	<u>290</u>	<u>7,816</u>	<u>7,782</u>
Net incoming/(outgoing) resources before transfers		175	13	326	514	(131)
Gross transfers between funds	16	-	(482)	482	-	-
Net incoming/(expenditure) for the year		175	(469)	808	514	(131)
<i>Other recognised gains and losses</i>						
Actuarial losses on defined benefit pension schemes	26	-	(63)	-	(63)	(609)
Net movement in funds		175	(532)	808	451	(740)
Reconciliation of funds						
Total funds brought forward	16	<u>809</u>	<u>(1,324)</u>	<u>11,377</u>	<u>10,862</u>	<u>11,602</u>
Total funds carried forward	16	<u>984</u>	<u>(1,856)</u>	<u>12,185</u>	<u>11,313</u>	<u>10,862</u>

All of the Academy's activities derive from continuing operations during the above two financial periods.

John Taylor MAT (formerly John Taylor High School)

Consolidated Balance Sheet
Registered number 07421140

Year Ended 31 August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		11,944		11,377
Current assets					
Debtors	14	373		93	
Cash at bank and in hand		1,916		1,818	
		<u>2,289</u>		<u>1,911</u>	
Creditors: Amounts falling due within one year	15	<u>(693)</u>		<u>(414)</u>	
Net current assets			<u>1,596</u>		<u>1,497</u>
Net assets excluding pension liability			<u>13,540</u>		<u>12,874</u>
Pension scheme liability	26		<u>(2,227)</u>		<u>(2,012)</u>
Net assets including pension liability			<u>11,313</u>		<u>10,862</u>
Funds of the Academy trust:					
Restricted funds					
- Fixed asset fund	16	12,185		11,377	
- General fund	16	<u>371</u>		<u>688</u>	
Restricted funds excluding pension reserve			<u>12,556</u>		<u>12,065</u>
- Pension reserve			<u>(2,227)</u>		<u>(2,012)</u>
Total restricted funds			<u>10,329</u>		<u>10,053</u>
Total unrestricted income funds	16		<u>984</u>		<u>809</u>
Total funds			<u>11,313</u>		<u>10,862</u>

The financial statements on pages 23 - 45 were approved by the Governors, and authorised for issue on 21 December 2015 and are signed on their behalf by:



Gareth Moss
Chair of Governors

John Taylor MAT (formerly John Taylor High School)

Academy Balance Sheet
Registered number 07421140

Year Ended 31 August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		11,944		11,377
Current assets					
Debtors	14	355		66	
Cash at bank and in hand		1,748		1,664	
		<u>2,103</u>		<u>1,730</u>	
Creditors: Amounts falling due within one year	15	(693)		(387)	
Net current assets			<u>1,410</u>		<u>1,343</u>
Net assets excluding pension liability			13,354		12,720
Pension scheme liability	26		(2,227)		(2,012)
Net assets including pension liability			<u>11,127</u>		<u>10,708</u>
Funds of the Academy trust:					
Restricted funds					
– Fixed asset fund	16	12,185		11,377	
– General fund	16	269		613	
			<u>12,454</u>		<u>11,990</u>
Restricted funds excluding pension reserve			12,454		11,990
- Pension reserve			(2,227)		(2,012)
Total restricted funds			<u>10,227</u>		<u>9,978</u>
Total unrestricted income funds	16		900		730
Total funds			<u>11,127</u>		<u>10,708</u>

The financial statements on pages 23 - 45 were approved by the Governors, and authorised for issue on 21 December 2015 and are signed on their behalf by:



Mr Gareth Moss
Chair of Governors

John Taylor MAT (formerly John Taylor High School)

Consolidated Cash Flow Statement

Year Ended 31 August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	20	573	83
Return on investments and servicing of finance	21	7	2
Capital expenditure	22	(482)	20
Increase in cash in the year	23	<u>98</u>	<u>105</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		<u>1,818</u>	<u>1,713</u>
Net funds at 31 August		<u>1,916</u>	<u>1,818</u>

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

1. Statement of accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2014 to 2015 ('SORP 2005') issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Basis of consolidation

The Statement of Financial Statements (SOFA) and balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. A separate SOFA for the Academy Trust itself is not presented because the Academy Trust has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The surplus before recognised gains and losses for John Taylor MAT for the year ended 31 August 2015 was £482,361.

Going concern

The Governors 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 trust to continue as a going concern. The Governors make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

Donations are included recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Interest Receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

1. Statement of accounting policies (*continued*)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Cost of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the trust's educational operations.

- **Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Tangible fixed assets costing £2,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset by charging depreciation of the relevant assets directly to the restricted fixed asset fund.

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

Long leasehold property	2%
Furniture and equipment	10%
Computer equipment and software	25% - 33%
Motor vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

1. Statement of accounting policies (*continued*)

Leases

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

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 Education Funding Agency where the asset acquired or created is held for a specific purpose on a continuing basis.

Restricted general funds are resources subject to specific restrictions imposed by funders and donors and include grants from the Education Funding Agency or the Department for Education.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2015.

3. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Restricted fixed asset funds £000	Total 2015 £000	Total 2014 £000
DfE/EfA Capital grants	-	-	616	616	-
Other donations	32	-	-	32	59
	<u>32</u>	<u>-</u>	<u>616</u>	<u>648</u>	<u>59</u>

4. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Lettings income	20	-	20	16
Catering income	39	-	39	30
School trips	-	122	122	162
Other income	166	33	199	200
	<u>225</u>	<u>155</u>	<u>380</u>	<u>408</u>

5. Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA capital grant				
Developed Formula Capital allocations	-	-	-	29
DfE/EFA revenue grants				
General Annual Grants (GAG)	-	6,673	6,673	6,803
Start up grants	-	100	100	-
Other DfE/EFA grants	-	469	469	298
	<u>-</u>	<u>7,242</u>	<u>7,242</u>	<u>7,130</u>
Other Government grants				
Local Authority grants	-	53	53	52
	<u>-</u>	<u>7,295</u>	<u>7,295</u>	<u>7,182</u>

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

6. Resources Expended

	Staff Costs £000	Non pay expenditure Premises £000	Other costs £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	-	-	31	31	341
Fundraising trading	-	-	186	186	-
Academy's educational operations					
- Direct costs	5,185	249	431	5,865	5,884
- Allocated support costs	719	487	488	1,694	1,540
	<u>5,904</u>	<u>736</u>	<u>919</u>	<u>7,559</u>	<u>7,765</u>
Governance costs including allocated support costs	-	-	40	40	17
	<u>5,904</u>	<u>736</u>	<u>1,176</u>	<u>7,816</u>	<u>7,782</u>
				Total 2015 £000	Total 2014 £000
Net incoming/(outgoing) resources for the year include:					
Operating leases					
Other				4	4
Fees payable to RSM UK Audit LLP and its associates for:					
Audit				10	10
Other services				<u>3</u>	<u>-</u>

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

7. Charitable Activities - Academy's educational operations

	Total 2015 £000	Total 2014 £000
Direct costs		
Teaching and educational support staff costs	5,185	5,295
Depreciation	249	245
Educational supplies	4	13
Examination fees	125	130
Staff development	27	46
Other direct costs	208	213
Technology costs	67	-
	<u>5,865</u>	<u>5,942</u>
	Total 2015 £000	Total 2014 £000
Allocated support costs		
Support staff costs	719	586
Depreciation	41	31
Recruitment and support	4	62
Maintenance of premises and equipment	349	265
Rent and Rates	18	22
Energy costs	91	93
Insurance	56	-
Cleaning	135	132
Technology costs	72	141
Catering	25	24
Security & Transport	4	7
Other support costs	133	81
Pension finance cost	47	38
	<u>1,694</u>	<u>1,482</u>
	<u>7,559</u>	<u>7,424</u>

8. Governance costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	25	3
Auditor's remuneration:		
- Audit of financial statements	10	10
- Responsible officer audit	-	2
- Other services	3	2
Other support costs	2	-
	<u>40</u>	<u>17</u>

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

9. Staff numbers and costs

Staff costs	2015 £000	2014 £000
Wages and salaries	4,725	4,652
Social security costs	346	347
Pension costs	808	690
Total staff costs	5,879	5,689
Supply teacher costs	25	76
Total	5,904	5,765

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2015 No	2014 No
Educational operations		
Teachers	94	96
Administration and support	77	74
Management	9	9
	180	179

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full-time equivalents was as follows:

	2015 No	2014 No
Educational operations		
Teachers	87	88
Administration and support	53	54
Management	9	9
	149	151

Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No	2014 No
£60,001 – £70,000	2	1
£90,001 – £100,000	1	1

The above employees participated in the Teachers' Pension Scheme, which is a defined benefit scheme.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

10. Trustees' Remuneration & Expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

M Donoghue, the Principal, received remuneration of £97,048 in 2015 (2014: £96,166) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £13,695 (2014: £13,599).

During the previous year the Principal was elected to the Department for Education's Regional Headteacher's Board. For this role the DfE reimburse the School for a day per week of the Principal's time. In addition to this a further day per week is funded by the National Forest Teaching School (based at John Taylor). This income is reimbursed to the Trust and not to the Principal personally.

C Crutchley (staff trustee) received remuneration of £37,314 (2014: £27,650). The staff trustee is accruing retirement benefits under Teachers' Pension Scheme. The contributions paid in the year amounted to £5,259.

R Dungworth (staff trustee) received remuneration of £13,557 (2014: £13,361). The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £2,676.

A Skipper (staff trustee) received remuneration of £3,164 (2014: £3,788). The staff trustee does not contribute to the Local Government or Teacher's Pension Schemes.

During the year ended 31 August 2015, travel expenses totalling £566 (2014: £nil) were reimbursed to the principal for travelling on Trust and school business. No other trustees received any reimbursement.

Other related party transactions involving the Governors are set out in note 27.

11. Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,161 (2014 - £1,855).

The cost of this insurance is included in the total insurance cost.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

12. Tangible Fixed Assets

Group/Academy

	Leasehold Buildings £000	Furniture and equipment £000	Computer Equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost						
1 September 2014	12,292	33	105	-	-	12,430
Additions	499	15	38	27	278	857
31 August 2015	<u>12,791</u>	<u>48</u>	<u>143</u>	<u>27</u>	<u>278</u>	<u>13,287</u>
Depreciation						
1 September 2014	972	9	72	-	-	1,053
Charged in year	249	2	34	5	-	290
31 August 2015	<u>1,221</u>	<u>11</u>	<u>106</u>	<u>5</u>	<u>-</u>	<u>1,343</u>
Net book value						
31 August 2015	<u>11,570</u>	<u>37</u>	<u>37</u>	<u>22</u>	<u>278</u>	<u>11,944</u>
31 August 2014	<u>11,320</u>	<u>24</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>11,377</u>

13. Investments

John Taylor MAT has a subsidiary undertaking, John Taylor High School Fund, a charity registered with the Charity Commission. The charity is wholly controlled by John Taylor MAT by way of its common trustees. The results of John Taylor High School Fund have been consolidated in these accounts.

A summary of the School Fund for the year to 31 August 2015 is presented below. The object of the charity is to advance the education of students by providing and assisting in the provision of facilities for the education of students at John Taylor MAT.

	Year ended 31 August 2015 £000	Year ended 31 August 2014 £000
Income and expenditure account		
Income	218	269
Expenditure	(186)	(288)
Surplus/(deficit) for the year	32	(19)
Retained funds brought forward	154	173
Retained funds carried forward	<u>186</u>	<u>154</u>
Balance sheet		
Debtors	19	27
Cash at bank	167	154
Creditors	-	(27)
Net assets	<u>186</u>	<u>154</u>

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

14. Debtors

	Group		Academy	
	Total	Total	Total	Total
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	19	10	19	10
Prepayments & accrued income	26	43	26	43
Other debtors	259	29	241	2
VAT Recoverable	69	11	69	11
	<u>373</u>	<u>93</u>	<u>355</u>	<u>66</u>

15. Creditors: amounts falling due within one year

	Group		Academy	
	Total	Total	Total	Total
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade creditors	379	84	379	84
Taxation and social security	100	106	100	106
Other creditors	94	95	94	68
Accruals and deferred income	120	129	120	129
	<u>693</u>	<u>414</u>	<u>693</u>	<u>387</u>

Deferred income	£000
Deferred income at 1 September 2014	96
Resources deferred in the year	52
Amounts released from previous years	(96)
Deferred income at 31 August 2015	<u>52</u>

The deferred income in the current year relates predominantly to the deferral of funding where allocation determines it to be spent in the following financial period.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

16. Funds

Group	At 1 September 2014 £000	Incoming Resources £000	Resources expended £000	Gains, Losses and Transfers £000	At 31 August 2015 Total £000
Restricted general funds					
General Annual Grant (GAG)	555	6,673	(6,477)	(482)	269
Other DfE/EFA grants	58	469	(527)	-	-
Local authority grants	-	53	(53)	-	-
School funds	75	155	(128)	-	102
Start-up grant	-	100	(100)	-	-
	<u>688</u>	<u>7,450</u>	<u>(7,285)</u>	<u>(482)</u>	<u>371</u>
Pension reserve	(2,012)	-	(152)	(63)	(2,227)
	<u>(1,324)</u>	<u>7,450</u>	<u>(7,437)</u>	<u>(545)</u>	<u>(1,856)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	539	616	(99)	-	1,056
Assets donated on conversion	10,803	-	(156)	-	10,647
Capital expenditure from GAG	-	-	-	482	482
Restricted donations	35	-	(35)	-	-
	<u>11,377</u>	<u>616</u>	<u>(290)</u>	<u>482</u>	<u>12,185</u>
Total restricted funds	<u>10,053</u>	<u>8,066</u>	<u>(7,727)</u>	<u>(63)</u>	<u>10,329</u>
Total unrestricted funds	<u>809</u>	<u>264</u>	<u>(89)</u>	<u>-</u>	<u>984</u>
Total funds	<u>10,862</u>	<u>8,330</u>	<u>(7,816)</u>	<u>(63)</u>	<u>11,313</u>

Under the funding agreement with the Secretary of State, the Academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

Restricted general funds

The General Annual Grant is the recurrent funding to be used for educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE (see note 2 for further information).

The Other DfE/EFA funds and local authority are specific funding used for educational purposes.

The Pension reserve of £2,227,000 (overdrawn) represents the Academy Trust's share of the deficit in the Staffordshire Pension Fund.

Fixed asset fund

This fund represents the net book value of fixed assets that the academy have purchased out of grants received and have been transferred on conversion.

Unrestricted funds

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

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

16. Funds (continued)

Academy Trust

	1 September 2014 £000	Incoming Resources £000	Resources expended £000	Gains, Losses and Transfers £000	At 31 August 2015 Total £000
Restricted general funds					
General Annual Grant (GAG)	555	6,673	(6,477)	(482)	269
Other DfE/EFA grants	58	469	(527)	-	-
Local authority	-	53	(53)	-	-
Start-up grant	-	100	(100)	-	-
	613	7,295	(7,157)	(482)	269
Pension reserve	(2,012)	-	(152)	(63)	(2,227)
	(1,399)	7,295	(7,309)	(545)	(1,958)
Restricted fixed asset funds					
DfE/EFA capital grants	539	616	(99)	-	1,056
Assets donated on conversion	10,803	-	(156)	-	10,647
Capital expenditure from GAG	-	-	-	482	482
Restricted donations	35	-	(35)	-	-
	11,377	616	(290)	482	12,185
Total restricted funds	9,978	7,911	(7,599)	(63)	10,227
Total unrestricted funds	730	201	(31)	-	900
Total funds	10,708	8,112	(7,630)	(63)	11,127

Under the funding agreement with the Secretary of State, the Academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

Restricted general funds

The General Annual Grant is the recurrent funding to be used for educational purposes in accordance with the Academy Trust's Funding Agreement with the DfE (see note 2 for further information).

The Other DfE/EFA funds and local authority are specific funding used for educational purposes.

The Pension reserve of £2,227,000 (overdrawn) represents the Academy Trust's share of the deficit in the Staffordshire Pension Fund.

The start-up grant related to the MAT. All other income relates to John Taylor High School.

Fixed asset fund

This fund represents the net book value of fixed assets that the academy have purchased out of grants received and have been transferred on conversion.

Unrestricted funds

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

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

17. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

Group

	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Total 2015 £000
Tangible fixed assets	-	-	11,944	11,944
Current assets	984	1,064	241	2,289
Current liabilities	-	(693)	-	(693)
Pension scheme liability	-	(2,227)	-	(2,227)
Total net assets	984	(1,856)	12,185	11,313

Academy Trust

	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Total 2015 £000
Tangible fixed assets	-	-	11,944	11,944
Current assets	900	962	241	2,103
Current liabilities	-	(693)	-	(693)
Pension scheme liability	-	(2,227)	-	(2,227)
Total net assets	900	(1,958)	12,185	11,127

18. Capital commitments

	Total 2015 £000	Total 2014 £000
Contracted for, but not provided in the financial statements	664	514

19. Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Total 2015 £000	Total 2014 £000
Other		
Expiring within one year	9	2
Expiring within two and five years inclusive	-	9
	9	11

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

20. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	Total 2015 £000	Total 2014 £000
Net income/(expenditure)	514	(131)
Interest received	(7)	(2)
Depreciation (note 12)	290	276
Capital grants from DfE and other capital income	(616)	(29)
FRS 17 pension cost less contributions payable (note 26)	105	70
FRS 17 pension finance costs (note 26)	47	38
Increase in debtors	(39)	(17)
Increase/(decrease) in creditors	279	(122)
Net cash inflow from operating activities	573	83

21. Returns on investments and servicing of finance

	Total 2015 £000	Total 2014 £000
Interest received	7	2
Net cash inflow from returns on investment and servicing of finance	7	2

22. Capital expenditure and financial investment

	Total 2015 £000	Total 2014 £000
Purchase of tangible fixed asset	(857)	(9)
Capital grants from DfE/EFA	375	29
Net cash (outflow)/inflow from capital expenditure and financial investment	(482)	20

23. Analysis of changes in net funds

	At 2014 £000	Cash Flows £000	At 2015 £000
Cash at bank and in hand	1,818	98	1,916

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

24. Contingent Liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) The value at the time of the Academy's site and premises and other assets held for the purpose of the Academy and;
- (b) The extent to which expenditure incurred in providing those assets was met by the Secretary of State under the Funding Agreement.

25. Member's 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 director, or within one year after he/she ceases to be a director, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a director.

26. Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £92,688 (2014: £92,918) were payable to the scheme at 31 August 2015 and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

26. Pension and similar obligations (continued)

The latest actuarial valuation was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £504,000 (2014: £433,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £261,000 (2014: £247,000), of which employer's contributions totalled £199,000 (2014: £187,000) and employees' contributions totalled £62,000 (2014: £60,000). The agreed rates for future years are 19.5 per cent for employers and 6.5 per cent for employees.

Principal Actuarial Assumptions	Total 2015	Total 2014
Rate of increase in salaries	4.5%	4.4%
Rate of increase for pensions in payment/inflation	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%

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

	Total 2015 Years	Total 2014 Years
Retiring today:		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years:		
Males	24.3	24.3
Females	26.6	26.6

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

26. Pension and similar obligations (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.7	1,254	6.30%	1,099
Bonds	3.7	186	3.40%	188
Property	3.7	153	4.50%	116
Cash	3.7	102	3.30%	43
Total market value of assets		1,695		1,446
Present value of scheme liabilities - Funded		(3,922)		(3,458)
Deficit in the scheme		(2,227)		(2,012)

The actual return on scheme assets was £44,000 (2014: £202,000).

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	304	257
Total operating charge	304	257
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	87	96
Interest on pension liabilities	(134)	(134)
Pension finance costs	(47)	(38)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a £687,000 loss (2014: £624,000 loss).

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

	2015 £000	2014 £000
At 1 September	3,458	2,790
Current service cost	304	257
Interest cost	134	134
Employee contributions	62	60
Actuarial loss	20	283
Benefits paid	(56)	(66)
At 31 August	3,922	3,458

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

26. Pension and similar obligations (continued)

Movements in the fair value of Academy Trust's share of scheme assets:

	2015 £000	2014 £000
At 1 September	1,446	1,495
Expected return on assets	87	96
Actuarial loss	(43)	(326)
Employer contributions	199	187
Employee contributions	62	60
Benefits paid	(56)	(66)
At 31 August	<u>1,695</u>	<u>1,446</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £205,000.

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of defined benefit obligations	(3,922)	(3,458)	(2,790)	(2,398)	(1,834)
Fair value of share of scheme assets	<u>1,695</u>	<u>1,446</u>	<u>1,495</u>	<u>1,131</u>	<u>834</u>
Deficit in the scheme	<u>(2,227)</u>	<u>(2,012)</u>	<u>(1,295)</u>	<u>(1,267)</u>	<u>(1,000)</u>
Experience adjustments on share of scheme assets					
Amount £000	(43)	(326)	116	38	(34)
Experience adjustments on share of scheme liabilities					
Amount £000	6	148	-	-	-

27. Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it that transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year there were no transactions with the related parties of the Governors.

The Governors received no benefits or remuneration from the school during the year in their capacity as a member of the Governing body. A total of 2 (2014- 2) members of the governing body are employed by the school as teachers and as such received remuneration in this specific role.

Included within trade debtors is a balance at the year end of £520 (2014: £Nil) due from the John Taylor Parent Teacher Association. Included within trade creditors is a balance at the year end of £2,500 (2014: £Nil) owed to John Taylor Charitable Trust. There were no other balances or transactions with related parties during the period.

John Taylor MAT (formerly John Taylor High School)

Notes to the Financial Statements

for the year ended 31 August 2015

28. Agency Arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary funds, on behalf of the EFA. In the year it received £18,113 and disbursed £17,555. The Academy Trust retained a beneficial interest in individual transaction such that £588 has been recognised in income and expenditure in the statement of financial activities.

29. Post balance sheet events

On 1 September 2015, Kingsmead School converted to Academy status and joined John Taylor MAT. The school was previously a Staffordshire Local Authority 11-19 school comprising approximately 1250 students and is based in Hednesford, Cannock. It has a current land and buildings valuation in the region of £16,605,000 (RCA £22,345,000). Its estimated EFA and other income for 2015-16 is £5,964,362 and has projected cash balances in the region of £500k. The extent of its LGPS deficit is not yet known.