

JAMES MONTGOMERY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Company Registration No: 10482806 (England and Wales)

JAMES MONTGOMERY ACADEMY TRUST

CONTENTS

	Page
Reference and administration details	1
Trustees report	3
Governance statement	14
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20
Statement of financial activities including income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28

JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

C Fitch
M Harrison (Chair)
A Richards
C Hewitt
R Puncheon
V Helliwell (appointed 01/10/2021)
C Parkinson (appointed 01/12/2021)
L Hunter (appointed 28/06/2022)
I Hutchinson (appointed 28/06/2022)
J Gray (resigned 01/10/2021)
A Price (resigned 01/10/2021)

Members

Bishop S Jelley
H Thomas
Reverend S Gardner
D Grover
M Harrison

Senior management team

- Chief Executive Officer
- Deputy Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Financial Officer

D Silvester
A Benbow
H Headleand
P Haynes

Company secretary

J Oliver

Company registration number

10482806 (England and Wales)

Registered office

Ellis House
C/O Brampton Ellis Primary School
Wath-Upon-Deame
South Yorkshire
S63 6BB

Academies operated

Anston Hillcrest Primary
Brampton Cortonwood Infant
Brampton the Ellis CofE Primary
Brinsworth Howarth Primary
Ferham Primary
Harthill Primary
Hooton Pagnell All Saints CofE Primary
Kiveton Park Infant
Kiveton Park Meadows Junior
Laughton Junior and Infant
Meadow View Primary
Mexborough St John the Baptist CofE Primary
St Ann's J&I
Thurcroft Infant
Wath CofE Primary
Wath Central Primary
Wath Victoria Primary

Location

Rotherham
Rotherham
Rotherham
Rotherham
Rotherham
Rotherham
Doncaster
Rotherham
Rotherham
Rotherham
Rotherham
Doncaster
Rotherham
Rotherham
Rotherham
Rotherham
Rotherham

Head of Academy

E Hill
V Finley
A Benbow
M Crawford
V Fenton/K Smith
S Littlewood
L Carr
J Senior
J Elstone
C Hill
J Logan
A Minor
L Rowan
T Harper
P Beevor
J Gray
C Miller

JAMES MONTGOMERY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor (external)	BHP LLP 2 Rutland Park Sheffield S10 2PD
Independent auditor (internal)	MGRW 1 ST Floor, Unit 4 Broadfield Court Sheffield S8 0XF
Bankers	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

James Montgomery Academy Trust present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust continued to grow with the completion of the conversion process for Ferham Primary and Meadow View Primary within this accounting period. The academy trust now operates 17 primary schools in the South Yorkshire area with a combined pupil capacity of 4,490 at the year-end and a roll of 3,928 (full time pupils).

Structure, Governance and Management

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of James Montgomery Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as James Montgomery Academy Trust.

Details of the trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

The members of the charitable company are Bishop S Jelley, H Thomas, Reverend S Gardner, M Harrison and D Grover. Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Charitable Company's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default of breach of trust or breach of duty of which they may be guilty in relation to the trust provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or a breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the charitable company.

Method of Recruitment and Appointment or Election of Trustees

All new trustees are appointed by the members. Full details relating to the appointment and removal of trustees are contained in the articles of association with a brief summary given below.

The academy trust shall have the following trustees as set out in its articles of association and funding agreement with their term of office being 4 years.

- Up to 10 Trustees appointed by the members.

The Board of Trustees has appointed a Local Governing Body (LGB) for each academy, which has delegated powers to oversee the day to day running of that academy. That LGB constitutes as follows:

A suggested total of 12 governors to be:

- 1 Head of Academy (Ex Officio)
- 1 staff
- 3 parents
- 4 co-opted

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

- 4 foundation

Governors will have a term of office of 4 years, with the exception of co-opted governors who hold office for a 1-year term and the Head of Academy whose term of office will fall in line with their role.

Subject to remaining eligible to be a particular type of trustee or governor any trustee or governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

All trustees and governors have access to training as required, including Local Governing Body training provided by Rotherham Metropolitan Borough Council through services provided by Rotherham School Improvement Service. Trustees and governors are encouraged to access all their training requirements.

Organisational Structure

James Montgomery Academy Trust consists of a Board of Trustees who have the overall responsibility to ensure the effective and efficient running of the academies. A Local Governing Body (LGB) at each academy reports to the Board of Trustees. Each LGB has responsibilities along with those of the CEO and Heads at each academy. These are detailed in the Scheme of Delegation and the Academies Handbook. All the LGB's are reviewed annually and a skills-based audit is carried out to aid and inform when appointing new members.

The trustees are responsible for the following; setting policies, reviewing the development plan of the trust and ensuring that budgets are maintained in accordance with the Academies Handbook. They do this by consulting with the CEO and CFO in conjunction with LGB information including the Assurance Register outcomes.

The trustees are appointed in line with articles 45 - 64 of the memorandum and articles of association. When appointing new trustees, the Board recognises the need to have a wide range of skills amongst the trustees.

The appointed Accounting Officer of the academy trust is Mr David Silvester.

Our trustees ensure that James Montgomery Academy Trust complies with charity and company law. The Board of Trustees has core functions to set the strategic direction of the James Montgomery Academy Trust and to ensure balanced budgets are maintained. The trustees are responsible for all the academies within the trust. They do this by delegating functions to the Local Governing Body of each Academy through a Scheme of Delegation. The level of delegation may be proportionate to the strength of the Academy – an 'earned autonomy' model.

The core business of the Local Governing Body is to:

- Review and monitor the Academy Improvement Plan
- Monitor and review standards of attainment and progress
- Review and monitor the curriculum and educational provision

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust will review its pay policy annually and all salary pay scales are set out in the policy. The criteria for pay groups, bands and pay progression are set out in the Teachers Pay and Conditions document and this forms the remit for the trust pay structure for its key management personnel.

In determining senior management pay at school level the trust applies a criteria based on the size and composition of the school. The trust has conducted a benchmarking exercise, reviewing organisations of a similar size and nature. As the trust continues to grow the Board will continue to review pay structures with due consideration to what the DfE considers appropriate levels of pay for public servants.

Trustees are non-executives and are not remunerated for their role as a trustee.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Employees and Disabled Persons

The trust has an Equality Strategy which states that they are committed to valuing diversity, tackling discrimination, promoting equality and fostering good relationships between people.

Through the Equality Strategy the trust aim to achieve the above by:

1. Providing the highest standards of equality and inclusion of all pupils, staff, governors, volunteers and parents of children in JMAT in order to achieve excellence for all - regardless of age, special educational need, sexual orientation, sex, marriage and civil partnership, pregnancy and maternity, race, religion and belief, gender reassignment or disability.
2. Empathising and working with the issues pertinent to the personal, social and economic lives of both school and the wider community, including those relating to children that are looked after.
3. Striving to ensure that inclusion and diversity remains at the heart of our practice across all schools in JMAT.

The trust's equality objectives and accessibility plans are reviewed and published annually, on the trust website.

The trust has committed to ensuring that they strive to eliminate all discrimination and create an inclusive school environment. Therefore, during the employment process all candidates are reviewed based upon their suitability for the role, their experience and qualifications. Their disability status is not regarded during the decision-making process.

For existing employees who become disabled, we undertake to make reasonable adjustments in areas such as physical environment, duties, working pattern etc. Employees with disabilities also have dispensation under the Special Leave of Absence Policy for paid time off from work for appointments related to their disability.

All staff members are entitled to training and career development opportunities regardless of whether they are disabled. JMAT works hard in ensuring that all staff members are aware of opportunities available to them.

JMAT strongly supports an ethos of inclusivity and consults regularly with staff on matters which may affect them. Regular meetings are held with senior leaders and trade union representatives as a communication channel between staff and leaders, and staff governors are elected for each individual Local Governing Body.

For all new converting academies, staff are spoken to in person to ensure they are up to date and fully aware of all matters that may be of concern to them. The trust website is regularly updated, and staff can also use this as a tool for reviewing relevant information.

The trust also has a whistleblowing policy, which all staff members are made aware of, and encouraged to follow in any potential instances.

Trade Union Facility Time

As a trust we have recommended that schools buy back into Local Authority Trade Union Facility time. We also have adopted LA approved pay policies. No employee in the trust has trade union facilities time.

Connected Organisations including Related Party Transactions

The Academies work in collaboration with the Local Authority which places pupils and provides funding for SEN, Looked After Children (LAC) and early years.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Risk Management

Trustees have assessed the major risks to which the academy trust is exposed and a risk register, namely our assurance register, has been established. Trustees continue to implement robust systems to assess risk to our Academies in a number of areas including that of safeguarding.

Trustees have established the following key controls to manage risk:

- Agendas for all meetings
- Strategic planning, budgeting and management reporting
- A formal organisational structure
- Written policies and procedures
- Authorisation and approval levels
- DBS checks
- Assurance register

Objectives and Activities

The trust's objectives are to restrict the operations to the pursuance of the following:

- "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

It is the responsibility of trustees to ensure that the trust only pursues activities which further this educational purpose. These objects are drafted widely to enable the trust to establish, manage, and provide a balanced curriculum to a range of different academies within the trust.

JMAT Vision

Our schools are child centred, inclusive and distinctive, delivering excellence in education, sharing best practice and building aspiration.

Trust Core Principles

Together we will:

- Consistently put children at the heart of decision making
- Champion school individuality
- Continually improve through innovative and research driven practice

JMAT vision for excellence in education

- Deliver a rich, contextualized and ambitious curriculum
- Beacons of high-quality inclusive practice
- Provide a safe, happy and purposeful environment
- Pupils are supported to achieve their aspirations
- Develop a reflective, knowledgeable and highly skilled workforce
- Foster positive and productive partnerships

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The main objectives between 1 September 2021 and 31 August 2022 were:

- To deliver a recovery curriculum designed to meet the needs of pupils during the global pandemic.
- To continue to deliver an engaging and inspiring broad curriculum which drives learning.
- To continue, in the Covid context, to develop and invest in a high-quality staffing.
- To continue to develop partnerships and networks to sustain growth of both the trust and leadership within it – including recruiting to vacant leadership roles and developing aspiring leaders.
- To ensure effective online CPD programmes are established that support the recruitment and retention of quality staff – both teaching and non-teaching.
- To continue to develop SEND services across the trust to ensure consistent reporting and thus appropriate targeted support for identified vulnerable children.
- Training in and implementation of innovative curriculum experiences through research led groups which lead to sharing of best practice – Joint Practice Development.
- Development of a Trust Coaching Model to further build expertise and knowledge across the broad staff team.
- To ensure consistency of safeguarding process and support to ensure all children's needs are met.

Public Benefit

Trustees confirm that the trust has complied with the requirement in the Charities Commission's public benefit requirements during the period. In setting our objectives and planning our activities trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

Although the schools continued to face significant challenges due to the ongoing Covid absences and outbreaks, schools remained open throughout the year, with issues easing as the year progressed into Spring and Summer.

Standardised testing was resumed in the Summer term of 2022, following the suspension of data collection during the Covid pandemic. The resumption saw the same raft of testing across the age phases, from the EYFS profile to the Y6 tests.

Our trust data set has expanded since pre-Covid analysis, with the inclusion of several schools that had converted during the pandemic. The data sets across the trust were broadly in line or slightly ahead of national comparisons in all aspects.

The main focus of the year was to respond to the needs of children who required a recovery curriculum. The pandemic has seen a significant rise in levels of vulnerability and as such requires new and targeted support mechanisms.

Within the time period of 1 September 2021 and 31 August 2022, three trust schools were inspected. Brampton Cortonwood Infant and Wath Victoria Primary in the Autumn term of 2021 and Wath Central Primary in the Summer term of 2022. All three schools received very strong 'Good' judgements. Two schools maintained their 'Good' judgements and Wath Central moved up from 'Requires Improvement'.

The focus of development work across the Trust was:

- Delivering a curriculum recovery
- Enhancing provision and support for those most vulnerable
- Mitigating against ongoing issues suffered through the Covid crisis

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Going Concern

After making appropriate enquiries, the Board of Trustees has 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.

Promoting the Success of the Company

The Board of Trustees has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to the Audit & Risk Committee and Local Governing Bodies. Financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. When making decisions, each trustee ensures he/she acts in a way he/she considers, in good faith, would most likely promote the trust's success for the benefit of all stakeholders. In doing so trustees have regard for the following matters:

- *S172 (1) (A) the likely consequences of any decision in the long term* – Trustees recognise the challenges the trust faces in dealing with significant growth against the backdrop of growing uncertainty caused by the coronavirus outbreak. The decisions taken by the Board take into account the overall strategic aims of the trust – predominantly the educational progress and wellbeing of the pupils in its care. By supporting growth, the Trust Board hopes to further develop the capacity of the trust to support the wider community in the coming years.
- *S172 (1) (B) the interests of the company's employees* – trustees recognise the vital role employees play in delivering the best possible outcomes for all stakeholders. The trust has invested significantly in staff training and wellbeing programmes to ensure everyone reaches their full potential and feels supported in their roles.
- *S172 (1) (C) the need to foster the Trust's business relationships with suppliers, customers and others* – as a publicly funded organisation the trust has a duty to ensure all partner organisations are aligned to the trust's principles and ethical standards. In recent months the trust has also adopted a more flexible approach in dealing with businesses to ensure support is provided during the period of uncertainty caused by the pandemic.
- *S172 (1) (D) the impact of the Trust's operations on the community and the environment* – as the hub of the community all trust schools work with local community groups to ensure a cohesive approach is taken to tackle local priorities. This is partly achieved through local representation on governing bodies. The trust is also investing capital funds in improving energy efficiency in schools, part of a wider strategy to reduce carbon emissions.
- *S172 (1) (E) the desirability of the company maintaining a reputation for high standards of business conduct* – the trust has an obligation to ensure the highest possible ethical standards are applied when carrying out its core business. The trust is passionately committed to equality of opportunity and this is reflected in its policies and procedures that underpin employee recruitment. The Trust also operates a strong governance framework that is open and transparent.

Financial Review

The trust's accounting period is from 1 September 2021 to 31 August 2022.

Restricted General Funds

The majority of the trust's funding is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is 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 useful life of the assets concerned as defined in the Academy Trust's accounting policies.

The grants from the ESFA and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Academies also receive High Needs funding and Early Years funding from the Local Authority. The High Needs funding supports pupils who are eligible for additional support based on their Special Educational Needs. The Early Years funding is based on the hours taken by pupils in the nursery. These grants are treated as restricted income.

The balance on restricted general funds at 31 August 2022 was £514,000 (2021: £432,000). During the period ended 31 August 2022 total expenditure of £25,346,000 (excluding pension finance costs) was covered by recurrent grant funding from the ESFA and other incoming resources together totalling £24,531,000. The in-year deficit for the period was £815,000. This deficit was offset by a transfer of £897,000 from unrestricted funds. All figures exclude fixed asset reserves and pension liability movements/transfers.

A key financial performance indicator is salary costs as a percentage of educational income which are currently 78.5%, which exceeds both the trust expectations and DfE guidance. The trust is exploring methods to address this.

Restricted Fixed Asset Funds

The balance on restricted fixed asset funds at 31 August 2022 was £37,702,000 (2021: £32,852,000). This is made up of assets (predominantly land and buildings) of £36,906,000 and £796,000 unspent capital grant funding. The balance in the year has increased due to the transfer of land, buildings and unspent capital funding as follows:

- Ferham Primary (converted 01/10/2021) - £2,509,825
- Meadow View Primary (converted 01/02/2022) - £2,091,680

Land and buildings were transferred from Rotherham MBC to the trust at their fair value on conversion. In addition to this the local authority funded a building extension at Wath Victoria Primary to increase High Needs provision in the local community. The total value of the project was £227,260 and this has been recognised as a donated asset in the accounts.

In the 2021 year the trust received the balance of funding through the Condition Improvement Fund (CIF) relating to capital projects awarded in the previous academic year. All CIF projects have now been completed with a small amount remaining in the reserve relating to a final retention payment for Anston Hillcrest Primary.

Capital funding is treated as restricted income and any unspent capital balances will be included in restricted fixed asset funds. At 31 August 2022 the trust held unspent capital balances of £796,000. This is made up of £121,000 Devolved Formula Capital, £668,000 School Condition Allocation and £7,000 Condition Improvement Fund.

Unrestricted Funds

The total of unrestricted funds at 31 August 2022 was £532,000 (2021: £591,000).

Total unrestricted income in the year was £944,000 – of which £876,000 is made up of catering income (pupil meals), rental income, supply teacher insurance reimbursements and parental contributions. The remaining £68,000 is due to the revenue balances inherited when Ferham Primary and Meadow View Primary joined the trust in the year.

In the year £1,003,000 of unrestricted funds were transferred to restricted general funds to support school activities.

Restricted Pension Funds

The Trust has a material pension liability, which has arisen from obligations to the LGPS defined benefit pension scheme. This was inherited on conversion, there is no direct impact of this liability on the academy other than for the monitoring of the deficit for budgeting purposes.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The pension liability at 31 August 2022 was £3,196,000 (2021: £15,663,000). In the year the trust inherited £1,975,000 pension liabilities when Ferham Primary and Meadow View Primary joined the Trust. Despite the growth of the Trust the overall pension deficit reduced quite dramatically in the year, largely due to a significant increase in the value of scheme assets and a reduction in scheme liabilities.

Reserves Policy

Trustees acknowledge that it is good practice to review the reserves throughout the year. Reserves can be "restricted" and "unrestricted" balances. Charity law requires that any income received by the trust be spent within a reasonable period of its receipt.

A key priority of the trust is to develop financial resilience to mitigate the risks associated with fluctuations in pupil numbers and the impact of nationally agreed pay awards. The trust therefore aims to carry a reserve equivalent to 5% of General Annual Grant. For the academic year 2021/22, this equates to £901,000.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2022 was £1,046,000. This has been reviewed by the trust and is in line with the reserves policy.

Investment Policy

Trustees have established that any surplus funds are invested well with best financial returns against minimum risks. Trustees accept responsibility for any investments made and will ensure that adequate cash balances are maintained in each academy.

Financial and Risk Management Objectives and Policies

School Business Managers carry out regular budget monitoring and report any variances to the Headteacher and Chief Financial Officer (CFO). The CFO also produces monthly management accounts for the Chair of the trust. The role of the internal auditor is conducted by MGRW and their outcomes are reported directly to trustees. An Audit & Risk Committee has also been established to help strengthen internal scrutiny.

One area of risk trustees have assessed is consistency in quality of teaching and learning, which is being addressed through termly school improvement meetings headed up by the CEO. The trust carries out an external annual review of its academies in order to accurately assess the performance of each academy and take early intervention to address any identified issues. The challenge for the coming year is the ongoing impact of COVID-19 on staff and pupil performance/wellbeing.

The trust has implemented the requirements of the Safer Recruitment procedures and most staff have received training in this area in addition to training on Child Protection. The trust has a Designated Safeguarding Lead who will ensure all staff receive relevant training within the next accounting period.

Principal Risks and Uncertainties

The main risks and uncertainties faced by the trust are regarding the long-term impact of COVID-19 and rising inflation. Whilst the government has announced additional funding to minimise the impact of rising energy costs (School Supplementary Grant) the recently announced pay awards for both teaching and support staff will have a significant impact on the medium-term financial outlook. Whilst these pay awards have yet to be agreed it is clear that the increase is much higher than anticipated.

The government has taken steps to reduce the medium-term uncertainty caused by COVID-19 – including extending the COVID Recovery Premium and the National Tutoring Programme. However, the longer-term impact on staff wellbeing and pupil progress has yet to be fully realised. The trust is working with Headteachers to mitigate these risks by investing in additional capacity to target pupils who are 'falling behind' as well as revising curriculum plans.

The trust also faces the risks associated with expansion. In the academic year 2022/23, an additional 2 schools are expected to join the trust and additional investment is required in staffing resource to effectively operate as a 19 school multi-academy trust.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Plans for Future Periods

James Montgomery Academy Trust will strive to meet key objectives and deliver outstanding opportunities for its pupils. There will be a strong focus on governance, leadership, succession planning and accountability. The trust is committed to ensuring successful Ofsted judgements are achieved.

Strategic Aims:

1. Attainment and Progress
To ensure curriculum design focuses on attainment across the broad curriculum
To impact upon standards for Pupil Premium across the trust
To continue to share best practice across our trust
2. Finance Strategy and Control
To implement audit recommendations to ensure full compliance
To continue to ensure that balanced budgets are held
To build greater financial resilience through effective financial management
To harness the purchasing power of the trust to drive down costs
3. Quality Assurance and Data
To review and improve findings from our Assurance Register
To moderate findings from the data tool
To see impact of termly audits as procedures are tightened across the trust
4. Governance
To complete re-alignment of LGBs on conversion
To continue to strengthen the links and ensure systems are robust and effective
5. Vision and Values
To continue to develop an infrastructure that manages and supports schools and offers added value.
6. Workforce
Strengthen coaching to enhance teaching and learning
Commence leadership coaching.
7. Maintain and improve our buildings to ensure that we offer outstanding facilities
Develop a 5-year strategic plan to underpin investment through School Condition Allocation.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	2022	2021
Energy consumption used to calculate emissions (kWh)	5,037,038	5,005,764
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• gas,• electricity,• transport fuel	3,868,577 1,164,861 3,600	3,950,576 1,051,774 3,414
<u>Scope 1 emissions in metric tonnes CO₂e</u> Gas consumption	706.17	723.59

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	164.84	144.05
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	3.60	3.41
Total gross emissions in metric tonnes CO2e	874.61	871.05
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.20	0.22

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is the total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measurements taken to improve energy efficiency

The Trust has taken a number of steps to reduce carbon emissions, including:

- Encouraging staff to hold meetings via video conferencing, thus reducing travel between sites.
- Invested in LED lighting units to reduce energy consumption.
- Utilised capital funding to upgrade inefficient heating systems and replace leaking roofs.

JAMES MONTGOMERY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

Statement as to disclosure of Information to the auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Martin Harrison (Dec 15, 2022 14:43 GMT)

M Harrison
Trustee

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to 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 James Montgomery Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of
C Fitch	4	8
M Harrison (Chair)	5	8
A Price (resigned 01/10/2021)	-	-
A Richards	4	8
C Hewitt	5	8
R Puncheon	8	8
V Helliwell (appointed 01/10/2021)	5	8
L Hunter (appointed 28/06/2022)	-	-
I Hutchinson (appointed 28/06/2022)	-	-
C Parkinson (appointed 01/12/2021)	4	7
J Gray (resigned 01/10/2021)	-	-

In the academic year ending 31 August 2022 the trust appointed four new trustees and received resignations from two serving trustees. The recruitment process was informed by an external review of governance which was carried out during the 2021 Autumn term.

The functions of the Board of Trustees have covered working with the trust Senior Leadership Team in preparation for Ofsted inspections, implementing the recommendations of the external governance review – including significant changes to local governance arrangements, and amending the scheme of delegation to reflect the new governance arrangements. The Board has been involved in performance management of key personnel and have been instrumental in helping to develop best practice across the MAT in sharing information.

The data from our schools is shared using systems to provide transparency not just at Board level but school to school, allowing for collaboration and competition. We regularly benchmark against national and local standards to demonstrate the effectiveness of our structures and resources. All data shared but quantitative and qualitative is collated at regular intervals and retained for comparison, therefore scrutiny is welcomed and appreciated by the Board.

The Board of Trustees aim to meet at least 6 times per academic year, however recognise that this is not always possible, therefore communication is maintained throughout the year by sharing reports, Trustees meeting with trust key personnel and the sharing of monthly management accounts via a secure portal.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trust has an Audit & Risk Committee. As per the Terms of Reference the committee is required to meet 3 times in the academic year. In 2021/22 the committee met 3 times, with all members in attendance. However, the Chair of the Trust Board and committee members have received regular updates from the Chief Financial Officer to ensure effective oversight.

Governance Review

In the year the Trust commissioned an external review of its governance arrangements. The review was carried out by an external consultant who engaged with Local Governing Bodies to gain an understanding of how effective local governance was. As a result of the review the trust made amendments to the Scheme of Delegation and redefined the role of local governing bodies. Governance at trust board level has also been strengthened with the appointment of four new trustees with a strong educational background.

Review of Value for Money

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

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

- Centralising ICT procurement to benefit from bulk purchasing discounts.
- Consolidating pensions reporting, reducing audit and professional fees by approx. £5,000 p.a.
- Investing in energy efficient LED lighting to reduce energy costs for schools.

Following the coronavirus outbreak the Department for Education issued guidance to academy trusts in relation to payment of suppliers. Public Procurement Notices 02/20 and 04/20 are designed to ensure service continuity during the coronavirus outbreak, protecting 'at risk' suppliers and jobs. During the period of uncertainty caused by the pandemic the trust has continued to support local authority services by honouring existing contractual obligations. Agreements were reached with local authority providers for catering and cleaning services. As local authorities were unable to furlough staff there was a real risk that a number of traded services would become unviable during the period of closure. Without financial support from customers these services would cease to exist.

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 James Montgomery Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MGRW as internal auditor.

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

Testing of the controls of the following systems:

- testing of purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of the payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;

On an annual basis MGRW reports to the Board of Trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

MGRW have delivered part of their schedule of work as planned. After the internal audit, the auditors scheduled recommendations to improve the systems and controls in place, all of which were either implemented in the period, or are in the process of being implemented.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Chief Financial Officer who has 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 Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

JAMES MONTGOMERY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Approved by order of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Martin Harrison (Dec 15, 2022 14:43 GMT)

M Harrison
Chair



DSilvester (Dec 16, 2022 08:07 GMT)

D Silvester
Accounting Officer

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As Accounting Officer of James Montgomery Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2021.

I can confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

- In the year a lease agreement relating to the installation of LED energy efficient lighting units was found to be non-compliant as it met the definition of a finance lease. The Academies Trust Handbook makes clear that academy trusts must not enter into finance lease agreements. The trust immediately notified the ESFA and since the year end, purchased the leased items outright from surplus capital funds, bringing the trust back into compliance.

DSilvester

DSilvester (Dec 16, 2022 08:07 GMT)

D Silvester
Accounting Officer

14 December 2022

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who also act as trustees for James Montgomery Academy Trust) are responsible for preparing the trustees report and the accounts in accordance with the Academies Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf



Martin Harrison (Dec 15, 2022 14:43 GMT)

M P Harrison
Chair

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST

Opinion

We have audited the financial statements of James Montgomery Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the directors report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST

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

We gained an understanding of the legal and regulatory framework applicable to the trust and the sector in which it operates, and considered the risk of acts by the trust that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focussed on laws and regulations relevant to the trust which could give rise to a material misstatement in the financial statements. These laws and regulations include, but are not limited to, those issued by or relating to Ofsted, ESFA, GDPR, Safeguarding and Health and Safety. Our testing included discussions with management and directors with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, reviewing legal expenses and reviewing Ofsted reports. We also reviewed the trust's website to ensure the required disclosures had been made in line with the Academies Trust Handbook. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

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


Philip Allsop (Dec 16, 2022 08:09 GMT)

Philip Allsop (Senior statutory auditor)

for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditors
2 Rutland Park
Sheffield S10 2PD

Date: Dec 16, 2022

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by James Montgomery Academy Trust during the year 1 September 2020 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of James Montgomery Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of James Montgomery Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;

JAMES MONTGOMERY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEMBERS OF JAMES MONTGOMERY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

In the year, a lease agreement relating to the installation of LED energy efficient lighting units across the Trust was found to be non-compliant as it met the definition of a finance lease which is in breach of the Academies Trust Handbook 2021. The trust immediately notified the ESFA and has since the year end, purchased the leased items outright from surplus capital funds, bringing the trust back into compliance.


Philip Allsop (Dec 16, 2022 08:09 GMT)

Philip Allsop (Reporting Accountant)

BHP LLP

Chartered Accountants
Statutory Auditors
2 Rutland Park Sheffield
S10 2PD

Date: Dec 16, 2022

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted Funds	Restricted funds:		Total 2022	Total 2021
	Notes	£000	General	Fixed asset	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	59	1,043	1,102	2,255
Donations - transfer from local authority on conversion	29	68	(1,975)	4,608	2,701	6,781
Charitable activities:						
- Funding for educational operations	4	-	24,472	-	24,472	19,705
- Funding for teaching school		-	-	-	-	158
Other trading activities	5	876	-	-	876	479
Total		<u>944</u>	<u>22,556</u>	<u>5,651</u>	<u>29,151</u>	<u>29,378</u>
Expenditure on:						
Raising funds	-	-	-	-	-	-
Charitable activities:						
- Educational operations	9	-	27,440	907	28,347	21,979
- Teaching school		-	-	-	-	129
Total	6	<u>-</u>	<u>27,440</u>	<u>907</u>	<u>28,347</u>	<u>22,108</u>
Net income/(expenditure)		944	(4,884)	4,744	804	7,270
Transfers between funds	20	(1,003)	897	106	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	16,536	-	16,536	(1,538)
Net movement in funds		(59)	12,549	4,850	17,340	5,732
Reconciliation of funds						
Total funds brought forward		591	(15,231)	32,852	18,212	12,480
Total funds carried forward		<u>532</u>	<u>(2,682)</u>	<u>37,702</u>	<u>35,552</u>	<u>18,212</u>


JAMES MONTGOMERY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	13		36,906		32,121
Current assets					
Debtors	14	970		1,079	
Cash at bank and in hand		3,317		2,287	
		<u>4,287</u>		<u>3,366</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,390)		(1,525)	
		<u></u>		<u></u>	
Net current assets			1,897		1,841
Total assets less current liabilities			<u>38,803</u>		<u>33,962</u>
Creditors: amounts falling due after more than one year	17		(55)		(87)
Net assets excluding pension liability			38,748		33,875
Defined benefit pension scheme liability	19		(3,196)		(15,663)
			<u></u>		<u></u>
Net assets			<u>35,552</u>		<u>18,212</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			37,702		32,852
- Restricted income funds			514		432
- Pension reserve			(3,196)		(15,663)
			<u>35,020</u>		<u>17,621</u>
Total restricted funds			35,020		17,621
Unrestricted income funds	18		532		591
			<u>35,552</u>		<u>18,212</u>
Total funds			<u>35,552</u>		<u>18,212</u>

The accounts set out on pages 25 to 55 were approved by the board of directors and authorised for issue on 14 December 2022 and are signed on its behalf by:


Martin Harrison (Dec 15, 2022 14:43 GMT)

M P Harrison
Chair

Company Number 10482806

JAMES MONTGOMERY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£000	£000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	1,003	264
		<hr/>	<hr/>
		1,003	264
Cash flows from investing activities	22	(41)	377
Cash flows from academy conversions	23	68	503
		<hr/>	<hr/>
Net increase in cash and cash equivalents in the reporting period		1,030	1,144
Cash and cash equivalents at beginning of the year		2,287	1,143
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		3,317	2,287
		<hr/> <hr/>	<hr/> <hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

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

1.1 Basis of preparation

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

James Montgomery Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The directors 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 charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Government assurances around school funding during coronavirus pandemic has reduced financial uncertainty faced by schools and the ongoing situation is not expected to compromise the financial viability of the Trust moving forward. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion from a state-maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the state-maintained schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

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

Donations

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

Other income

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

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

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

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

Long leasehold land and buildings	Land: Not depreciated. Building: Straight line over 50 years.
Freehold land and buildings	Land: Not depreciated. Building: Straight line over 50 years.
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line

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

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease. Trusts must obtain prior approval from the ESFA before entering into finance lease agreements. If a signed lease agreement is found to meet the definition of a finance lease, and prior approval has not been sought, the trust must either renegotiate the lease terms or settle the lease in full, bringing the agreement to an end. Leased assets purchased by the trust will be shown at their fair value and reflected in tangible fixed assets on the balance sheet and depreciated over their useful economic life (as per the accounting treatment set out in section 1.6). This has occurred in 2022 and the finance lease was settled since the year end. In order to reflect an accurate position as at 31st August 2022, the assets have been included in fixed assets and the finance lease liability has been included in creditors.

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

Financial Assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.11 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 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 unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (continued)

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Donated fixed assets	-	227	227	-
Capital grants	-	816	816	2,230
Other donations	-	59	59	25
	<u>-</u>	<u>1,102</u>	<u>1,102</u>	<u>2,255</u>

In the year the Trust received £816,000 DfE group capital funding (2021: £2,230,000), £227,000 donated fixed assets from Rotherham MBC (2021: £nil) and £59,000 general donations (2021: £25,000).

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	18,019	18,019	14,222
Start Up Grant	-	50	50	-
Rates	-	59	59	58
Pupil Premium	-	1,530	1,530	1,166
PE & Sports Premium	-	296	296	232
Teacher Pay & Pensions Grant	-	86	86	643
Universal Infant FSM Grant	-	444	444	400
Teaching School Grants	-	-	-	40
Trust Level Grants	-	148	148	-
School Supplementary Grant	-	231	231	-
Other DfE group grants	-	35	35	195
	-	20,898	20,898	16,956
Other government grants				
Local authority grants	-	3,075	3,075	2,484
Educational Projects	-	182	182	105
	-	3,257	3,257	2,589
COVID-19 additional funding (DfE/ESFA)				
National Tutoring Programme	-	157	157	-
Catch-up Premium/Recovery Premium	-	160	160	268
Other incoming resources	-	-	-	50
	-	317	317	318
Total funding	-	24,472	24,472	19,863

In the year the Trust received £160,000 Recovery Premium and £157,000 School-led Tutoring Grant from the DfE. This funding has been used to support schools in delivering 'Covid catch up' activities.

The Trust also received £148,000 Trust Capacity Funding (TCAF) from the DfE to support its growth plan. The grant was spent in full in the academic year.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Unrestricted lettings income	15	-	15	14
Catering income	188	-	188	124
Unrestricted staff absence income	185	-	185	141
Other income	488	-	488	200
	<u>876</u>	<u>-</u>	<u>876</u>	<u>479</u>

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2022 £000	Total 2021 £000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations					
- Direct costs	17,626	578	3,642	21,846	16,977
- Allocated support costs	2,331	1,372	2,798	6,501	5,002
Teaching school					
- Direct costs	-	-	-	-	129
- Allocated support costs	-	-	-	-	-
	<u>19,957</u>	<u>1,950</u>	<u>6,440</u>	<u>28,347</u>	<u>22,108</u>

Net income/(expenditure) for the period includes:

	2022 £000	2021 £000
Fees payable to auditor for:		
- Audit	25	23
- Assurance services other than audit	13	18
Legal fees - academy conversion costs	25	69
Legal fees - other	24	14
Operating lease rentals	47	50
Depreciation of tangible fixed assets	907	761
Net interest on defined benefit pension liability	2,094	1,123

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Central services

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

- financial and legal infrastructure
- school standards oversight through the CEO
- school improvement support through the CEO and consultants
- value for money through contract negotiations
- toolkit for effective governance
- audits on compliance and best practice in health & safety and safeguarding
- estate management planning
- website compliance and management
- collaborative professional network
- access to ongoing professional development
- centralised community services to support vulnerable children and families.
- PE and ICT support

The academy trust charges for these services based on a flat percentage of General Annual Grant, Early Years Funding and School Supplementary Grant (5.5%).

The amounts charged during the year were as follows:

	2022	2021
	£000	£000
Anston Hillcrest Primary	55	19
Brampton Cortonwood Infant	45	41
Brampton the Ellis CofE Primary	120	103
Brinsworth Howarth Primary	48	52
Ferham Primary	57	-
Harthill Primary	38	37
Hooton Pagnell CofE All Saints Primary	26	25
Kiveton Park Infant	40	35
Kiveton Park Meadows Junior	51	49
Laughton J&I	52	48
Meadow View Primary	29	-
Mexborough St John the Baptist CofE Primary	59	54
St Ann's J&I	102	79
Thurcroft Infant	63	32
Wath CofE Primary	98	83
Wath Central Primary	97	90
Wath Victoria Primary	75	72
	<hr/>	<hr/>
	1,055	819
	<hr/> <hr/>	<hr/> <hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Direct costs - educational operations	-	21,846	21,846	17,063
Support costs - educational operations	-	6,501	6,501	5,045
	<u>-</u>	<u>28,347</u>	<u>28,347</u>	<u>22,108</u>

9 Charitable activities

Analysis of costs	Teaching School £000	Educational operations £000	Total 2022 £000	Total 2021 £000
Direct costs				
Teaching and educational support staff costs	-	17,626	17,626	14,292
Staff development	-	114	114	76
Depreciation and amortisation	-	817	817	685
Technology costs	-	183	183	201
Educational supplies and services	-	487	487	251
Examination fees	-	-	-	-
Educational consultancy	-	519	519	426
Other direct costs	-	2,100	2,100	1,132
	<u>-</u>	<u>21,846</u>	<u>21,846</u>	<u>17,063</u>
Support costs				
Support staff costs	-	2,331	2,331	2,107
Depreciation and amortisation	-	91	91	76
Maintenance of premises and equipment	-	286	286	147
Cleaning	-	221	221	216
Energy costs	-	422	422	242
Rent and rates	-	186	186	129
Insurance	-	78	78	69
Security and transport	-	7	7	3
Catering	-	1,203	1,203	963
Finance costs	-	-	-	-
Other support costs	-	1,589	1,589	965
Governance costs	-	87	87	128
	<u>-</u>	<u>6,501</u>	<u>6,501</u>	<u>5,045</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£000	£000
Wages and salaries	14,979	12,459
Social security costs	1,218	1,067
Pension costs	3,276	2,764
Apprenticeship levy	59	51
Holiday leave accrual	-	-
	<hr/>	<hr/>
Amounts paid to employees	19,532	16,341
Agency staff costs	391	95
Staff restructuring costs	34	13
	<hr/>	<hr/>
Total staff expenditure	<u>19,957</u>	<u>16,449</u>

Staff restructuring costs comprise:

Redundancy payments	8	-
Severance payments	16	9
Other restructuring costs	10	4
	<hr/>	<hr/>
	<u>34</u>	<u>13</u>

The academy trust paid 7 severance payments in the year, disclosed within the following bands:

0 - £25,000 7

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £10,000 (2021: £4,000). This is made up of 3 payments. Individually, the payments were: £2,000, £3,000 and £5,000.

Staff numbers

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

	2022	2021
	Number	Number
Teachers	208	183
Administration and support	478	425
Management	22	18
	<hr/>	<hr/>
	<u>708</u>	<u>626</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff (continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,000 - £70,000	7	3
£70,001 - £80,000	6	6
£80,001 - £90,000	1	3
£90,001 - £100,000	1	3
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £1,958,145 (2021: £1,597,359).

11 Directors and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme.

12 Directors remuneration and expenses

None of the directors have been under employment contracts with the academy trust during the period, therefore no remuneration has been paid.

No expenses were reimbursed or paid directly to directors during the period.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Long leasehold land and buildings	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2021	26,257	7,069	746	252	34,324
Transfer on conversion	4,601	-	5	2	4,608
Additions	648	-	173	263	1,084
	<u>31,506</u>	<u>7,069</u>	<u>924</u>	<u>517</u>	<u>40,016</u>
Depreciation					
At 1 September 2021	1,250	297	471	185	2,203
Charge for the year	642	-	210	55	907
	<u>1,892</u>	<u>297</u>	<u>681</u>	<u>240</u>	<u>3,110</u>
Net book value					
At 31 August 2021	<u>25,007</u>	<u>6,772</u>	<u>275</u>	<u>67</u>	<u>32,121</u>
At 31 August 2022	<u>29,614</u>	<u>6,772</u>	<u>243</u>	<u>277</u>	<u>36,906</u>

Upon conversion, land and buildings were transferred to Ferham Primary and Meadow View Primary on a 125 year lease from Rotherham MBC. The land and buildings valuations are included in the accounts based on disposal values supplied by Rotherham MBC Property Services.

Please refer to note 29 for further details regarding the transfer of assets and liabilities on conversion.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

14	Debtors	2022 £000	2021
	Trade debtors	154	127
	VAT recoverable	315	119
	Prepayments and accrued income	501	833
		<u>970</u>	<u>1,079</u>
		<u><u>970</u></u>	<u><u>1,079</u></u>
15	Creditors: amounts falling due within one year	2022 £000	2021 £000
	Trade creditors	772	357
	Other taxation and social security	647	623
	Finance lease	202	-
	Loans	7	7
	Other creditors	29	29
	Accruals and deferred income	733	509
		<u>2,390</u>	<u>1,525</u>
		<u><u>2,390</u></u>	<u><u>1,525</u></u>
16	Deferred income	2022 £000	2021 £000
	Deferred income is included within:		
	Creditors due within one year	<u>276</u>	<u>272</u>
		<u><u>276</u></u>	<u><u>272</u></u>
	Deferred income at 1 September 2021	289	314
	Released from previous years	(289)	(314)
	Resources deferred in the year	<u>276</u>	<u>289</u>
		<u><u>276</u></u>	<u><u>289</u></u>
	Deferred income at 31 August 2022	<u><u>276</u></u>	<u><u>289</u></u>
		<u><u>276</u></u>	<u><u>289</u></u>
<p>At the balance sheet date, the academy trust was holding funds received in advance for Universal Infant Free School Meals £272,599 (2021: £272,452) and parental contributions of £3,696 (2021: £9,759).</p>			
17	Creditors: amounts falling due in greater than one year	2022 £000	2021 £000
	Loans	45	48
	Other creditors	10	39
		<u>55</u>	<u>87</u>
		<u><u>55</u></u>	<u><u>87</u></u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Creditors: amounts falling due in greater than one year (continued)

On conversion of Brinsworth Howarth Primary the Trust inherited a deficit of £87,000. An agreement has been reached with the Department for Education to repay the deficit over a three-year period. In addition to this the Trust received capital loans totalling £55,000 in the 2020/21 year to support investment in buildings infrastructure projects. These loans will be repaid over an 8-year period. The balance due within 1 year is £36,000 and the balance due in excess of 1 year is £55,000.

18 Funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	393	18,019	(18,795)	897	514
Pupil Premium	-	1,530	(1,530)	-	-
National Tutoring Programme	-	157	(157)	-	-
Recovery Premium	-	160	(160)	-	-
Other DfE / ESFA grants	-	1,349	(1,349)	-	-
Other government grants	39	3,257	(3,296)	-	-
Donations	-	59	(59)	-	-
Pension reserve	(15,663)	(1,975)	(2,094)	16,536	(3,196)
	<u>(15,231)</u>	<u>22,556</u>	<u>(27,440)</u>	<u>17,433</u>	<u>(2,682)</u>
Restricted fixed asset funds					
Inherited on conversion	29,904	4,608	(603)	-	33,909
DfE group capital grants	2,680	816	(140)	-	3,356
Capital expenditure from GAG	232	-	(139)	106	199
Private funding	27	-	-	-	27
Local authority capital grants	9	227	(25)	-	211
	<u>32,852</u>	<u>5,651</u>	<u>(907)</u>	<u>106</u>	<u>37,702</u>
Total restricted funds	<u>17,621</u>	<u>28,207</u>	<u>(28,347)</u>	<u>17,539</u>	<u>35,020</u>
Unrestricted funds					
General funds	591	944	-	(1,003)	532
Total funds	<u>18,212</u>	<u>29,151</u>	<u>(28,347)</u>	<u>16,536</u>	<u>35,552</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

Pupil Premium Grant

Pupil Premium is additional funding given to academies so that they can support disadvantaged pupils in closing the attainment gap.

Other Grants

- The *Universal Infant Free School Meals* grant is to provide free school meals for all infant pupils.
- The *PE & Sports Premium* is funding received to support the sporting facilities of the academy.
- The *Teacher Pay & Pension Grant* is funding provided to compensate for the additional cost of teacher pension contributions and increased pay.
- The *Covid Recovery Premium* is additional funding provided by the DfE to help schools deliver additional support to pupils to combat the impact of 'lost learning' during the Covid pandemic.
- The *School-led Tutoring Grant* is additional funding provided by the DfE to deliver 1:1 and small group tuition to vulnerable pupils affected by 'lost learning' during the Covid pandemic.
- The *School Supplementary Grant* is additional funding provided by the DfE to help combat the rising cost of energy and the additional budgetary pressure caused by the 1.25% increase to employer national insurance contributions.
- The *Early Years funding* is to support the Early Years provision of the academy.
- The *High Needs funding* is to support pupils with additional needs.
- The *Trust Capacity Fund (TCAF)* is additional funding paid to the Trust to help build capacity to support future growth. In the year the Trust received a one-off allocation of £148,000.

Restricted Fixed Asset Funds

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the academy. A total of £106,000 (2021: £200,000) has been transferred from restricted general funds to restricted fixed asset funds. In the year the Trust received £816,000 capital funding from the DfE, a combination of Devolved Formula Capital (DFC), School Condition Allocation (SCA) and Condition Improvement Funding (CIF). At 31 August 2022 the Trust had unspent capital funds of £796,000 which will be utilised in the academic year 2021-22 to support building works and investment in ICT infrastructure.

Unrestricted Funds

The unrestricted funds represent funds available to the trustees to apply for the general purpose of the academy trust. In the year income of £944,000 was received – largely relating to parental contributions, insurance reimbursements and catering income. In the year £1,003,000 was transferred to restricted general funds to support the purchase of key educational resources.

Pension Reserve

The restricted pension fund has a deficit of £3,196,000 (2021: £15,663,000). The deficit has reduced significantly in the year following a change in financial assumptions which has seen the value of scheme liabilities fall and the value of scheme assets increase. On conversion of Ferham Primary and Meadow View Primary the Trust inherited a pension liability of £1,975,000 (included in the overall deficit figure). The pension finance charge in the year was £2,094,000 (2021: £1,123,000).

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	-	14,222	(14,043)	214	393
Pupil Premium	-	1,166	(1,166)	-	-
Other DfE / ESFA grants	-	2,178	(2,178)	536	-
Other government grants	8	2,164	(2,708)	-	-
Teaching school	10	158	(129)	-	39
Pension reserve	(11,315)	(1,687)	(1,123)	(1,538)	(15,663)
	<u>(11,297)</u>	<u>18,201</u>	<u>(21,347)</u>	<u>(788)</u>	<u>(15,231)</u>
Restricted fixed asset funds					
Inherited on conversion	22,457	8,021	(574)	-	29,904
DfE group capital grants	512	2,230	(62)	-	2,680
Capital expenditure from GAG	149	-	(117)	200	232
Private funding	30	-	(3)	-	27
Local authority capital grants	14	-	(5)	-	9
	<u>23,162</u>	<u>10,251</u>	<u>(761)</u>	<u>200</u>	<u>32,852</u>
Total restricted funds	<u>11,865</u>	<u>28,452</u>	<u>(22,108)</u>	<u>(588)</u>	<u>17,621</u>
Unrestricted funds					
General funds	<u>615</u>	<u>926</u>	<u>-</u>	<u>(950)</u>	<u>591</u>
Total funds	<u>12,480</u>	<u>29,378</u>	<u>(22,108)</u>	<u>(1,538)</u>	<u>18,212</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (continued)

Total funds analysis by academy

	2022	2021
	£000	£000
Fund balances at 31 August 2022 were allocated as follows:		
Anston Hillcrest Primary	(10)	36
Brampton Cortonwood Infant	(67)	(23)
Brampton the Ellis CofE Primary	25	3
Brinsworth Howarth Primary	(5)	(28)
Ferham Primary	15	-
Harthill Primary	(13)	42
Hooton Pagnell CofE All Saints Primary	105	48
Kiveton Park Infant	67	25
Kiveton Park Meadows Junior	56	76
Laughton J&I	66	118
Meadow View Primary	42	-
Mexborough St John the Baptist CofE Primary	100	136
St Ann's J&I	123	146
Thurcroft Infant	173	166
Wath CofE Primary	79	62
Wath Central Primary	27	14
Wath Victoria Primary School	47	83
Forge Teaching School Alliance	-	39
Central services	216	80
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,046	1,023
Restricted fixed asset fund	37,702	32,852
Pension reserve	(3,196)	(15,663)
	<hr/>	<hr/>
Total funds	<u>35,552</u>	<u>18,212</u>

In the year four schools reported a deficit – Anston Hillcrest Primary (£10,000), Brampton Cortonwood Infant (£67,000), Brinsworth Howarth Primary (£5,000) and Harthill Primary (£13,000). Anston Hillcrest Primary reported a small deficit due to higher than anticipated premises repair costs. Work is currently underway to develop a revised budget forecast. Brampton Cortonwood Infant has carried out a staffing restructure in the year and is expected to recover the deficit over the next two years. Brinsworth Howarth Primary has reduced its deficit considerably in the year from £28,000 to £5,000. The Trust will continue to work with the school to eliminate the deficit in the new academic year. Harthill Primary reported a small deficit due to high staffing costs. A staffing restructure will be carried out in the new academic year.

All school balances have been negatively affected by the anticipated NJC pay award which will see salary costs increase by around 8%. The figures reported above take account of the estimated back pay for the period April – August 2022. Work is currently underway to revise budget forecasts to account for the recently announced inflationary pay increases, energy price cap and national insurance reversal.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Anston Hillcrest Primary	909	161	63	176	1,309	399
Brampton Cortonwood Infant	706	128	21	138	993	919
Brampton the Ellis CofE Primary	1,751	215	86	412	2,464	2,383
Brinsworth Howarth Primary	747	100	43	173	1,063	1,057
Ferham Primary	948	48	42	398	1,436	-
Harthill Primary	594	82	35	150	861	802
Hooton Pagnell CofE All Saints Primary	355	64	23	85	527	522
Kiveton Park Infant	694	118	28	121	961	972
Kiveton Park Meadows Junior	833	120	37	146	1,136	1,075
Laughton Junior and Infant School	809	129	56	165	1,159	1,030
Meadow View Primary	454	53	11	239	757	-
Mexborough St John the Baptist CofE Primary	975	101	35	233	1,344	1,150
St Ann's J&I	1,714	190	55	363	2,322	1,987
Thurcroft Infant	948	124	46	240	1,358	698
Wath CofE Primary	1,483	150	60	326	2,019	1,912
Wath Central Primary	1,538	93	50	541	2,222	2,117
Wath Victoria Primary	1,451	96	45	281	1,873	1,720
Forge Teaching School Alliance	-	-	-	-	-	129
Central services	717	359	125	2,435	3,636	2,475
	<u>17,626</u>	<u>2,331</u>	<u>861</u>	<u>6,622</u>	<u>27,440</u>	<u>21,347</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS 31 March 2019.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £1,945,600 (2021: £1,671,000). Contributions amounting to £229,000 were payable to the scheme as at 31 August 2022 (2021: £163,000) and are included in creditors.

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

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

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2022 and prior year are detailed below. The agreed contribution rate for the future year are 16.3% and 5.5% - 12.5% for employees.

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

Total contributions made	2022	2021
	£000	£000
Employer's contributions	1,266	1,124
Employees' contributions	358	291
Total contributions	<u>1,624</u>	<u>1415</u>

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	4.05	4.05
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	<u>4.25</u>	<u>1.70</u>

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

	2022	2021
	Years	Years
Retiring today		
- Males	22.6	22.5
- Females	25.4	25.3
Retiring in 20 years		
- Males	24.1	24.0
- Females	<u>27.3</u>	<u>27.2</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations (continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022	2021
	£000	£000
Discount rate + 0.1%	-	(662)
Discount rate - 0.1%	501	678
Mortality assumption + 1 year	773	899
Mortality assumption - 1 year	-	(872)
Pay growth + 0.1%	80	-
CPI rate + 0.1%	425	678
CPI rate - 0.1%	-	(662)
	<u> </u>	<u> </u>

The academy trust's share of the assets in the scheme

	2022	2021
	Fair value	Fair value
	£000	£000
Equities	11,290	6,414
Government bonds	3,226	1,829
Other bonds	-	981
Cash	161	133
Property	1,452	1,140
Other assets	-	2,757
	<u> </u>	<u> </u>
Total market value of assets	<u>16,129</u>	<u>13,254</u>

The actual return on scheme assets was 1.7% £274,000 (2021: £1,821,000 – 13.7%).

Amount recognised in the Statement of Financial Activities

	2022	2021
	£000	£000
Current service cost	2,999	2,033
Past service cost	-	-
Interest income	-	-
Interest cost	329	394
Admin expenses	32	25
	<u> </u>	<u> </u>
Total operating charge	<u>3,360</u>	<u>2,452</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations	2022 £000	2021 £000
At 1 September	28,917	18,992
Obligations acquired on conversion	3,436	4,289
Current service cost	2,999	2,033
Interest cost	602	394
Employee contributions	358	291
Actuarial loss/(gain)	(16,933)	3,154
Benefits paid	(86)	(236)
Admin expenses	32	-
	<hr/>	<hr/>
At 31 August	19,325	28,917
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of the academy trust's share of scheme assets	2022 £000	2021 £000
At 1 September	13,254	7,677
Assets acquired on conversion	1,461	2,602
Interest income	273	180
Actuarial gain	(397)	1,641
Employer contributions	1,266	1,124
Employee contributions	358	291
Benefits paid	(86)	(236)
Admin expenses	-	(25)
	<hr/>	<hr/>
At 31 August	16,129	13,254
	<hr/> <hr/>	<hr/> <hr/>

20 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2022 £000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	36,906	36,906
Current assets	532	2,959	796	4,287
Creditors falling due within one year	-	(2,390)	-	(2,390)
Creditors falling due in greater than one year	-	(55)	-	(55)
Defined benefit pension liability	-	(3,196)	-	(3,196)
	<hr/>	<hr/>	<hr/>	<hr/>
	532	(2,682)	37,702	35,552
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds
Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed asset Funds £000	Total 2021 £000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	32,121	32,121
Current assets	591	2,044	731	3,366
Creditors falling due within one year	-	(1,525)	-	(1,525)
Creditors falling due in greater than one year	-	(87)	-	(87)
Defined benefit pension liability	-	(15,663)	-	(15,663)
	<u>591</u>	<u>(15,231)</u>	<u>32,852</u>	<u>18,212</u>

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

	2022 £000	2021 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	804	7,270
Adjusted for:		
Depreciation (note 13)	907	761
Capital grants from DfE and other capital income	(816)	(2,075)
Assets inherited on conversion (note 32)	(4,608)	(7,965)
Investment income receivable	-	-
Defined benefit pension scheme obligation inherited (note 32)	1,975	1,687
Defined benefit pension scheme finance cost	2,094	1,123
Cash inherited on conversion	(68)	(503)
Donated assets	(227)	(210)
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors (note 15)	109	(199)
Increase/(decrease) in creditors (note 16)	833	375
Net cash (used in)/provided by operating activities	<u>1,003</u>	<u>264</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22	Cash flows from investing activities	2022	2021
		£000	£000
	Purchase of tangible fixed assets	(1,084)	(1,698)
	Donated fixed assets	227	
	DfE/other capital grants	816	2,075
	Net cash flows provided by/(used in) investing activities	(41)	377
23	Transfers on conversion	2022	2021
		£000	£000
	Cash transferred on conversion to academy status	68	503
	Total cash transferred on conversion	68	503
24	Analysis of cash and cash equivalents	2022	2021
		£000	£000
	Cash in hand and at the bank	3,317	2,287
	Total cash and cash equivalents	3,317	2,287

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 Commitments under operating leases and PFI agreements

At 31 August 2022 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2022 PFI £000	2022 Operating Leases £000	2021 PFI £000	2021 Operating Leases £000
Amounts due within one year	915	47	143	66
Amounts due in two and five years	3,661	49	573	175
Amounts due after five years	6,026	-	1,086	-
	<u>10,602</u>	<u>96</u>	<u>1,802</u>	<u>241</u>

The academy trust occupies premises which are subject to a Private Finance Initiative (PFI) contract. The trust itself is not party to this service concession contract, however the academy trust has entered into a supporting agreement towards the cost of the local authority. The above commitments cover the affordability payment and ongoing premises operating costs such as catering and cleaning. This ends in 2034.

26 Capital Commitments

	2022 £000	2021 £000
Contracted for, but not provided for in the financial statements	<u>66</u>	<u>159</u>

27 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees and key management personnel being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees and key management personnel have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Expenditure related party transactions

In the year the trust did not engage in any related party transactions.

Related employments

- Neil Pacheco, a teacher at Kiveton Park Meadows Junior, is the husband of Jennifer Pacheco, a member of the Senior Leadership Team in school.
- Karen King, a teaching assistant at Brampton the Ellis CofE Primary, is the wife of Richard King, a member of the Local Governing Body in the school.
- David Benbow, the Trust Governance Lead, is the husband of Alison Benbow, Headteacher at Brampton the Ellis CofE Primary.
- Claire Burrows, an admin assistant at Wath CofE Primary, is the daughter of Diane Hayner who is a member of the Local Governing Body in the school.
- Abigail Foreman, a teacher at Brampton Ellis CofE Primary, is the sister-in-law of George Dowson, a serving member of the Local Governing Body.
- Amanda Radford, a Schools Meals Supervisor at Harthill Primary, is the daughter of Fiona Radford, chair of the Local Governing Body.
- Rachel Goucher, a teacher at Kiveton Park Infant, is the daughter of Sandy Morrell, a serving member of the Local Governing Body.
- Vicky Rogers, a teacher at Laughton J&I, is the wife of Ashley Rogers, a serving member of the Local Governing Body.
- Gemma Briggs, a teacher at St Ann's J&I, is the partner of Richard Hawley, a teacher and member of the Local Governing Body.
- Neil Sargent, a caretaker at Thurcroft Infant, is the husband of Gail Sargent, a teaching assistant and member of the Local Governing Body.
- Richard Tricklebank, a teaching assistant at Kiveton Park Meadows Junior, is the son of Jennifer Pacheco, a member of the Senior Leadership Team in school.
- Jonathon Blood, a caretaker at Wath Victoria Primary, is the husband of Donna MacKinnon, Headteacher of the school.
- Jamie Ottewell, a teaching assistant at Wath Victoria Primary, is the son of Julie Salmons, the School Business Manager.
- Julie Salmons, School Business Manager at Wath Victoria Primary, is the cousin of Jackie Oliver, the trust Strategic Lead and serving member of the Local Governing Body.

All the above-named employees are paid within the normal pay range and receive no special treatment as a result of their relationship.

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

28 Members' liability

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

29 Conversion to an academy

On 1 October 2021 Ferham Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to James Montgomery Academy Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

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

	2022
	£000
Net assets transferred:	
Tangible fixed assets	2,517
Cash	9
LGPS pension surplus/(deficit)	(964)
	<u>1,562</u>

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2020
	£000	£000	£000	£000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	2,517	2,517
LA budget funds	-	-	-	-
School private fund	9	-	-	9
LGPS pension funds	-	(964)	-	(964)
	<u>9</u>	<u>(964)</u>	<u>2,517</u>	<u>1,562</u>

JAMES MONTGOMERY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

29 Conversion to an academy (continued)

On 1 February 2022 Meadow View Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to James Montgomery Academy Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

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

Net assets transferred:				2022
				£000
Tangible fixed assets				2,091
Cash				59
LGPS pension surplus/(deficit)				(1,011)
				<u>1,139</u>
				<u><u>1,139</u></u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2020
	£000	£000	£000	£000
Fixed assets funds	-	-	2,091	2,091
LA budget funds	56	-	-	56
School private fund	3	-	-	3
LGPS pension funds	-	(1,011)	-	(1,011)
	<u>59</u>	<u>(1,011)</u>	<u>2,091</u>	<u>1,139</u>
	<u><u>59</u></u>	<u><u>(1,011)</u></u>	<u><u>2,091</u></u>	<u><u>1,139</u></u>



James Montgomery Academy Trust

Audit Findings Report

Year ended 31 August 2022

Contents

Introduction	2
Audit summary	3
Identified audit risks	4
Internal controls	7
Regularity assurance engagement findings	10
Appendix 1: Surplus/(deficit) reconciliation	13
Appendix 2: Unadjusted misstatements	14
Appendix 3: Qualitative aspects of accounting practice and financial reporting	15
Appendix 4: Outstanding matters	16
Appendix 5: Keeping you informed	17

Introduction

The Board of Trustees
James Montgomery Academy Trust
Ellis House
C/O Brampton Ellis Primary School
Wath-Upon-Dearne
South Yorkshire
S63 6BB

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

15 December 2022

Dear Trustees

Audit of the Financial Statements of the James Montgomery Academy Trust for the year ended 31 August 2022

This letter forms part of the ongoing communication we are required to make under the relevant auditing standard (International Standard on Auditing (UK) 260). The purpose of this document is to report to the trustees, the findings following our audit of the financial statements and regularity assurance engagement.

As explained in our audit plan, we are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the trustees. The audit of the financial statements does not relieve management or trustees of their responsibilities and details of our respective responsibilities are summarised in our letter of engagement dated 9 October 2020.

This report is prepared solely for the confidential use of the trustees of James Montgomery Academy Trust. We understand that you are required to provide a copy of this report to the Education & Skills Funding Agency who may share this information internally within the Department for decision making purposes. With the exception of this, no reports may be provided to third parties without our prior consent. Consent is, and will only be, granted on the basis that such reports are not prepared with the interests of anyone other than the academy trust in mind and that we accept no duty or responsibility to any other party. No responsibilities are accepted by BHP LLP towards any party acting or refraining from action as a result.

We would like to take this opportunity to thank Peter Haynes at James Montgomery Academy Trust for the assistance that he has provided to us during the course of our audit.

Yours faithfully

Philip Allsop
Audit Partner
for and on behalf of BHP LLP



Audit summary

We communicated our audit approach in our audit planning memorandum dated 8 July 2022. We confirm that no changes to this audit approach have been considered necessary.

We reconfirm that we have considered our independence and there are no changes identified since our communication at the planning stage.

Our audit fieldwork has not highlighted any additional areas of risk, other than those previously reported to you. The previously reported risks, along with a description of our audit approach and conclusions, are set out in the next section.

Our audit fieldwork is predominantly complete subject to the outstanding items noted in Appendix 4, and receipt of a signed letter of representation, the key extracts of which are included at Appendix 5.

We have noted a number of potential deficiencies in internal controls that came to our attention during the course of our audit and these are set out later in this report. We will discuss these with you and update our report for your responses.

Our work in relation to the regularity assurance engagement is also predominantly complete and we set out certain issues for your attention within this report.

Other areas of our report include:

- Appendix 1 details the adjustments that have been made to the trial balance provided to us at the planning stage.
- A summary of the unadjusted misstatements identified during the audit testing is detailed in Appendix 2.
- Appendix 3 draws your attention to certain qualitative aspects of accounting practice and financial reporting.

Identified audit risks

Set out below is the summary of our assessment of the key business and audit risks affecting the financial statements, together with an overview of our planned audit procedures, as identified and communicated in our audit plan. We have also set out below our approach and work performed, together with the audit conclusion in relation to each risk.

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Revenue recognition	<p>Auditing standards state that there is a presumed risk that revenue may be misstated.</p> <p>In the case of academy trusts, core ESFA income such as GAG is relatively low risk but there is more risk in relation to other income such as generated income.</p>	<p>For grants received from DfE/ESFA, we agreed the amounts per remittances to the income recognised in the financial statements.</p> <p>For other new and existing grants/contracts, we reviewed the signed agreements to ensure recorded income was in line with these. Other income, if material, has been agreed from source documentation on a sample basis.</p>	No issues noted with regards to revenue recognition.
Management override of controls	<p>Auditing standards state that the presumed risk of management override of controls exists in all entities.</p>	<p>We used Data Analytics software to mine 100% of the entity's financial data and ran a number of tests to identify the higher risk transactions. We then tested and agreed these to supporting documentation/appropriate evidence to ensure the transactions were appropriate, correctly accounted for and did not represent a risk of management override.</p>	We have not noted any instances of management override from our review of journal entries in the period.
Going concern	<p>The Academy Trust may not have sufficient reserves or a loss/decline in income could impact the ability of the Trust to continue as a going concern.</p>	<p>We made enquiries of management to confirm the trustees' use of the going concern basis. We have reviewed budgets and forecasts and free reserves calculation for the 12 months from the expected date of sign off. We have assessed the reasonableness of these to form an opinion on the use of the going concern basis.</p>	The use of the going concern assumption appears reasonable.

Identified audit risks

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
Restricted funds	Risk that income and expenditure in relation to restricted funds is not correctly disclosed in accordance with the Academies Accounts Direction or spent for the relevant purpose.	As part of our transactions testing of income, we reviewed the sources of income to assess whether they should be recorded as restricted funds. We selected a sample of expenditure allocated against restricted funds to ensure the funds had been correctly applied for the purpose for which they were received.	We have not noted any issues with regards to allocations of funding between restricted and unrestricted funds.
Laws and regulations	Failure to comply could result in a major financial or reputational impact on the academy trust.	We reviewed the minutes of the Academy Trust, correspondence with regulators including ESFA and discussed with management to identify instances of non-compliance and claims.	No instances of non-compliance with laws and regulations noted.
Related parties	Related party transactions ("RPT's") may not be correctly disclosed or on an arm's length basis. There is also a risk that transactions with connected parties do not follow the "at cost" rules in the Academies Financial Handbook.	Disclosure of RPT's must be in accordance with the Academies Accounts Direction. Register of interest forms completed by senior management and trustees were obtained from the CFO at the start of the audit. We also reviewed reporting/approval of RPT's through ESFA portal. We have tested for RPT's during our transaction testing for income and expenditure. We have also reviewed all transactions through our data analytics software for potential RPT's not identified by management. Completeness of disclosure has been confirmed with senior management.	We have not found any evidence of undisclosed related party transactions.

Identified audit risks

Risk	Description	Our approach (how we addressed the risk)	Audit conclusion
New academy joining the Trust	Assets and liabilities relating to Ferham Primary and Meadow View Primary which joined the Trust during the year need to be brought into the financial statements at fair value.	We have obtained audit evidence regarding each of the key assets and liabilities transferred into the Trust. This included confirmation that the bank balance transferred in reflects the full balance of monies due in relation to the school including any school fund monies. Also audit evidence that the property, other fixed assets and the pension liability have been recognised accurately and at fair value.	Values recognised in relation to new academies joining the trust appear to be materially correct.

Internal controls

Current year

The purpose of the audit was to form an opinion on the financial statements. As part of our audit, we have considered the internal controls relevant to the preparation of the financial statements, in order to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls. The matters reported are limited to those deficiencies in internal controls which came to our attention during the course of our audit work. This does not constitute a comprehensive statement of all deficiencies that may exist or of all improvements which may be made and has addressed only those matters which have come to our attention as a result of the audit procedures performed.

Our findings and recommendations are noted below. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each item.

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
From our data analytics testing, it was noted on 3 occasions that transactions were inadvertently posted into the financial system using the Headteachers user ID. This was likely caused by a Headteacher logging in to Access to approve transactions and not logging out before another staff member begins posting transactions.	There is a risk that transactions could be authorised incorrectly under the Headteachers user ID and or users can post transactions into the financial system under false ID.		Ensure that transactions are reviewed on a regular basis and users log out of any shared systems when not in use.	Transactions are in fact reviewed on a regular basis. However, given the volume of transactions it is difficult to spot the odd breach (on this occasion 3 transactions versus thousands of transaction lines). Further training will be delivered to School Business Managers and Headteachers.

Internal controls

Prior year

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
Upon reperforming the bank reconciliations, it was found there were still some differences in the TB and bank statement figures with a net value of around £10,000. This was noted to be due to issues with the financial system.	Bank could be over/understated in the accounts.		Review bank reconciliations and/or TB figures to ensure these agree to the bank statements and obtain a fix from Access Education as soon as possible.	No issues noted in the current year.
From our credit card expenditure testing, there were 4 out of 15 transactions found to be without appropriate authorisation or full signature.	There is a risk that purchases are made that do not obtain value for money or are in the best interests of the trust.		Ensure that the appropriate authorisation procedures are followed.	No issues noted in the current year.
From our wages and salaries testing, it was found that up to date payroll information for contract changes could not be provided due to annual increment increases or contract variations not being sent to employees. Screenshots were provided directly from the payroll system showing employees latest bandings.	There is a risk that employees may not be paid in accordance with their contract.		Ensure that contracts are updated and reissued to employees to reflect any changes to employees pay and terms.	No issues noted in the current year.

Internal controls

Prior year - continued

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
From our testing of joiners and leavers, it was found that one staff member does not have a contract or a letter of offer for employment which can be provided by the Trust to confirm start date.	There is a risk that employees may not be paid in accordance with their appropriate rate or paid from the correct date.		Ensure appropriate documentation is issued and held on file for all new starters.	No issues noted in the current year.
From our deductions testing, we were unable to agree the recalculation for one employees pension contribution. This was due to an error in the payroll software.	Employers pension contributions are calculated incorrectly which is affecting both the accounts and employees pension.		Ensure deduction calculations are checked and verified on a periodic basis and payroll is aware of the issue.	No issues noted in the current year.
From our data analytics testing, it was noted on 3 occasions that transactions were inadvertently posted into the financial system using the Headteachers user ID. This was likely caused by a Headteacher logging in to Access to approve transactions and not logging out before another staff member begins posting transactions.	There is a risk that transactions could be authorised incorrectly under the Headteachers user ID and or users can post transactions into the financial system under false ID.		Ensure that transactions are reviewed on a regular basis and users log out of any shared systems when not in use.	Raised again in current year.

Regularity assurance engagement findings

We have conducted our regularity assurance engagement in accordance with the “Framework and guide for external auditors and reporting accounts of academy trusts” issued by ESFA in March 2022. We performed a limited assurance engagement as defined in our engagement letter. The ESFA has no right by virtue of the regularity engagement to place reliance on our work and the opinion we form in respect of our statutory financial statement audit of the academy trust.

The object of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement included examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust’s income and expenditure. The work undertaken to draw on our conclusions included:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately.
- Review of the Trust’s internal financial procedures to ensure that controls are in place to prevent or identify regularity issues.
- Ensure that ESFA approval has been obtained for relevant transactions.
- Discussions with trustees, senior leadership team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Regularity issues brought to our attention in connection with the regularity assurance engagement are set out on the following page. We have assigned a priority indication to each finding to reflect the urgency we consider management should place in addressing each point.

Regularity assurance engagement findings

Current year

	Implies a high priority issue requiring immediate management attention		Implies an important issue that should be reviewed and/or implemented at your earliest convenience		Implies an advisory issue that is raised purely for management information and possible further discussion
--	--	--	--	--	--

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Response
E-Lighting leases which were discovered to be finance leases have been taken out during the period.	Finance leases are prohibited by the Academy Trust Handbook unless prior approval is granted by the ESFA.		Ensure under no circumstances that finance leases are entered into going forward.	These have now been "bought out" since the year end so the Trust own the assets outright. The Trust has been working with the ESFA and has received acknowledgement that the lease agreement has been regularised and there is no further action required.
We were unable to confirm that the HR advice relating to severance payments was received prior to the payments being made.	There is a risk that the academy is not compliant with the Academy Trust Handbook section 5.8		Ensure advice is received from a solicitor or HR advisor in advance of payment being authorised. Ensure this is documented at the time the advice was received.	Advice was sought prior to making the settlement offers to employees. HR are involved from start to finish. It is our HR advisors who lead on all such matters.

Regularity assurance engagement findings

Prior year

We have also set out the deficiencies identified in the previous year's audit with an update on the position in the current year.

Findings	Potential implication / consequence / financial impact	Rating	Recommendation	Update in current year
From our review of the internal audit report, it was found that alcohol with a value of £9.99 of was purchased at Brampton Cortonwood Infant School as a gift for a volunteer playing Father Christmas.	Purchase of alcohol is prohibited from academy funds.		Ensure under no circumstances that alcohol is purchased from school funds going forward.	No issues noted in the current year.

Appendix 1: Surplus/(deficit) reconciliation

We set out below the identified audit misstatements that have been adjusted in the financial statements and show a reconciliation between the surplus/(deficit) per the trial balance/management accounts provided at the planning stage and that reported in the financial statements.

	Total £
Surplus/(deficit) per initial workbok	4,876,144
Increase in internal audit fees	(2,380)
Pension deficit inherited on conversion	(1,975,000)
Pension finance charge	(2,094,000)
Actuarial gain on LGPS pension scheme	16,536,000
Surplus/(deficit) per the draft financial statements	17,340,764

On behalf of the Board, I hereby approve the adjustments summarised above:

Signed: DSilvester
DSilvester (Dec 16, 2022 08:07 GMT)

Date: Dec 16, 2022

Name: DSilvester

Appendix 2: Unadjusted misstatements

We set out below the misstatements above the level of 'clearly trivial' that we have identified during our audit testing. These misstatements were not considered material either individually or in aggregate and so have not been adjusted in the financial statements.

Detail	SOFA		Balance sheet	
	DR £	CR £	DR £	CR £
Incorrect posting of salary reimbursement to Payroll instead of Income	51,953	51,953		
Total potential adjustments	51,953	51,953	-	-
Total effect of these misstatements			Over/(under) statement	-

Appendix 3: Qualitative aspects of accounting practice and financial reporting

Disclosures

We set out below specific matters that we consider should be brought to your attention.

Accounting policies

Accounting policies appear reasonable. We have nothing to note in this regard.

Significant difficulties encountered during the audit

We are pleased to report that we incurred no significant difficulties in completing our audit work. Information, explanations and documentation were all presented to us in a timely fashion and the agreed deliverables were uploaded to our secure portal as and when expected. We should like to thank the finance team for their hard work in this regard.

Appendix 4: Outstanding matters

This page lists the steps which still need to be taken in order to complete the audit along with an outline of the assistance we require from you in order to complete the work in a timely manner.

As part of our final audit procedures, we will ask the trustees to confirm in writing that there have been no further issues arising since the completion of our fieldwork which could be considered either adjusting post balance sheet events or post balance sheet events which although not adjusting, are of such significance that they should be reported within the financial statements in order to show a true and fair view. We will discuss these matters with management and ask management to confirm on behalf of the Board of Trustees, through a letter of representation.

Appendix 5: Keeping you informed

Issue	Key points
Standard chart of accounts	<ul style="list-style-type: none"> A few years ago, ESFA published a standard chart of accounts that facilitates the completion of the academy trust's annual accounts return and budget forecast returns. ESFA strongly recommends this for adoption and we endorse it. It is updated slightly each year – new version to be applied from 1 September 2022. Details can be found here: https://www.gov.uk/government/publications/academies-chart-of-accounts
Automated AAR process	<ul style="list-style-type: none"> Available from 1 September 2022. Details can be found here: https://www.gov.uk/government/publications/academies-chart-of-accounts/guide-to-automating-the-academies-accounts-return
16-19 Bursary funding	<ul style="list-style-type: none"> This funding can be carried over to the next academic year but not for more than one year. Any unspent money must then be repaid to ESFA. We therefore recommend that you review any unspent Bursary Funding as a priority to minimise the amount which will need to be repaid after the forthcoming accounting year end.
Apprenticeship levy	<ul style="list-style-type: none"> All employees with annual gross pay bill of over £3m are required to make contributions. Chargeable at 0.5% of annual pay bill (the amount of which you pay Class 1 secondary NIC). Connected entities need to aggregate their pay bills to check if the entities are caught by Levy. Levy held in special account for drawdown to pay relevant apprenticeship training costs. The government adds an additional 10% to your contributions. Organisations not paying the Levy can still benefit. Undrawn funds expire after 24 months. So, we recommend that you investigate the extent of drawdown by your organisation. In academy trust accounts, the amount claimed each year should be shown as notional income and notional expenditure.

Appendix 5: Keeping you informed

Issue	Key points
Streamlined energy and carbon reporting (“SECR”)	<ul style="list-style-type: none"> • Only applies to businesses which are quoted or large unquoted businesses which satisfy the size criteria as large (at least 250 employees, turnover more than £36m and/or balance sheet total more than £18m) and that consume more than 40,000 kWh of energy (in the UK) in a reporting period. • Requirement to report energy use, greenhouse gas emissions, an intensity metric, methodologies used in calculation disclosures and a narrative of measures taken to improve energy efficiency in the period. • In assessing whether the 40,000 kWh threshold is met, academy trusts must consider, as a minimum, all the energy from gas, electricity and transport fuel usage in the UK that it is responsible for. • Where an academy trust is large but does not consume more than 40,000 kWh of energy in the reporting period, it qualifies as a low energy user and is exempt from reporting under these regulations. A statement to this effect should be included in the Trustees’ Report. • Large academy trusts are also encouraged by ESFA to reproduce the SECR disclosures in a readily available format on their website before 31 March each year. • The ESFA has produced a good practice guide, which is accessible here: https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting • BHP webinar with Auditel about SECR, carbon reduction strategy and energy procurement in May 22 – recording available.
Directors’ responsibilities – s.172 statements	<ul style="list-style-type: none"> • Only applies to large companies and subsidiaries (size criteria as for SECR reporting). • Requirement to include a statement in the Strategic Report showing how the trustees have had regard to: <ol style="list-style-type: none"> a) The likely consequences of any decision in the long term b) The interests of employees c) The impact of operations on the community and environment d) The need to foster business relationships with suppliers, customers and others e) The desirability of maintaining reputation for high standards of business conduct f) The need to act fairly as between members of the company • Requirement for the statement to be published on the trust’s website. • Guidance by the Charity Commission available on the link below recognises that there may be overlaps between sections of the Trustees’ Report and encourages charities to avoid repetition, maintain the cohesion of the narrative contained within the Trustees’ Report and incorporate information by cross-reference where appropriate. http://www.charityscorp.org/media/647775/information-sheet-3-the-companies-misc-reporting-regs-2018.pdf

Appendix 5: Keeping you informed

Issue	Key points
Gender pay reporting	<ul style="list-style-type: none"> Affects organisations that have 250 or more employees. Obligation to publish and report specific figures about the organisation's gender pay gap. Report the data to the government online using the gender pay gap reporting service http://gov.uk/report-gender-pay-gap-data Guidance can be found at: https://www.gov.uk/guidance/gender-pay-gap-reporting-overview
Supplier payment reporting	<ul style="list-style-type: none"> Affects organisations that are classified as large (turnover in excess of £36 million, balance sheet total in excess of £18 million and employ more than 250 people). Requirement to report: <ul style="list-style-type: none"> Standard payment terms and process for dispute resolution Statistics on the average number of days taken to make payments to suppliers An analysis of payments made in 30 days or less, between 31 and 60 days and in 61 days or more Percentage of payments not made within agreed terms Whether suppliers are offered e-invoicing and if supply chain finance is available Any charges for being on a suppliers list The name of any payment code observed Reporting is via government web-based reporting service Guidance can be found at: https://www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements
Off-payroll working	<ul style="list-style-type: none"> Affects all companies except those classified as small (Companies Act definition – where 2 or more conditions apply: turnover <£10.2m; balance sheet total, £5.1m; fewer than 50 employees). For payments to individuals who provide their services through a PSC, there is a requirement for the end client to decide if IR35 applies. If so, the end client must account for PAYE and NIC on payments to the PSC. If the worker is being engaged via an agency, the agency must account for the PAYE and NICs. The end client must consider if the arrangements for the worker are such that they would have been regarded as directly employed if the PASC did not exist. This must be done before payment is made. There is a web tool to help decide, called CEST - https://www.gov.uk/guidance/check-employment-status-for-tax Some CEST questions are technical and we recommend going through this with an Employment Taxes specialist to explain the context. If the PSC has been engaged by an agency, the end client must still make the assessment and tell the agency if the new rules apply. If the rules apply, the individual does not automatically get employment rights but could be entitled to worker's rights such as paid holidays, National Minimum Wage and statutory payments.

James Montgomery Academy Trust

BHP LLP
Rutland Park
SHEFFIELD
S10 2PD

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 9 October 2020 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 12 The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

- 13 The academy trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

Legal claims

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Law and regulations

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 16 Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

Subsequent events

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 18 We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trust's needs. We also confirm our plans for future action(s) required to enable the academy trust to continue as a going concern are feasible.

We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 19 Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.

- 20 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.


Restricted grants and donations are as follows / listed overleaf:

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully


Martin Harrison (Dec 15, 2022 14:43 GMT)
.....

Signed on behalf of the board of trustees

Date Dec 15, 2022

James Montgomery Academy Trust

BHP LLP
Rutland Park
SHEFFIELD
S10 2PD

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to James Montgomery Academy Trust and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

General

- 1 I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between James Montgomery Academy Trust and the Secretary of State for Education dated 30 November 2016 and the Academy Trust Handbook 2021.
- 2 I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
- 3 I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academy Trust Handbook 2021 in performing this duty.
- 4 Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
- 5 Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
- 6 Full and free access has been granted to all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully

DSilvester

DSilvester (Dec 16, 2022 08:07 GMT)

Accounting Officer

Date Dec 16, 2022












JMAT - Audit documentation for signing

Final Audit Report

2022-12-16


Created:	2022-12-15
By:	James Dunn (james.dunn@bhp.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAANm63sXq2Z9XwB91ORnq42CESv181MRS6

"JMAT - Audit documentation for signing" History

-  Document created by James Dunn (james.dunn@bhp.co.uk)
2022-12-15 - 8:35:53 AM GMT
-  Document emailed to mharrison@jmat.org.uk for signature
2022-12-15 - 8:44:39 AM GMT
-  Email viewed by mharrison@jmat.org.uk
2022-12-15 - 2:42:35 PM GMT
-  Signer mharrison@jmat.org.uk entered name at signing as Martin Harrison
2022-12-15 - 2:43:52 PM GMT
-  Document e-signed by Martin Harrison (mharrison@jmat.org.uk)
Signature Date: 2022-12-15 - 2:43:54 PM GMT - Time Source: server
-  Document emailed to dsilvester@jmat.org.uk for signature
2022-12-15 - 2:43:56 PM GMT
-  Email viewed by dsilvester@jmat.org.uk
2022-12-16 - 8:06:44 AM GMT
-  Signer dsilvester@jmat.org.uk entered name at signing as DSilvester
2022-12-16 - 8:07:45 AM GMT
-  Document e-signed by DSilvester (dsilvester@jmat.org.uk)
Signature Date: 2022-12-16 - 8:07:47 AM GMT - Time Source: server
-  Document emailed to Philip Allsop (philip.allsop@bhp.co.uk) for signature
2022-12-16 - 8:07:49 AM GMT
-  Email viewed by Philip Allsop (philip.allsop@bhp.co.uk)
2022-12-16 - 8:08:10 AM GMT

 Document e-signed by Philip Allsop (philip.allso**p**@bhp.co.uk)

Signature Date: 2022-12-16 - 8:09:42 AM GMT - Time Source: server

 Agreement completed.

2022-12-16 - 8:09:42 AM GMT