



# John Mason Academy Trust

A Company Limited by Guarantee

## Annual Report and Financial Statements

Year ended 31 August 2015

Company Registration Number: 08786136 (England and Wales)

Period of account: 1 September 2014 – 31 August 2015

# John Mason Academy Trust

## Contents

<b>Item</b>	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	14
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	23
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements, incorporating:	28
Statement of Accounting Policies	
Other Notes to the Financial Statements	

# John Mason Academy Trust

## Reference and Administrative Details

### Members

Paul Brooks  
Emma Brown (from 11 Sep 2014)  
Jonathan Hopkins  
Anne Matthews (until 11 Sep 2014)

### Trustees

Jonathan Hopkins (Chair of Board and Chair of Strategy & Audit Committee (from 21 Oct 2015), Vice-Chair (until 21 Oct 2015), Chair of Finance, Premises & Personnel Committee) \* +  
Di Mashiter (Chief Executive Officer & Accounting Officer) \* (until 31 Aug 2015)  
Sarah Brinkley (Chief Executive Officer & Accounting Officer) \* (from 1 Sep 2015)  
Douglas Aitkin (from 11 Sep 2014)  
Cally Batcheldor (until 11 Sep 2014)  
Helen Bottomley (from 11 Sep 2014) \*  
Paul Brooks (Vice-Chair (from 21 Oct 2015), Chair and Chair of Strategy and Audit Committee (until 21 Oct 2015)) \* +  
Emma Brown (from 11 Sep 2014)  
Jean Challis \*  
Maxine Evans (from 11 Sep 2014) \*  
Barry Graham (Chair of Curriculum, Welfare & Assessment Committee) +  
Linda Haggarty (until 31 Aug 2015)  
Alex Mannix (Staff Director) (until 31 Aug 2015) \*  
Anne Matthews (until 11 Sep 2014) +  
Janet Morgan (until 4 Nov 2014)  
Christopher Palmer (until 1 Nov 2015) \* +  
David Ricketts (until 31 Aug 2015)  
Amanda Sissons (Staff Director) (from 22 Oct 2014)

\* members of the Finance, Premises and Personnel Committee  
+ members of the Strategy and Audit Committee

### Company Secretary

Blakelaw Secretarial Services  
New Kings Court  
Chandlers Ford  
EASTLEIGH  
SO53 3LG

# John Mason Academy Trust

## Reference and Administrative Details (continued)

### Senior Leadership Team

- Headteacher Di Mashiter (until Aug 2015)
- Headteacher Sarah Brinkley (from Sep 2015)
- Deputy Headteacher Valerie Munro (until Aug 2015)
- Acting Deputy Headteacher Chris Davies (from Sep 2015)
- Acting Deputy Headteacher Lucy Foster (from Sep 2015)
- Associate Headteacher Emma Leigh-Bennett (Sep 2014 to Aug 2015)
- Assistant Headteacher Chris Davies (until Aug 2015)
- Assistant Headteacher Russell Langdown (until Nov 2014)
- Assistant Headteacher Mat Davies (from Sep 2015)
- Assistant Headteacher Kirsty Rogers (from Sep 2015)
- Director of English Sally Butler (from Sep 2015)
- Chief Financial Officer Lorna Wiltshire

<b>Company Name</b>	John Mason Academy Trust
<b>Principal and Registered Office</b>	John Mason School Wootton Road ABINGDON OX14 1JB
<b>Company Registration Number</b>	08786136 (England and Wales)
<b>Independent Auditor</b>	Critchleys LLP Greyfriars Court Paradise Square OXFORD OX1 1BE
<b>Bankers</b>	Lloyds Bank Plc 8 Ock Street ABINGDON OX14 5AP
<b>Solicitors</b>	Blake Morgan Seacourt Tower West Way OXFORD OX2 0FB

# **John Mason Academy Trust**

## **Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in north Abingdon. It has a pupil capacity of 1050 and had a roll of 967 in the school census on 15 January 2015.

In these reports the terms trustees and directors have been used interchangeably. These are the same body of people as each other and the governors of the academy. The trustees/directors have a different status to the members of an academy trust.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of John Mason Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as John Mason School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1. It should be noted that the trustees have a different status to that of the members of an academy trust.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Subject to the provisions of the Companies Act 2006 every governor or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

#### **Method of Recruitment and Appointment or Election of Trustees**

The academy's board of trustees comprises the Chief Executive Officer, two Parent Trustees, two Staff Trustees (providing that the total number of Trustees, including the Chief Executive Officer, who are employees of the academy trust does not exceed one third of the total number of Trustees) and other Trustees, up to a maximum of 20. The Articles of Association require there to be a minimum of three Trustees.

Parent Trustees are elected by the parents of current pupils of John Mason School. As provided for in the Articles of Association, the Members appointed the initial Parent Trustees on the basis that they had been elected to serve as Parent Governors of John Mason School prior to its conversion to an Academy. Staff Trustees are elected by the staff currently employed by the academy trust. The members appointed the initial Staff Trustees on the basis that they had been elected to serve as Staff Governors of John Mason School prior to its conversion to an academy.

With regard to the appointment of other trustees, the board gives consideration to the skills mix of the trustees in order to ensure that the board of trustees has the necessary knowledge, skills and experience to contribute fully to the development of John Mason School. Since the inception of the academy, members have appointed additional trustees who have experience, amongst other things, in senior management in several educational sectors, including the CEO of a multi-academy trust, and human resources and business management.

# **John Mason Academy Trust**

## **Trustees' Report (continued)**

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All the initial trustees were given training on Academies, Charity Law and the roles and responsibilities of being a Trustee prior to John Mason School converting to an Academy on 1 February 2014. They were provided with access to policies, procedures, minutes, accounts, budgets, plans and other documentation they required to fulfil their role as trustees. For new trustees, a personalised training programme will be arranged, with the content dependent upon their existing experience and role on the board committees. Where necessary, induction will provide training on charity and educational legal and financial matters, including safeguarding training. The induction process is seen as an investment, leading to more effective governance and retention of trustees.

### **Organisational Structure**

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

Each trustee belongs to one of the academy trust's two main committees: Finance, Premises & Personnel (FPP) or Curriculum, Welfare and Assessment (CWA). In addition, there is a Strategy & Audit Committee comprising the chair and vice-chair of the board and the chairs of the main committees. Each committee has its own terms of reference that help to aid the policy making process and outlines its specific responsibilities. Trustees are also elected each year to form part of the other identified committees required for the running of John Mason School.

In the period to which this report refers, the Senior Leadership Team comprised the Headteacher, the Deputy Headteacher, the Associate Headteacher and two Assistant Headteachers, together with the Chief Financial Officer. These leaders controlled the school at an executive level implementing the policies that had been agreed with the trustees and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for teaching and Senior Leadership Team vacancies normally include one or more trustees.

### **Connected Organisations including Related Party Relationships**

John Mason Academy Trust has no connected organisations or related party relationships so is therefore not exposed to any impact this may have on the operating policies of the Trust.

### **Objectives and Activities**

#### **Objects and Aims**

The academy trust's object is specifically restricted to the advancement, for public benefit, of the education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The principal aim of the academy trust is to make a real difference to the life chances of all our students and to nurture confident, active and socially responsible citizens.

#### **Objectives, Strategies and Activities**

John Mason School aims to encourage creativity, risk taking, personal and physical development, individuality and spirited, enquiring minds within a setting of traditional values. Our dedicated staff aim to raise aspirations, to challenge and inspire students and provide the care and support they need to achieve their goals. We work hard to provide an extensive range of enriching experiences for the students, learning outside the classroom is very much valued and encouraged.

# John Mason Academy Trust

## Trustees' Report (continued)

Key areas of development during the academic year 2014/15 included:

### Achievement:

- From each different starting point, the proportion of each group of students achieving and exceeding progress in all subjects are high compared to national average.
- In all subjects, and in all key stages, students (particularly PP and SEND) make rapid & sustained progress (Value added >1000) to close the achievement gap.

### Learning and Teaching

- Day to day teaching is agile and meets the needs of different learners.
- The teaching of reading, writing, communication and numeracy are effective across the curriculum.
- Homework tasks are regular, provide stretch and challenge, and ensure progress.

### Behaviour & Safety (Removing the barriers to Learning)

- Improve punctuality and attendance for all groups of students, most particularly for those eligible for Pupil Premium and those with SEN.
- Secure consistently good attitudes to learning based on a clear school ethos and a consistently applied policy that leads to reduced numbers of "C3" (time-out) and reduced numbers of fixed term exclusions.
- Redefine *Student Support Meetings*, SMEH and Learning Interventions, Complimentary Students Services and ensure that students are safe and well equipped.

### Leadership and Management

- Establish and communicate a clear vision for the school's and community's future direction.
- Develop the curriculum, with particular focus on progression and continuity at all transition points.
- Extend and embed strong partnerships with partner primaries, other schools, businesses and the community.
- Further develop capacity and quality of leadership at all levels.

### Public Benefit

The trustees of John Mason Academy Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The activities undertaken to further the academy trust's purpose for the Public Benefit include:

providing an education that is:

- Balanced and broadly based
- Promotes the spiritual, moral, cultural, mental and physical development of pupils at the school and of society
- Prepares pupils at the school for the opportunities, responsibilities and experiences of later life
- Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise; and

providing facilities for the local community through

- Letting the sports hall and playing field to local groups; and
- Hosting music school sessions at weekends

# John Mason Academy Trust

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

John Mason receives pupils from private and council housing in the vicinity of Abingdon, with a number travelling from other areas in the county. Most students are of White UK heritage. 18% are eligible for free school meals. The SEN cohort remains similar at just over 21% of the cohort. There is a rising trend of students joining John Mason School with English as an additional language, this year 3.5% of the school's population. Key Stage 2 assessment indicates that attainment on entry is slightly above national averages (difference +.05).

#### Key Performance Indicators

##### A2 level

2015 A level results were very pleasing, higher than the National average at all grade divisions and the third highest results in the county. The school's headline GCSE figures have risen by 7% (those with 5 or more grades A\*-C including English and Mathematics).

##### Subjects Taught at JMS (including shared courses)

	2013		2014		2015	
	JMS	National	JMS	National	JMS	National
A*-A	29.6	26.7	34.3	26.0	33.1	25.9
A*-B	53.3	53.3	53.5	52.4	59.5	52.8
A*-C	80.7	77.6	78.5	76.7	80.4	77.3
A*-E	100	98.7	95.3	98.0	98.6	98.1

Pupils at A2 Level achieved above the national average, for all grades and also made exceptional progress from their respective starting points. This progress and the high quality of teaching and learning place the school in the top 20% of schools in the country for A level results, being ahead of national results for every grade boundary. This is a superb achievement, considering John Mason has an inclusive Sixth form with pupils joining with the full range of GCSE grades. Eight subjects at A2 had results in the top 25% of schools nationally.

##### AS level

AS results were below national expectations for A-B, A-C and for A-E grades. This has been identified as a key area for development.

##### Subjects Taught at JMS (including shared courses)

	2013		2014		2015	
	JMS	National	JMS	National	JMS	National
A - B	43.6	35.9	30.4	40.2	32.4	40.9
A - C	65.7	56.9	48.4	61.4	54.2	62.6
A - E	90.7	86.7	79.6	88.8	86.6	89.4

Results were an improvement on 2014. The 2014 cohort went on to achieve fantastic results at A2 so the trajectory for sustained and continued improvement is strong; departments are working on improving A-B and A-C percentages. The progress from starting points gives a healthier picture.

##### AS Results - Students Registered at JMS

	2013		2014		2015	
	JMS	National	JMS	National	JMS	National
A - B	42.7	35.9	46.9	40.2	30.4	40.9
A - C	66.2	56.9	64.6	61.4	53.6	62.6
A - E	90.7	86.7	77.1	88.8	90.2	89.4



# John Mason Academy Trust

## Trustees' Report (continued)

### GCSE Level

GCSE results this year were above National average for the headline measures (% 5+ A\*-C including English and Maths and % 5+ A\*-C) and were a 7% rise on last year's % 5+ A\*-C inc. En & Ma. The basic (English and Maths) attainment was 1% below the national average: Maths attained 72% A\*-C; English 66% A\*-C. Similarly, the %5+ A\*-G was below national average and forward planning is taking place to improve attainment for 2016 in all headline measures, but especially in these areas of weakness.

### Trends over Time.

No in Cohort	2013: 169	2014: 106	2015: 123
--------------	-----------	-----------	-----------

Measure	2013			2014			2015		
	National	School	Gap	National	School	Gap	National (2014)	School	Gap
% Expected Progress in English	70	64	-6%	72	64	-8%	72	61	-11%
% Expected Progress in Maths	71	72	+1%	66	64	-2%	66	66	0%
Value Added – best 8+EnMa	1000	989	-11	1000	993	-7	1000	994	-6
% 5+ A*-C inc. En & Ma	61	61	0%	57	51	-6%	57	58	+1%
% 5+ A*-C	83	77	-5%	66	65	-1%	66	68	+2%
% A*-C in English and Maths	61	61	0%	59	52	-7%	59	58	-1%
% 5+ A*-G	96	98	+2%	93	98	+5%	93	96	-3%
% English Baccalaureate	23	24	+1%	24	26	+2%	24	35	+11%

This table shows the 2015 results compared to national figures (for 2014 pending release of this year's data) and compared to school targets and May predictions by teachers. It also shows the trend over 3 years for each measure. The results for attainment were at, or higher than, national figures, but the results looking at progress from starting points showed that the school was not performing well, given the figures for prior attainment at Key Stage 2 for the cohort. Progress in Maths was better than in English, where there was an 11% negative difference in English with national figures. The English attainment at 66% was marginally better than the national 2015 provisional figure of 65.4% and the Maths attainment of 72% was higher than this year's provisional national figure of 63.3%. Progress for pupils of all abilities, especially in English, is the area for development.

### Key Stage 3

Pupils at the end of the KS3 programme of study made on average 4.49 sublevels of progress, which equated to one and a half levels. Targets were set for a minimum of 2 whole levels for expected progress and this outcome showed that pupils were not achieving as highly as expected. However, this included all subjects at the end of KS3, but only an average of Maths and English is referred to at KS2 - therefore it is not an ideal comparator. So, looking at Core KS2 to Core KS3, Maths progress moved from 4b on entry to 6b which is 2 whole levels of progress. English also moved from 4b to 6b. In English 51.2% made 6 sublevels of progress and 22.9% made 7 or more. In English 55.2% made 6 sublevels of progress and 29.1% made 7 or more. Pupils were on average attaining 6b at the end of Key Stage 3. Disadvantaged pupils made less progress than others, on average one sublevel of progress less in English (-1.3) and just under a sublevel of difference in Maths (-0.8). This gap will be the focus for 2015-16.

# John Mason Academy Trust

## Trustees' Report (continued)

### Going Concern

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

### Financial Review

During the period the school received income of £4.458M in government and local authority revenue and £331k in capital grants, most of it in the form of recurrent grants, the use of which has been restricted. The grant received in the form of the GAG from the EFA and associated expenditure is shown in the restricted funds in the statement of financial activities.

A further £346k was received in other income from charitable activities. The valuation of the transfer title of the land and buildings is treated as a restricted fixed asset fund in the statement of financial activities. Other than the land, the restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

### Key Financial Performance Indicators

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

The Academy also received a devolved capital grant and a Conditional Improvement Fund capital grant from the Education Funding Agency. In accordance with the Charities Statement for Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total revenue expenditure of £4.844M was more than recurrent grant funding from the EFA together with other incoming resources. The excess of revenue expenditure over revenue income for the period was £40k before revenue spend on capital items and pension scheme unrealised gains.

As at 31 August 2015 the net book value of fixed assets was £8.383M and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme as at 31 August 2015 held a deficit of £1.215M, the breakdown of which is detailed within note 28 to the Financial Statements.

# John Mason Academy Trust

## Trustees' Report (continued)

### Reserves Policy

The policy of the Trust is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our staff to achieve increasing academic standards. The Trust endeavours to retain a minimum of £25k in reserves in its GAG funds.

On 31 August 2015 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£k
Unrestricted General Funds	9
Restricted General Funds	70
Restricted Capital Funds - General	3
Restricted Project Capital Funds	<u>259</u>
Reserves at 31 August 2015	341

The LGPS deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

### Investment Policy

The Trust seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with strategic plan of the Trust for deployment of resources. The Trust is committed to investment with reputable and ethical investors. The investment policy at this time is to invest funds in risk free savings accounts.

### Principal Risks and Uncertainties

The Trustees have assessed the major risks to which John Mason School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees have implemented a number of systems to assess risk that the school faces, especially in operational areas, for example teaching, health and safety, bullying and school trips and also relating to the control of finance. They have introduced robust systems, including operational procedures (e.g. vetting of new staff (DBS checks) and visitors, supervision of school grounds) and internal financial controls to manage and minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

A risk register has been created identifying potential risks to the school and steps taken to minimise these risks and is managed by the Board of Trustees. The risk register is reviewed regularly and updated as appropriate.

The Trustees consider that the principal risks to which the Trust is exposed include:

- Unexpected fluctuations in the numbers of students on roll;
- Reductions in the levels of grant made available by central government;
- Inability to recruit suitably qualified staff; and
- The impact of uncontrollable events (e.g., flooding).

# John Mason Academy Trust

## Trustees' Report (continued)

### Plans for Future Periods

#### Outcomes

- Review and develop the curriculum content, learning and assessment in English and Maths, both explicitly and across the curriculum to accelerate progress for all learners.
- Review and develop intervention strategy for disadvantaged students, to ensure the gap between PP and non-PP students is reduced.
- Embed the use of data, accurately including reading age and starting points, to ensure each lesson is pitched to offer challenge for all.
- Develop transition skills package for Year 12 students to accelerate across AS.

#### Teaching, Learning and Assessment

- Embed consistent, incisive and regular formative written feedback and DIRT.
- Embed independent learning strategies to ensure students are confident, self-assured and self-disciplined learners.
- Develop whole school literacy to rapidly improve the quality of reading and writing for every child.
- Develop and deliver engaging enrichment and extra-curricular opportunities for all, to build broader skills for learning.
- Review the reporting system to ensure up to date and valuable data for students and parents.

#### Personal Development, Behaviour, Welfare

- Develop whole school ethos, including review of the house system and rewards and recognition to stimulate a culture of pride and participation.
- Embed consistent and high expectations of all learners, with consistent application of behaviour for learning policy and good conduct throughout the school.
- Develop an effective early intervention system to improve attendance.
- Develop an effective, well planned and inspiring careers programme, that ensure learners make informed choices about their next steps.
- Develop the iDay programme to ensure learners are equipped to be thoughtful, caring and active citizens.

#### Leadership and Management

- Embed consistently high standards and consistently high expectations in every classroom, for every child through inspiring and ambitious leadership.
- Develop high quality CPD programme that encourages career progression and professional enquiry.
- Review support staff and leadership structures to ensure impact on whole school effectiveness, high staff morale and value for money.
- Investigate and develop new assessment system for KS3, training staff in readiness for new accountability measures.
- Review the curriculum to ensure appropriate pathways and progression for all, in light of national and local agendas, as well as individual needs.

# **John Mason Academy Trust**

## **Trustees' Report (continued)**

### **Funds Held as Custodian Trustee on Behalf of Others**

The trust holds no assets and funds as Custodian Trustee on behalf of others.

### **Auditor**

Insofar as the trustees are aware:

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

Critchleys LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 10 December 2015 and signed on the board's behalf by:

**Jonathan Hopkins**  
Chair of the Board of Trustees

# John Mason Academy Trust

## Governance Statement

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that John Mason 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Mason 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Brooks (Chair)	5	7
Douglas Aitken	7	7
Cally Batcheldor	0	0
Helen Bottomley	4	7
Emma Brown	5	7
Jean Challis	7	7
Maxine Evans	4	7
Barry Graham	7	7
Linda Haggarty	6	7
Jonathan Hopkins	7	7
Alex Mannix	0	7
Di Mashiter	5	7
Anne Matthews	0	0
Janet Morgan	0	1
Christopher Palmer	7	7
David Ricketts	3	7
Amanda Sissons	6	6

### Resignations and Appointments during the year:

During the year Members appointed Douglas Aitken, Helen Bottomley, Emma Brown and Maxine Evans as Trustees (from 11 September 2014) and Amanda Sissons as a Staff Trustee from 22 October 2014. Cally Batcheldor and Anne Matthews resigned as Trustees with effect from 11 September 2014, Janet Morgan with effect from 4 November 2014, Linda Haggarty with effect from 25 April 2015 and Alex Mannix, Di Mashiter and David Ricketts with effect from 31 August 2015.

Particular challenges which have occurred for the board during the year included:

- The recruitment of a new Headteacher to succeed Ms Di Mashiter, who retired on 31 August 2015;
- The management of a number of changes within the Senior Leadership Team
- The recruitment and retention of other teaching staff at a time of national shortages of teachers of certain subjects.

# John Mason Academy Trust

## Governance Statement (continued)

### Governance Reviews

A review of the Trust's governance was carried out by independent consultants in the Summer term 2015. The main findings were as follows.

### Main Findings

This governing body shows real commitment and good engagement with the school, bringing good support and at times good challenge and accountability.

At the heart of the governing body are some experienced leaders who have been part of the school for some years. Alongside them is a group of able people appointed more recently, and, as with the staff, there is the opportunity to appoint some new directors who it is hoped will strengthen the financial and HR skills of the board.

Board meetings are generally well attended, although attendance from some governors has been poor of late. There are three committees – Finance Premises and Personnel (FPP), Curriculum, Welfare and Achievement (CWA), and the Strategy and Audit Committee.

Clerking is good, although the clerk is rarely identified in minutes. Some committees are clerked by a different person or perhaps a governor. There is no problem with this, although these minutes must show who is present at the meeting, and they do not always do that.

Relationships are good. There has been a strong partnership with the outgoing Headteacher in tackling improvement issues in the school. There are no hidden areas and governors know what is working well and what is working less well. There is good scrutiny about teaching and learning, especially at the CWA committee, and governors ask good questions about the important issues. They have recently participated in training on data, safeguarding, preparation for Ofsted and induction for new governors.

Safeguarding is covered well by an experienced governor with professional knowledge in the field. This includes appropriate scrutiny of cases, as well as reviewing the recording and reporting arrangements in the school.

Appraisal and performance management are effectively managed. The appraisal of the Headteacher was carried out with external advice, and the performance of other staff was properly reviewed in relation to salary increases, where some staff received an increase and some did not.

Whilst this is a very able group of governors, who are working very effectively for the most part, they face the challenges that all governing bodies and boards of directors are having to tackle, namely how to manage the subtle interface between the strategic and operational aspects of the school, so as to have an impact on school improvement. Governors report that there is an improving trend, but the school is not yet where it wants to be. They have been assured that the hard-to-shift 'requires improvement' teaching, around 25-30%, will no longer be an issue in the autumn term. They need to review this as early as possible in the term.

Another strategy governors use to provide good scrutiny challenge and accountability, is the use of external reports. They have over the past year received information from outside the school particularly around SEN and inclusion. There is also to be a 2 day review in September/October from an HMI who is based in another academy in Oxfordshire. The report from this review must come to the governing body.

This is an important issue, especially in a single academy. This is not about a lack of trust in school leaders or the headteacher, rather it is a vital protection for the headteacher. A good governing body will, from time to time, take professional advice from outside the school to corroborate information received from inside the school. It enables them to properly oversee the head's work and take their proper place alongside her in leadership in the school.

### Conclusion

This governing body is able and well engaged with the school. They know they are on a journey with some distance to go. On the basis of this evidence, **governance is sound**.

In order for strong governance to be recognised, the governing body needs to follow through with their accountability and scrutiny, so that they have an impact on student outcomes that shows up in data

# John Mason Academy Trust

## Governance Statement (continued)

### Committees

**The Finance, Premises and Personnel Committee** is a sub-committee of the main Board of Directors. There have been five meetings of this committee during the year.

1. The purpose of the committee is to assist the decision making of the Board of Directors by enabling more detailed consideration to be given to the best means of fulfilling the Board of Directors' responsibility to ensure sound governance and management of the Trust's finances, premises and human resources, including proper planning, monitoring and probity.
2. The committee makes appropriate comments and recommendations on such matters to the Board of Directors on a regular basis.
3. Major issues are referred to the full Board of Directors for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Brooks	* 0	5
Helen Bottomley	4	5
Jean Challis	5	5
Maxine Evans	3	5
Jonathan Hopkins	5	5
Alex Mannix	** 0	5
Di Mashiter	5	5
Christopher Palmer	5	5

\* The Chair of the Board is an *ex officio* member of each committee but has normally attended another committee that met simultaneously with the above committee.

\*\* Staff director on extended sick leave throughout the year.

**The Strategy & Audit Committee** is a sub-committee of the main Board of Directors. There have been four meetings of this committee during the year.

1. The purpose of the committee is to assist the decision making of the Board of Directors by having oversight of the flow of business to and from the Board and its committees and by receiving reports from the Board's Internal and External Auditors.
2. The committee makes appropriate comments and recommendations on such matters to the Board of Directors on a regular basis.
3. Major issues are referred to the full Board of Directors for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Brooks	4	4
Barry Graham	3	4
Jonathan Hopkins	4	4
Anne Matthews	0	0
Christopher Palmer	4	4



# **John Mason Academy Trust Governance Statement (continued)**

## **Review of Value for Money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by actively seeking to improve its procurement processes to achieve better value for money and to raise educational standards by strengthening the senior leadership team.

Specific examples of actions taken to date include the following:

- Oxfordshire academy business managers have jointly commissioned a professional procurement consultancy to engage a new payroll provider to replace the service previously provided by Oxfordshire County Council.
- This experience has led to the creation of the Oxfordshire Academy Business Managers Group (OABMG) to seek further joint tenders for other services. A joint procurement process with other Oxfordshire academies to engage a new supplier for gas and electricity is currently in progress.
- Upgrading the wireless infrastructure to provide full coverage around the school. This has overcome inefficiencies that previously existed with limited network access and lack of portability of equipment, as well as giving staff and students faster internet access.
- Upgraded kitchen facilities to improve catering for staff and students. This has replaced poor equipment that could no longer be serviced, reduced costs and enabled the school to provide a catering service for several local primary schools.

## **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in John Mason Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

## **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# John Mason Academy Trust

## Governance Statement (continued)

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, premises and personnel 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 appointed Zoe Bratt, Head of Business and Operations at Rush Common Academy Trust, to be its Internal Auditor during 2014/15. Her role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, she reported to the Strategy & Audit Committee of the Board on the operation of the systems of control and on the discharge of its financial responsibilities. The committee is tasked to report back to the Board of Trustees.

In particular the checks carried out in the current period included reviews of: the Trust's register of business and pecuniary interests; its website; its risk register; its policies; its business continuity plan; and the training of finance staff; as well as the testing of samples of purchases and payments, including salaries. No significant control issues were identified but a number of useful suggestions were made to improve the risk register, business continuity plan, information on the web site and the internal financial manual and to increase the use of purchase orders and to ensure that monthly salary payments are fully reconciled, all of which have been put into action.

### Review of Effectiveness

As accounting officer the Headteacher 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 executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on **10 December 2015** and signed on its behalf by:

**Jonathan Hopkins**  
Chair of Trustees

**Sarah Brinkley**  
Accounting Officer

# **John Mason Academy Trust**

## **Statement on Regularity, Propriety and Compliance**

As accounting officer of John Mason Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

**Sarah Brinkley**

Accounting Officer

10 December 2015

# John Mason Academy Trust

## Statement of Trustees' Responsibilities

The trustees (who act as governors of John Mason Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2015 and signed on its behalf by:

**Jonathan Hopkins**  
Chair of the Board of Trustees

# John Mason Academy Trust

## Independent Auditor's Report to the members of John Mason Academy Trust

We have audited the financial statements of John Mason Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

# John Mason Academy Trust

## Independent Auditor's Report to the members of John Mason Academy Trust (continued)

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

Caroline Webster (Senior statutory auditor)  
For and on behalf of Critchleys LLP  
Statutory Auditor  
Oxford

Date:

# **John Mason Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to John Mason Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 3 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by John Mason Academy Trust during the period 1 September 2014 to 31 August 2015 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 the Board of Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Mason Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Mason Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of John Mason Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of John Mason Academy Trust's funding agreement with the Secretary of State for Education dated 27 January 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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.

# John Mason Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to John Mason Academy Trust and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Critchleys LLP  
Reporting Accountant  
Oxford  
Date:



**John Mason Academy Trust**  
**Statement of Financial Activities**  
**For the year ended 31 August 2015**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income - transfer on conversion	2	-	-	-	-	7,766,104
Other voluntary income	3	1,204	-	-	1,204	-
Activities for generating funds	4	45,937	-	-	45,937	30,185
Investment income	5	591	-	-	591	265
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	4,457,507	331,121	4,788,628	2,562,865
Other income for educational operations	7	298,732	-	-	298,732	136,375
<b>Total incoming resources</b>		<b>346,464</b>	<b>4,457,507</b>	<b>331,121</b>	<b>5,135,092</b>	<b>10,495,794</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	8	-	-	-	-	-
<i>Charitable activities:</i>						
Academy's educational operations	8	298,732	4,530,734	268,619	5,098,085	2,877,326
<i>Governance costs</i>	10	-	14,728	-	14,728	29,083
<b>Total resources expended</b>		<b>298,732</b>	<b>4,545,462</b>	<b>268,619</b>	<b>5,112,813</b>	<b>2,906,409</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>47,732</b>	<b>(87,955)</b>	<b>62,502</b>	<b>22,279</b>	<b>7,589,385</b>
Gross transfers between funds	18	(58,433)	(2,367)	60,800	-	-
<b>Net income/(expenditure) for the period</b>		<b>(10,701)</b>	<b>(90,322)</b>	<b>123,302</b>	<b>22,279</b>	<b>7,589,385</b>
<b>Other recognised gains and losses</b>						
Actuarial gains and losses in period for defined benefit pension schemes	18,28	-	28,000	-	28,000	(130,000)
<b>Net movement in funds</b>		<b>(10,701)</b>	<b>(62,322)</b>	<b>123,302</b>	<b>50,279</b>	<b>7,459,385</b>
Funds brought forward at 1 September 2014		19,410	(1,082,103)	8,522,078	7,459,385	-
<b>Funds carried forward at 31 August 2015</b>		<b>8,709</b>	<b>(1,144,425)</b>	<b>8,645,380</b>	<b>7,509,664</b>	<b>7,459,385</b>

The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014.

All of the Academy's activities relate to continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**John Mason Academy Trust**  
**Balance sheet**  
**As at 31 August 2015**

**Company number:**  
**08786136**

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	14		<b>8,383,350</b>		<b>8,503,262</b>
<b>Current assets</b>					
Debtors	15	<b>184,793</b>		<b>81,327</b>	
Cash at bank and in hand		<b>535,029</b>		<b>399,805</b>	
		<u><b>719,822</b></u>		<u><b>481,132</b></u>	
<b>Creditors: Amounts falling due within one year</b>	16	<b>(378,508)</b>		<b>(336,508)</b>	
<b>Net current assets</b>			<u><b>341,314</b></u>		<u><b>144,624</b></u>
Total assets less current liabilities			<b>8,724,664</b>		<b>8,647,886</b>
<b>Creditors: Amounts falling due after more than one year</b>			<u><b>-</b></u>		<u><b>(35,501)</b></u>
<b>Net assets excluding pension liability</b>			<b>8,724,664</b>		<b>8,612,385</b>
Pension scheme liability	28		<u><b>(1,215,000)</b></u>		<u><b>(1,153,000)</b></u>
<b>Net assets including pension liability</b>			<u><u><b>7,509,664</b></u></u>		<u><u><b>7,459,385</b></u></u>
<b>Funds of the academy:</b>					
Restricted fixed asset funds	18		<b>8,645,380</b>		<b>8,522,078</b>
Restricted funds					
Restricted funds excluding pension liability	18	<b>70,575</b>		<b>70,897</b>	
Pension reserve	18	<u><b>(1,215,000)</b></u>		<u><b>(1,153,000)</b></u>	
Total restricted funds			<b>(1,144,425)</b>		<b>(1,082,103)</b>
Unrestricted funds	18		<b>8,709</b>		<b>19,410</b>
<b>Total funds</b>			<u><u><b>7,509,664</b></u></u>		<u><u><b>7,459,385</b></u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10 December 2015

Signed on behalf of the Board of Trustees

**Jonathan Hopkins**  
Chair of Board of Trustees

**John Mason Academy Trust**  
**Cash Flow Statement**  
**For the year ended 31 August 2015**

	Notes	2015 £	2014 £
<b>Net cash flow from operating activities</b>	22	<b>(84,430)</b>	<b>221,124</b>
Returns on investments and servicing of finance	23	591	265
Capital expenditure and financial investment	24	219,063	(7,728)
<b>Increase/(decrease) in cash in the period</b>	25	<u>135,224</u>	<u>213,661</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash transferred on conversion to an Academy Trust		-	186,144
Net funds at 1 September 2014		399,805	-
<b>Net funds at 31 August 2015</b>		<u>535,029</u>	<u>399,805</u>

All of the cash flows are derived from continuing operations.

## **1 Statement of Accounting Policies**

### **Basis of Preparation**

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

### **Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **Incoming Resources**

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

#### **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

#### **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's accounting policies.

## **1 Statement of Accounting Policies (continued)**

### **Resources Expended**

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

#### **Costs of generating funds**

These are costs incurred in activities that raise funds.

#### **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

#### **Governance Costs**

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

All resources expended are inclusive of any irrecoverable VAT.

### **Tangible Fixed Assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, at rates calculated to spread the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	50 years from conversion
Plant and machinery	5 years
Fixtures, fittings and equipment	10 years
ICT equipment	3 years
Motor Vehicles	5 years

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

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

### **Leased Assets**

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

## **1 Statement of Accounting Policies (continued)**

### **Stock**

Any significant catering stocks are valued at the lower of cost or net realisable value.

### **Taxation**

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

### **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 quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education and other funders.

### **Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**2 Voluntary income on conversion to academy**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Fixed assets transferred to academy	-	-	-	8,601,211
LGPS pension deficit transferred on conversion	-	-	-	(968,000)
Other revenue funds:				
Budget surplus on LA funds	-	-	-	186,144
Loan transferred from LA	-	-	-	(53,251)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,766,104</u>

**3 Voluntary income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Other grants and donations	1,204	-	1,204	-
	<u>1,204</u>	<u>-</u>	<u>1,204</u>	<u>-</u>

**4 Activities for Generating Funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Hire of facilities / other lettings	35,260	-	35,260	20,752
Other income	10,677	-	10,677	9,433
	<u>45,937</u>	<u>-</u>	<u>45,937</u>	<u>30,185</u>

**5 Investment Income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Bank interest	591	-	591	265
	<u>591</u>	<u>-</u>	<u>591</u>	<u>265</u>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**6 Funding for Academy's educational operations**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
<b>DfE/EFA capital grants</b>				
Devolved formula capital grant	-	19,806	19,806	18,816
Condition improvement fund grant	-	311,315	311,315	-
	<u>-</u>	<u>331,121</u>	<u>331,121</u>	<u>18,816</u>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,221,275	4,221,275	2,473,857
Other DfE grants	-	189,444	189,444	70,192
	<u>-</u>	<u>4,410,719</u>	<u>4,410,719</u>	<u>2,544,049</u>
<b>Other Government grants</b>				
Local Authority revenue funding	-	46,788	46,788	-
	<u>-</u>	<u>46,788</u>	<u>46,788</u>	<u>-</u>
	<u>-</u>	<u>4,788,628</u>	<u>4,788,628</u>	<u>2,562,865</u>

**7 Other income for educational operations**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Trip and activity income	69,704	-	69,704	24,579
Catering income	169,591	-	169,591	60,098
Other educational income	59,437	-	59,437	51,698
	<u>298,732</u>	<u>-</u>	<u>298,732</u>	<u>136,375</u>



**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**8 Resources Expended**

	<b>Staff Costs £</b>	<b>Premises Costs £</b>	<b>Other Costs £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
<b>Costs of activities for generating funds</b>	-	-	-	-	-
<b>Academy's educational operations</b>					
Direct costs (note 9)	2,964,606	-	477,071	<b>3,441,677</b>	<b>2,003,490</b>
Allocated support costs (note 9)	805,033	275,565	575,810	<b>1,656,408</b>	<b>873,836</b>
	<u>3,769,639</u>	<u>275,565</u>	<u>1,052,881</u>	<u><b>5,098,085</b></u>	<u><b>2,877,326</b></u>
<b>Governance costs (note 10)</b>	-	-	14,728	<b>14,728</b>	<b>29,083</b>
	<u>3,769,639</u>	<u>275,565</u>	<u>1,067,609</u>	<u><b>5,112,813</b></u>	<u><b>2,906,409</b></u>

**Incoming/outgoing resources for the period include:**

	<b>2015 £</b>	<b>2014 £</b>
Operating leases		
Plant and machinery	-	-
Other	27,250	17,103
Fees payable to auditor for:		
Audit	5,865	6,100
Other services	<u>4,475</u>	<u>3,950</u>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**9 Charitable Activities - Academy's educational operations**

	Total 2015 £	Total 2014 £
<b>Direct costs</b>		
Teaching and educational support staff costs	2,964,606	1,733,463
Educational supplies, services and trip costs	191,372	113,944
Examination fees	66,048	74,211
Educational consultancy	50,625	350
Staff development	6,863	7,089
Technology costs	56,728	47,305
Other direct costs	105,435	27,128
	<b>3,441,677</b>	<b>2,003,490</b>
<b>Allocated support costs</b>		
Support staff costs	715,033	426,407
Depreciation	231,970	124,493
Technology costs	41,448	10,926
Travel and subsistence	35,028	12,607
Recruitment and support	33,430	1,450
Maintenance of premises (excluding staff costs)	132,297	67,943
Maintenance of equipment	15,889	5,243
Cleaning (excluding staff costs)	16,534	8,607
Energy	59,713	36,177
Security	3,144	2,792
Other occupancy costs	13,266	7,899
Rates	20,377	13,255
Water rates	7,636	3,101
Catering costs	101,136	37,336
Insurance	28,433	21,302
Bank interest and charges	256	684
Other pension costs	64,000	36,000
Other finance costs (FRS17)	26,000	19,000
Other support costs	110,818	38,614
	<b>1,656,408</b>	<b>873,836</b>
<b>Total</b>	<b>5,098,085</b>	<b>2,877,326</b>

**10 Governance Costs**

	Total 2015 £	Total 2014 £
Legal and professional fees	4,388	19,033
Auditors' remuneration		
Audit services	5,865	6,100
Other services	4,475	3,950
	<b>14,728</b>	<b>29,083</b>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**11 Staff Costs**

	2015	2014
	£	£
<b>Staff costs for the period were:</b>		
Wages and salaries	2,835,585	1,718,197
Social security costs	207,033	123,309
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	405,560	252,480
FRS17 Other pension and finance costs	90,000	55,000
	<u>3,538,178</u>	<u>2,148,986</u>
Agency supply teacher costs	192,207	55,384
Agency support staff costs	28,429	10,500
Staff restructuring costs	10,825	-
	<u><u>3,769,639</u></u>	<u><u>2,214,870</u></u>

The trust uses agency staff where appropriate on normal commercial terms.

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,825. This consists of three payments being £8,500, £500 and £1,825.

The average number of persons (including senior leadership team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
<b>Charitable Activities</b>		
Teachers	53	48
Administration and support	39	41
Management	5	5
	<u>97</u>	<u>94</u>

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

	2015	2014
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The above employees also participated in the Teachers' Pension Scheme. During the year 31 August 2015, pension contributions for these staff amounted to £20,863 (2014: £12,326).

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

---

**12 Trustees' remuneration and expenses**

The Headteacher and staff trustees only receive remuneration in respect their employment to undertake the roles of Headteacher and staff and not in respect of their additional roles as trustees. Other trustees did not receive any payments from the academy in respect of their role as trustees. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for trustees, as follows:

	<b>2015</b>	<b>2014</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£</b>	<b>£</b>
D Mashiter (Headteacher governor and trustee)		
Remuneration	<b>80k-85k</b>	<b>50k-55k</b>
Employer's pension contributions	<b>10k-15k</b>	<b>5k-10k</b>
C Batcheldor (Staff governor and trustee)		
Remuneration	-	<b>25k-30k</b>
Employer's pension contributions	-	<b>0k-5k</b>
A Mannix (Staff governor and trustee)		
Remuneration	<b>15k-20k</b>	<b>10k-15k</b>
Employer's pension contributions	<b>0k-5k</b>	<b>0k-5k</b>
A Sissons (Staff governor and trustee)		
Remuneration	<b>40k-45k</b>	-
Employer's pension contributions	<b>5k-10k</b>	-

During the period ended 31 August 2015, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2014: £Nil).

**13 Trustees and Officers Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1m (2014: £1m) on any one claim and the cost for the period ended 31 August 2015 was £4,057 (2014: £1,892).

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

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**14 Tangible Fixed Assets**

	Leasehold Buildings	Furniture, Equipment & Machinery	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2014	8,477,000	37,853	106,777	6,125	<b>8,627,755</b>
Additions	15,609	33,952	62,497	-	<b>112,058</b>
At 31 August 2015	<u>8,492,609</u>	<u>71,805</u>	<u>169,274</u>	<u>6,125</u>	<u><b>8,739,813</b></u>
<b>Depreciation</b>					
At 1 September 2014	98,898	2,745	21,975	875	<b>124,493</b>
Charges in period	169,540	6,072	54,858	1,500	<b>231,970</b>
At 31 August 2015	<u>268,438</u>	<u>8,817</u>	<u>76,833</u>	<u>2,375</u>	<u><b>356,463</b></u>
<b>Net book values</b>					
As at 31 August 2015	<u><b>8,224,171</b></u>	<u><b>62,988</b></u>	<u><b>92,441</b></u>	<u><b>3,750</b></u>	<u><b>8,383,350</b></u>
As at 31 August 2014	<u><b>8,378,102</b></u>	<u><b>35,108</b></u>	<u><b>84,802</b></u>	<u><b>5,250</b></u>	<u><b>8,503,262</b></u>

The academy took out 125 year leases over the property at the date of conversion. Leasehold buildings have been valued by Mouchel as commissioned by the EFA. The valuation was carried out on a desktop depreciated replacement cost basis as at 31 March 2014.

The freehold of this property is owned by the Local Authority. Leasehold buildings are recognised in the accounts as the academy trust has the right to use the property.

Additions in the year represent capital works to existing buildings.

**15 Debtors**

	2015 £	2014 £
Trade debtors	25,432	7,539
Prepayments and accrued income	75,910	54,494
Other debtors	83,451	19,294
	<u><b>184,793</b></u>	<u><b>81,327</b></u>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**16 Creditors: amounts falling due within one year**

	2015 £	2014 £
Trade creditors	150,136	153,885
PAYE and NIC creditor	64,208	62,843
Salix loan	35,500	17,750
Other creditors	57,814	53,935
Accruals and deferred income	70,850	48,095
	<u>378,508</u>	<u>336,508</u>

**Deferred income**

	2015 £	2014 £
Deferred income at 1 September 2014	31,419	-
Resources utilised in the period	(31,419)	-
Resources deferred in the period	63,300	31,419
Deferred income at 31 August 2015	<u>63,300</u>	<u>31,419</u>

**17 Creditors: amounts falling due after more than one year**

	2015 £	2014 £
Salix loan	-	35,501
	<u>-</u>	<u>35,501</u>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**18 Funds**

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Transfers & actuarial gain on pension £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	46,333	4,221,275	(4,255,970)	(2,367)	9,271
Pupil Premium funding	23,921	148,990	(131,107)	-	41,804
Other DfE funding	643	40,454	(21,597)	-	19,500
Local Authority revenue funding	-	46,788	(46,788)	-	-
Pension reserve (note 28)	(1,153,000)	-	(90,000)	28,000	(1,215,000)
	<b>(1,082,103)</b>	<b>4,457,507</b>	<b>(4,545,462)</b>	<b>25,633</b>	<b>(1,144,425)</b>
<b>Restricted fixed asset funds</b>					
Devolved formula capital	18,816	19,806	-	(35,649)	2,973
Condition Improvement Fund	-	311,315	(36,649)	(15,609)	259,057
Fixed asset fund (note 14)	8,503,262	-	(231,970)	112,058	8,383,350
	<b>8,522,078</b>	<b>331,121</b>	<b>(268,619)</b>	<b>60,800</b>	<b>8,645,380</b>
<b>Total restricted funds</b>	<b>7,439,975</b>	<b>4,788,628</b>	<b>(4,814,081)</b>	<b>86,433</b>	<b>7,500,955</b>
<b>Unrestricted funds</b>					
Unrestricted funds	19,410	346,464	(298,732)	(58,433)	8,709
<b>Total unrestricted funds</b>	<b>19,410</b>	<b>346,464</b>	<b>(298,732)</b>	<b>(58,433)</b>	<b>8,709</b>
<b>Total funds</b>	<b>7,459,385</b>	<b>5,135,092</b>	<b>(5,112,813)</b>	<b>28,000</b>	<b>7,509,664</b>

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2015.

**19 Analysis of net assets between funds**

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	8,383,350	8,383,350
Current assets	387,217	70,575	262,030	719,822
Current liabilities	(378,508)	-	-	(378,508)
Pension Scheme liability	-	(1,215,000)	-	(1,215,000)
<b>Total net assets</b>	<b>8,709</b>	<b>(1,144,425)</b>	<b>8,645,380</b>	<b>7,509,664</b>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**20 Capital commitments**

	2015 £	2014 £
Contracted for, but not provided in the financial statements	<u>259,057</u>	<u>-</u>

**21 Financial commitments**

***Operating leases***

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

	2015 £	2014 £
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<u>-</u>	<u>-</u>
<u>Other</u>		
Expiring within one year	1,623	-
Expiring within two and five years inclusive	25,774	28,681
Expiring in over five years	1,011	-
	<u>28,408</u>	<u>28,681</u>



**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

<b>22 Reconciliation of net income to net cash flow from operating activities</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net income	22,279	7,589,385
Cash transferred on conversion	-	(186,144)
Loan transferred on conversion	-	53,251
Depreciation (note 14)	231,970	124,493
Capital income re fixed assets transferred on conversion	-	(8,601,211)
Capital grants from DfE	(331,121)	(18,816)
Interest receivable (note 5)	(591)	(265)
FRS17 pension liability on transfer to Academy	-	968,000
FRS17 pension costs less contributions payable (note 28)	64,000	36,000
FRS17 pension finance income (note 28)	26,000	19,000
(Increase)/decrease in debtors	(103,466)	(81,327)
Increase/(decrease) in creditors	6,499	318,758
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(84,430)</b>	<b>221,124</b>

<b>23 Returns on investments and servicing of finance</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest received	591	265
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>591</b>	<b>265</b>

<b>24 Capital expenditure and financial investment</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(112,058)	(26,544)
Capital grants from DfE	331,121	18,816
Receipts from sale of tangible fixed assets	-	-
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b>219,063</b>	<b>(7,728)</b>

<b>25 Analysis of changes in net funds</b>	<b>At 1 September</b>	<b>Cash flows</b>	<b>At 31 August</b>
	<b>2014</b>		<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	399,805	135,224	535,029
	<u>399,805</u>	<u>135,224</u>	<u>535,029</u>

**26 Contingent liabilities**

There are no contingent liabilities that require disclosure.

**27 Members' liability**

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

## **28 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 Oxfordshire County Council. 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £50,293 (2014: £53,581) were payable to the schemes at 31 August 2015 and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014, 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**

Not less than every four years 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

## 28 Pension and similar obligations (continued)

### Teachers' Pension Scheme (continued)

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £261,238 (2014: £164,769).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £186,000, of which employer's contributions totalled £144,000 and employees' contributions totalled £42,000. The agreed contribution rates for future years are 17.0% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £26,040 and £27,240 are due for the years ended 31st March 2016 and 2017 respectively.

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

### Principal actuarial assumptions

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
Rate of increase in salaries	<b>4.40%</b>	4.40%
Rate of increase for pensions in payment / inflation	<b>2.60%</b>	2.60%
Discount rate for scheme liabilities	<b>4.00%</b>	3.90%
Inflation assumption (CPI)	<b>2.60%</b>	2.60%
Commutation of pensions to lump sums	<b>50.00%</b>	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

<b>Sensitivity analysis</b>	<b>£</b>	<b>£</b>	<b>£</b>
Adjustment to discount rate	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	<b>2,312,000</b>	<b>2,361,000</b>	<b>2,412,000</b>
Projected service cost	<b>203,000</b>	<b>207,000</b>	<b>211,000</b>
Adjustment to life expectancy assumptions	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
Present value of total obligation	<b>2,421,000</b>	<b>2,361,000</b>	<b>2,302,000</b>
Projected service cost	<b>212,000</b>	<b>207,000</b>	<b>202,000</b>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**28 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	<b>23.3</b>	23.2
Females	<b>25.7</b>	25.5
<i>Retiring in 20 years</i>		
Males	<b>25.5</b>	25.4
Females	<b>28.0</b>	27.9

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

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	*	<b>756,000</b>	6.70%	669,000
Gilts	*	<b>141,000</b>	3.00%	91,000
Other bonds	*	<b>40,000</b>	3.60%	61,000
Property	*	<b>79,000</b>	5.90%	60,000
Cash	*	<b>37,000</b>	2.90%	42,000
LLPs	*	<b>40,000</b>	N/A	N/A
Hedge funds	*	-	6.70%	17,000
Diversified growth fund	*	<b>53,000</b>	0.00%	-
<b>Total market value of assets</b>		<b>1,146,000</b>		940,000
Present value of scheme liabilities				
- Funded		<b>(2,361,000)</b>		(2,093,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(1,215,000)</b>		(1,153,000)

\* For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore there is no requirement to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.9% per annum, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The actual return on scheme assets was £35,000 (2014: £68,000).

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**28 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Amounts recognised in the statement of financial activities**

	2015 £	2014 £
Current service cost (net of employee contributions)	208,000	122,000
Past service cost	-	-
Total operating charge	<u>208,000</u>	<u>122,000</u>

**Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	60,000	29,000
Interest on pension liabilities	(86,000)	(48,000)
<b>Pension finance income / (costs)</b>	<u>(26,000)</u>	<u>(19,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £102,000 loss (2014: £130,000 loss).

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

	2015 £	2014 £
<b>At 1 September</b>	<b>2,093,000</b>	<b>1,729,000</b>
Current service cost	208,000	122,000
Interest cost	86,000	48,000
Employee contributions	42,000	26,000
Actuarial (gain)/loss	(53,000)	169,000
Benefits paid	(15,000)	(1,000)
Past service cost	-	-
Curtailments and settlements	-	-
<b>At 31 August</b>	<u><b>2,361,000</b></u>	<u><b>2,093,000</b></u>

**Movements in the fair value of academy trust's share of scheme assets:**

	2015 £	2014 £
<b>At 1 September</b>	<b>940,000</b>	<b>761,000</b>
Expected return on assets	60,000	29,000
Actuarial gain/(loss)	(25,000)	39,000
Employer contributions	144,000	86,000
Employee contributions	42,000	26,000
Benefits paid	(15,000)	(1,000)
<b>At 31 August</b>	<u><b>1,146,000</b></u>	<u><b>940,000</b></u>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

**28 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

Reconciliation of opening and closing deficit	2015		2014	
	£	£	£	£
<b>Pension deficit at 1 September</b>		<b>(1,153,000)</b>		<b>(968,000)</b>
Current service cost	<b>(208,000)</b>		(122,000)	
Employer contributions	<b>144,000</b>		86,000	
Additional pension cost		<b>(64,000)</b>		(36,000)
Other finance costs		<b>(26,000)</b>		(19,000)
Actuarial gains/(losses)		<b>28,000</b>		(130,000)
<b>Pension deficit at 31 August</b>		<b><u>(1,215,000)</u></b>		<b><u>(1,153,000)</u></b>

The estimated value of employer contributions for the year ended 31 August 2016 is £148,000 (2015: £160,000)

The history of experience adjustments is as follows:

	Year to 31 August 2015 £	Year to 31 August 2014 £	As at 1 February 2013 £
<b>Present value of defined benefit obligations</b>	<b>(2,361,000)</b>	<b>(2,093,000)</b>	<b>(1,729,000)</b>
<b>Fair value of share of scheme assets</b>	<b>1,146,000</b>	<b>940,000</b>	<b>761,000</b>
<b>Deficit in the scheme</b>	<b><u>(1,215,000)</u></b>	<b><u>(1,153,000)</u></b>	<b><u>(968,000)</u></b>
<b>Experience adjustments on scheme assets</b>	<b><u>(25,000)</u></b>	<b><u>39,000</u></b>	<b><u>-</u></b>
<b>Experience adjustments on scheme liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**John Mason Academy Trust**  
**Notes to the financial statements**  
**For the year ended 31 August 2015**

*The 2014 comparative figures represented a 7 month period of activity from conversion to 31 August 2014*

---

**29 Related party transactions**

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

There were no transactions in the period with organisations in which a member of the board of trustees has any material interest.

**30 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2015 the trust received £4,617 and disbursed £344 from the fund. An amount of £4,916 (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to EFA.