



John Mason Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2017

**Company Registration Number:
08786136 (England and Wales)**

Period of account: 1 September 2016 – 31 August 2017

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John Mason Academy Trust

Reference and Administrative Details

Members

Paul Brooks
Emma Brown
Jonathan Hopkins

Trustees

Jonathan Hopkins (Chair of Board and Chair of Strategy & Audit Committee) * +
Sarah Brinkley (Chief Executive Officer & Accounting Officer) *
Douglas Aitkin *
Helen Bottomley *
Paul Brooks (Vice-Chair) * +
Emma Brown (to 8 Nov 2017)
Simon Burchill (Parent Trustee) (to 31 Aug 2017)
Jean Challis *
Maxine Evans +
Barry Graham (Chair of Curriculum, Welfare & Assessment Committee) +
Louise Griffin (Staff Trustee) (to 31 Aug 2017) *
Anne Highsmith *
Amanda Sissons (Staff Trustee)
Mark Timbs (Parent Trustee) (* from 9 May 2017)

* 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 Management Team

Headteacher	Sarah Brinkley
Deputy Headteacher	Valerie Munro
Assistant Headteacher	Lucy Foster
Assistant Headteacher	Mat Davies
Assistant Headteacher	Kirsty Rogers
Chief Financial Officer	Lorna Wiltshire

Company Name John Mason Academy Trust

Principal and Registered Office John Mason School
Wootton Road
ABINGDON
OX14 1JB

Company Registration Number 08786136 (England and Wales)

Independent Auditor Critchleys Audit LLP
23-38 Hythe Bridge Street
OXFORD
OX1 2EP

Bankers Lloyds Bank Plc
8 Ock Street
ABINGDON
OX14 5AP

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 1,050 and had a roll of 961 in the school census on 19 January 2017.

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 also 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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

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. Staff Trustees are elected by the staff currently employed by the academy trust.

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 a former CEO of a multi-academy trust, and human resources and business management.

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, a Deputy Headteacher and three 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.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of key management personnel who are members of the teaching staff is governed by the pay ranges permitted within the current Schoolteachers' Pay and Conditions Document (STCPD) approved by Parliament within which incremental progression is determined by the Pay Review Committee of the Board of Trustees; that of such personnel who are members of the support staff is determined by Local Government pay scales, the positioning on which is based upon a job evaluation process carried out by the Trust's human resources advisers.

Related Parties and other Connected Charities and Organisations

For further details of related parties and transactions during the year see Notes 10 and 30 to the Financial Statements.

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.

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.

John Mason School has continued to admit a wide range of students of all abilities from Abingdon and the surrounding area. Admissions are co-ordinated by Oxfordshire County Council and in the event of the school being over-subscribed, preference is given (in descending order) to looked after children, those with disabilities, those who live in the designated catchment area (with preference to siblings of existing students, then to those who live closest to the school), and those who attend partner schools (with preference to those who live closest to the school).

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

Other activities undertaken during 2016/17 included:

- Family Learning Events
- Community service with Age UK, primary schools and local residents through our Duke of Edinburgh Bronze, Silver and Gold Award programme and KS3 Passport
- Work with British Legion round Remembrance
- Cultural Capital project for disadvantaged families
- Charter Day project to enable the students to better understand the community in which they live
- Community Music Concert with local primary schools
- Sports Leaders Programme supporting primary schools with sports development and leadership
- Learning to Lead initiative providing over 100 student leaders to work with community and younger students
- Parenting workshops with school health nurse and locality services
- New enhanced security perimeter around the school boundary keeping students safely in school.

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 +0.05).

John Mason School was inspected by Ofsted on 31 January 2017, who carried out a full section 5 inspection. The school was judged as 'Requires Improvement' overall, but with good judgements for Leadership and Management, Personal Development, Behaviour and Welfare and 16 – 19 provision. This inspection recognised the 'clear vision' for the school and improving standards, because 'senior leaders have tackled weaknesses.' This built on the very positive DFE visit in December 2016, which commented on 'a culture of ambition and high expectations, with a relentless focus on teaching and learning to enable the students to achieve the best outcomes.' A follow up letter from Ofsted in June 2017 recognised, 'the clarity of vision' of the headteacher and how pleasing it was that the inspection had secured a 'good' judgement for leadership and management'. Following a summer of much improved results with great reductions in gaps for disadvantaged children, this confirms that the improvement strategy is having an impact.

Key Performance Indicators

A2 level

2017 A level results were pleasing, broadly in line with National average, except at A* - B, including a 100% pass rate overall.

	2014		2015		2016		2017	
	JMS	National	JMS	National	JMS	National	JMS	National
%A*-A	34.3	26.0	33.1	25.9	26.0	25.8	27.2	26.3
%A*-B	53.5	52.4	59.5	52.8	55.3	52.9	47.5	53.1
%A*-C	78.5	76.7	80.4	77.3	77.3	77.6	75.9	77.4
%A*-E	95.3	98.0	98.6	98.1	100	98.1	100	97.9

Subjects Taught at JMS (including shared courses)

Students taught at JMS were broadly in line with partner schools, except at A* - B, but were broadly inline or exceeding in other key measures. The school maintains a 3 year T score of 5.

AS level

AS results were broadly in line with national and above national at A – E, achieving an ALPS grade 4. However, this is the last year of AS results as JMS has taken the decision to withdraw this qualification.

GCSE Level

GCSE results this year were above National average for the headline measures (% achieving A* - C in English and mathematics) and were a 5% rise on last year's results. Attainment in mathematics (74%) and English (80%), show positive progress in both areas, with a positive P8 score for English of +0.13 and in maths of +0.05. Similarly, gaps for disadvantaged students have reduced by 27% on Basics at 9 – 4 and for boys by 19% on the same measure, as a result of a targeted intervention strategy and an improvement in the quality of teaching and learning.

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Trustees' Report

Measure (* = unvalidated)	2015		2016		2017
	National	School	National	School	School
Achieved A*-C / 9-4 in English and mathematics	56%	58%	62%	63%	68%
Achieved 5+ A*-C / 9-4 including English and mathematics	57%	58%	-	59%	62%
Achieved E-Bacc	23%	35%	24%	24%	22%
Attainment 8	47.4	50.0	49.5	50.3	45.9
Progress 8	0.00	-0.22	0.00	-0.31	-0.12*

Comparison with legacy measures:

Measure		2015		2016		2017		
		National	School (123)	National Benchmark	School (172)	School Target	National Benchmark	School (162)
Attainment 8	Total	47.4	50.0	49.5	50.3	53.0		45.8
	English	10.1	10.6	10.4	10.4	-		10.3
	Maths	9.4	10.0	9.7	10.4	-		9.2
	EBacc	12.6	13.7	13.6	13.4	-		12.2
	Open	15.3	15.7	15.7	16.2	-		14.1
Progress 8	Total		-0.22		-0.31			-0.12
	English		-0.20		-0.42			0.13
	Maths	0.00	-0.18	0.00	-0.05	0.20	0.00	0.05
	EBacc		-0.05		-0.50			-0.25
	Open		-0.24		-0.21			-0.40
Achieved a strong pass in English & maths ¹		-	-	-	-	45%		40%
Achieved a standard pass in English & maths ²		56%	58%	62%	63%	65%		68%
Achieved E-Bacc (strong pass in En & Ma)		-	-	-	-	-		19%
Achieved EBacc (standard pass in En & Ma)		23%	35%	24%	24%	24%		22%
Entered for E-Bacc			46%	39%	41%	-		32%
Achieved 5+A*-C inc strong pass in En & Ma		-	-	-	-	-		40%
Achieved 5+A*-C inc standard pass in En & Ma		57%	58%	-	59%	-		62%

¹ A "strong" pass is grade 9-5. Uses best of English Language and Literature.

² A "standard" pass is grade 9-4. Uses best of English Language and Literature.

John Mason Academy Trust

Trustees' Report

Key Stage 3

The removal of levels in KS3 means that historical data is no longer relevant. The school has now moved to a three-year Key Stage 4 course, which also means that the previous KS3 data would not be comparable.

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

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 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 and Skills 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 period the school received income of £4.862M in government and local authority revenue and £339k in capital grants, most of it in the form of recurrent grants, the use of which has been restricted. A further £417k 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.

During the year ended 31 August 2017, total revenue expenditure of £5.372M 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 £92k before revenue spend on capital items and pension scheme unrealised gains.

As at 31 August 2017 the net book value of fixed assets was £8.881M and movements in intangible and tangible fixed assets are shown in notes 12 and 13 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 2017 held a deficit of £1.90M, the breakdown of which is detailed within note 29 to the Financial Statements. This was the same as for the previous year.

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 aims to maintain at least £200k in reserves in view of future economic uncertainty, though this might vary somewhat from year to year depending upon circumstances.

On 31 August 2017 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£k
Unrestricted General Funds	69
Restricted General Funds	121
Restricted Capital Funds - General	21
Restricted Project Capital Funds	<u>239</u>
Reserves at 31 August 2017	450

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 the strategic plans 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 risks 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).

Plans for Future Periods

The Board has been working with the boards of Rush Common and Fitzharrys Schools since 2016 on a project to establish a multi-academy trust, Abingdon Learning Trust (ALT), comprising the three schools in the first instance. An application has been submitted to the Department for Education to transfer John Mason School to ALT and it is hoped that this might take place during 2018.

As John Mason Academy Trust, our priorities for 2017/18 are:

Outcomes

- Embed PIXL strategies to ensure substantial and sustained progress in all subjects especially English, Maths and Science.
- Deliver a robust intervention strategy to accelerate progress for vulnerable groups, including gender, most able, disadvantaged students and students with SEND
- Embed the Supportive Action Process at all levels, so that all students make rapid progress from their different starting points.
- Embed the assessment system at KS3 so that students have ownership and understanding of their next steps and their progress improves rapidly

Teaching, Learning and Assessment

- Ensure that all teachers consistently plan effectively for the needs of all learners
- Embed consistent, incisive and regular formative feedback, and ensure that students' response to feedback leads to rapid progress.
- Embed independent learning strategies to ensure students are confident, self-disciplined, resilient and aspirational lifelong learners
- Develop effective provision of literacy, oracy and numeracy across the curriculum, so that all students are well equipped for the next stage of their education, training or employment

Personal Development, Behaviour, Welfare

- Develop student leadership opportunities which grow confident, self-assured learners with aspirational behaviours and attitudes.
- Develop self-disciplined students who demonstrate impeccable conduct, pride in their achievements and a readiness to learn.
- Embed attendance processes so that no groups of students are disadvantaged by low attendance.

Leadership and Management

- Embed consistently high standards and expectations in every classroom, for every child through inspiring, ambitious and uncompromising leadership.
- Ensure leadership is distributed so that Middle Leaders are empowered to lead highly effective teams, whilst being motivated and trusted to take risks.
- Ensure leadership of SEND focuses on improving outcomes for learners, training staff to support these needs and being ambitious for every child
- Ensure leadership of 16 - 19 programmes is responsive to national and local agendas and provides opportunities for students to excel.

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 Audit 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 14 December 2017 and signed on the board's behalf by:

Jonathan Hopkins

Chair of the Board of Trustees

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 9 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
Jonathan Hopkins	9	9
Douglas Aitken	2	9
Helen Bottomley	5	9
Sarah Brinkley	9	9
Paul Brooks	8	9
Emma Brown	0	9
Simon Burchill	6	9
Jean Challis	9	9
Maxine Evans	6	9
Barry Graham	7	9
Louise Griffin	9	9
Anne Highsmith	4	9
Amanda Sissons	7	9
Mark Timbs	7	9

Resignations and Appointments during the year:

During the year Members re-appointed Paul Brooks as a Trustee with effect from 30 November 2016, Jonathan Hopkins from 9 September 2017 and Jean Challis from 1 October 2017. Simon Burchill and Louise Griffin resigned as Trustees from 31 August 2017 and Emma Brown from 8 November 2017.

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

- Robust financial management during a period of sustained financial pressures on schools, while maintaining a focus on quality teaching in the retention and recruitment of staff (at a time of a national shortage of teachers in certain subject areas)
- Rapid progress in teaching and learning and a mid-year Ofsted inspection, reporting 'Good' leadership and management including strong governance but 'Requires Improvement' overall with greater consistency across faculties required to secure 'Good'
- The strategic development as a single school academy trust, strengthening partnerships and taking a lead role in the development of Abingdon Learning Trust as a multi academy trust; alongside an external review of JMAT governance (strong) and Board focus on key lines of enquiry to challenge and support Senior Leadership Team for school improvement and financial stability.

Governance Reviews

A review of the Trust's governance was carried out by independent consultants in May 2017. The main findings were as follows. The Trust will carry out a further review in 2019 if the school has not transferred to the Abingdon Learning Trust by that date.

Main Findings

The Board of Directors at John Mason Academy has fully responded to the findings of the 2015 review. Their systematic and rigorous evaluation of their work has strengthened their impact and that was clearly recognised in the Ofsted report which stated that governance was good. The report referred to the board's seeking guidance from external agencies and practitioners. Governance at this school was certainly not weak, but it is notable that the board has pushed hard to improve its work.

It was at the time of a transition of leadership that the 2015 review took place. The first recommendation, was to develop a strong reporting arrangement with the new headteacher. This has involved bringing a clearer method of reporting on Key Lines of Enquiry aligned to school priorities identified in the SEF that involved members of the senior staff reporting to the board, and good engagement and questions. There is a clear purpose and high priority given to school visits where governors each take a lead role on core policy areas and responsibilities, most notably in Safeguarding, Health & Safety, SEND and Pupil Premium, also supporting Student Voice. This is supported also by convening panels for specific roles, deploying governors with specialist skills, for example in robust Performance Management and oversight of staff pay.

There is also a very strong culture of openness and transparency between senior staff and the board that enables a high level of trust to be built. For example, at the Curriculum Welfare and Achievement Committee on 13 April 2016, there was a discussion about the impact of the Year 7 Catch Up funding. Whilst overall progress was seen as good, discussion focused on the aspects of this issue that were not working so well.

Another key line of enquiry is the development of more consistency in the quality of teaching at the school. This has been an issue for some time and continues to be – it was the main improvement issue in the Ofsted report. Governors are clearly and deeply engaged with this. They have members with high skills in this field who use their expertise to support and challenge the school.

Governors report that the information they receive about quality of teaching is very clear, and it enables good engagement from the board in monitoring of departments and quality of teaching reviews. This was, for example, a feature of the board meeting of 7 July 2016, where the Headteacher's report gave good information about the effectiveness of teaching and at the right level. Governors visit the school and are involved in question and answer sessions. They explicitly monitor the impact of senior leaders on the quality of teaching, and are engaged on the human resources aspects of this, ensuring that performance management is rigorous.

Governors report that they have been through difficult periods in recent years, including something of a financial crisis, and a significant change in school leadership. This is reflected in the Ofsted report, but governors have been drawn closer together as a team through having to manage these issues. They have been much more actively involved in school improvement over the past two years than they had been previously.

The board is very well organised and manages its business efficiently. They ensure that work is taken off full board agendas and managed elsewhere, including cross-cutting issues under the Strategy & Audit Committee. However, the focus on teaching and learning, and school improvement at full directors' meetings is still very high. It was notable that at the full board meeting on 13 October 2016 the Curriculum Welfare and Achievement Committee report raised no discussion because everything from their recent meeting was being covered on the full board agenda. This is good, because whilst a committee with this remit provides quite sharp accountability to senior staff in this vital area, it must not disappear from full board discussion like, say, an improvement to the premises might. This is supplemented by joint committee briefings and full board training included within the board agendas led by SLT for insight including data-use and progress measures.

Clerking is good, and minutes well written. They show that governors ask questions and bring challenge to the school without too much detail about who said what. The responses from school leaders to questions are given in considerable detail, and show a high level of accountability. This applies to all meetings, including the committees which are self-reporting i.e. not minuted by the regular clerk to the Board.

The most important issue for the Board of Directors at John Mason Academy is to maintain strong oversight over the management of risk. This is most commonly achieved by governors obtaining a rounded view of progress at the school, using several sources of information. The use of external reports, and potentially the partnership with Fitzharrys School and Rush Common Primary Academy will certainly bring a wider

John Mason Academy Trust

Governance Statement (continued)

consensus to school leaders about what is needed to improve things. The variation in outcomes that led to the Ofsted report saying that the school requires improvement must drive the work of this board from now on.

The development of the multi-academy trust will be a time consuming process and could be a distraction from this core task. However, so far it appears to be managed very well, not dominating meetings unless a board meeting is specifically called to consider this issue and with scrutiny of due diligence delegated to Finance, Premises and Personnel Committee.

Conclusion

This board of directors is very skilled and has strengthened its work in recent years. They know their school has still a number of improvement areas, and that tackling these is their main function. They are taking on a 'whatever it takes' approach to school improvement and this will serve the pupils at John Mason Academy well in the months and years to come.

On the basis of this evidence, **governance is strong.**

Recommendations

There are no specific aspects of governance that are identifiable as weaknesses. The board needs to follow things through to a good outcome or impact, and they show every sign of doing so. The areas they should focus on include:

- Making sure they have good systems for managing risk, i.e. ensuring that vigilance in maintaining high standards and high quality education is front and centre of the board's work;
- Supporting the school in developing more consistency in good and outstanding teaching, and tackling any under performance in teaching (see Appendix 3);
- Help develop stronger middle leadership at the school, shown in pupil outcomes;
- Understanding the needs of groups of pupils, including the more able and the disadvantaged pupils, so that they receive the best possible support for their learning.

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 six 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	5	6
Douglas Aitken	2	4 *
Helen Bottomley	4	6
Sarah Brinkley	5	6
Jean Challis	6	6
Louise Griffin	4	6
Anne Highsmith	4	6
Jonathan Hopkins	6	6
Mark Timbs	1	2

** leave of absence granted for part of year*

The **Strategy & Audit Committee** is a sub-committee of the main Board of Directors. There have been three 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	3	3
Maxine Evans	1	1
Jonathan Hopkins	3	3
Barry Graham	3	3

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:

- A focus on English and mathematics has led to improved exam results, with both subjects securing a positive Progress 8 score; this has been facilitated by the recruitment of high quality staff. We have also seen an improvement with our overall progress 8 score.
- A targeted Pupil Premium spend has had an impact and reduced the gap by 27% in Basics.
- We have changed our curriculum model, this includes larger class sizes, fewer options offered and a three-stage KS4 model to provide a cost effective curriculum.
- Introduced a more focused wellbeing team, the impact of this has reduced staff absence and cover costs.
- Introduced a new Accounting System which integrates with our budgeting system so all on one system. It also allows us to integrate other schools onto the same system if we become a MAT saving money for all schools in the MAT.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 2016/17. Her role included giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. She has 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 process for ensuring that staff appointments are budgeted and that financial and payroll procedures are aligned, all of which have been put into action.

The usual internal audit process has been supplemented in 2016/17 by due diligence procedures in connection with the application by the Trust to transfer the school to the Abingdon Learning Trust as a result of a joint project by Rush Common, Fitzharrys and John Mason schools' Board to form a single multi-academy trust, subject to approval by the Department of Education.

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 14 December 2017 and signed on its behalf by:

Jonathan Hopkins
Chair of the Board 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

Sarah Brinkley

Accounting Officer

14 December 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on its behalf by:

Jonathan Hopkins
Chair of the Board of Trustees

We have audited the financial statements of John Mason Academy Trust ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2016 to 2017 issued by the ESFA.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 20), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford
Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

John Mason Academy Trust

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

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Mason Academy Trust and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

John Mason Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to John Mason Academy Trust and the Education and Skills 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Critchleys Audit LLP
Reporting Accountant
Oxford

Date:

John Mason Academy Trust
Statement of Financial Activities
For the year ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	-	1,529	338,619	340,148	779,775
Charitable activities						
Funding for the academy trust's educational operations	3	-	4,862,156	-	4,862,156	4,825,399
Other income for educational operations	4	385,244	-	-	385,244	382,907
Other trading activities	5	28,767	-	-	28,767	42,986
Investments	6	1,959	-	-	1,959	1,036
Total		415,970	4,863,685	338,619	5,618,274	6,032,103
Expenditure on:						
Charitable activities						
Academy's educational operations	8	388,092	4,983,813	249,326	5,621,231	5,434,826
Teaching schools						
Total		388,092	4,983,813	249,326	5,621,231	5,434,826
Net income / (expenditure) before transfers		27,878	(120,128)	89,293	(2,957)	597,277
Transfers between funds	17	(7,750)	20,875	(13,125)	-	-
Net income/(expenditure) for the period		20,128	(99,253)	76,168	(2,957)	597,277
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,29	-	411,000	-	411,000	(1,088,000)
Net movement in funds		20,128	311,747	76,168	408,043	(490,723)
Reconciliation of Funds						
Funds brought forward at 1 September 2016		49,387	(2,094,850)	9,064,404	7,018,941	7,509,664
Funds carried forward at 31 August 2017		69,515	(1,783,103)	9,140,572	7,426,984	7,018,941

All of the Academy's activities derive from 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 2017

Company number:
08786136

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	12		4,574		-
Tangible assets	13		8,876,600		8,336,663
Current assets					
Debtors	14	152,993		131,977	
Cash at bank and in hand		623,771		1,141,562	
		<u>776,764</u>		<u>1,273,539</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(315,710)</u>		<u>(299,080)</u>	
Net current assets			<u>461,054</u>		<u>974,459</u>
Total assets less current liabilities			<u>9,342,228</u>		<u>9,311,122</u>
Creditors: Amounts falling due after more than one year			<u>(11,244)</u>		<u>(12,181)</u>
Net assets excluding pension liability			<u>9,330,984</u>		<u>9,298,941</u>
Defined benefit pension scheme liability	29		<u>(1,904,000)</u>		<u>(2,280,000)</u>
Total net assets			<u><u>7,426,984</u></u>		<u><u>7,018,941</u></u>
Funds of the academy trust:					
Restricted fixed asset funds	17		9,140,572		9,064,404
Restricted funds					
Restricted funds excluding pension liability	17	120,897		185,150	
Pension reserve	17	<u>(1,904,000)</u>		<u>(2,280,000)</u>	
			<u>(1,783,103)</u>		<u>(2,094,850)</u>
Total restricted funds			<u><u>7,357,469</u></u>		<u><u>6,969,554</u></u>
Unrestricted funds	17		69,515		49,387
Total funds			<u><u>7,426,984</u></u>		<u><u>7,018,941</u></u>

The financial statements on pages 25 to 48 were approved by the trustees and authorised for issue on 14 December 2017 and are signed on their behalf by

Jonathan Hopkins
Chair of the Board of Trustees

John Mason Academy Trust
Statement of Cash Flows
For the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	(46,930)	33,140
Cash flows from investing activities			
	25	(453,259)	578,174
Cash flows from financing activities			
	24	(17,602)	(4,781)
Change in cash and cash equivalents in the reporting period		<u>(517,791)</u>	<u>606,533</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2016		1,141,562	535,029
Cash and cash equivalents at 31 August 2017	26	<u>623,771</u>	<u>1,141,562</u>

All of the cash flows are derived from continuing operations.

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

John Mason Academy Trust meets the definition of a public benefit entity under FRS 102.

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

Income

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

Grants

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

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

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

1 Statement of Accounting Policies (continued)

Income (continued)

Donations

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

Other Income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets (excluding Transfers on conversion/into trust)

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

Expenditure

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

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Software	2 years
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1 Statement of Accounting Policies (continued)

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 13 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off 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.

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1 Statement of Accounting Policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Leased Assets

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

Taxation

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1 Statement of Accounting Policies (continued)

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 Education and Skills Funding Agency and the Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 29).

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the 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 31.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	20,695	20,695	20,836
Condition improvement fund grant	-	317,924	317,924	758,488
Other Government grants				
Local authority capital funding	-	-	-	-
	<u>-</u>	<u>338,619</u>	<u>338,619</u>	<u>779,324</u>
Other donations	-	1,529	1,529	451
	<u>-</u>	<u>340,148</u>	<u>340,148</u>	<u>779,775</u>

The income from donations and capital grants was £340,148 (2016: £779,775) of which £Nil was unrestricted (2016: £451), £1,529 restricted (2016: £Nil) and £338,619 restricted fixed assets (2016: £779,324).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	4,569,253	4,569,253	4,578,726
Other DfE grants	-	193,637	193,637	187,520
	<u>-</u>	<u>4,762,890</u>	<u>4,762,890</u>	<u>4,766,246</u>
Other Government grants				
Local Authority revenue funding	-	99,266	99,266	59,153
	<u>-</u>	<u>99,266</u>	<u>99,266</u>	<u>59,153</u>
	<u>-</u>	<u>4,862,156</u>	<u>4,862,156</u>	<u>4,825,399</u>

The funding for the academy's educational operations was £4,862,156 (2016: £4,825,399) of which £Nil was unrestricted (2016: £Nil), £4,862,156 restricted (2016: £4,825,399) and £Nil restricted fixed assets (2016: £Nil).

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4 Other income for educational operations

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Trip and activity income	103,430	-	103,430	150,120
Catering income	216,066	-	216,066	175,821
Other educational income	65,748	-	65,748	56,966
	<u>385,244</u>	<u>-</u>	<u>385,244</u>	<u>382,907</u>

The other income for educational operations was £385,244 (2016: £382,907) of which £385,244 was unrestricted (2016: £382,907), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

5 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Hire of facilities	26,102	-	26,102	32,196
Other income	2,665	-	2,665	10,790
	<u>28,767</u>	<u>-</u>	<u>28,767</u>	<u>42,986</u>

The other trading activities income was £28,767 (2016: £42,986) of which £28,767 was unrestricted (2016: £42,986), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

6 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Short term deposits	1,959	-	1,959	1,036
	<u>1,959</u>	<u>-</u>	<u>1,959</u>	<u>1,036</u>

The investment income was £1,959 (2016: £1,036) of which £1,959 was unrestricted (2016: £1,036), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

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7 Expenditure

	Non Pay Expenditure			Total 2017 £	Total 2016 £
	Staff Costs £	Premises Costs £	Other Costs £		
Academy's educational operations					
Direct costs (note 8)	3,324,673	-	492,776	3,817,449	3,749,810
Allocated support costs (note 8)	808,435	331,540	663,807	1,803,782	1,685,016
	<u>4,133,108</u>	<u>331,540</u>	<u>1,156,583</u>	<u>5,621,231</u>	<u>5,434,826</u>
	<u>4,133,108</u>	<u>331,540</u>	<u>1,156,583</u>	<u>5,621,231</u>	<u>5,434,826</u>

The expenditure on academy's educational operations was £5,621,231 (2016: £5,434,826) of which £388,092 was unrestricted (2016: £386,702), £4,983,813 restricted (2016: £4,799,251) and £249,326 restricted fixed assets (2016: £248,873).

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating lease rentals	25,802	29,229
Depreciation	246,361	248,873
(Gain)/loss on disposal of fixed assets		
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	2,965	-
Fees payable to auditor for:		
Audit	6,350	6,645
Other services	7,790	6,305
	<u>6,350</u>	<u>6,645</u>
	<u>7,790</u>	<u>6,305</u>

8 Charitable Activities - Academy's educational operations

	Total 2017 £	Total 2016 £
Direct costs - educational operations	3,817,449	3,749,810
Support costs - educational operations	1,803,782	1,685,016
	<u>5,621,231</u>	<u>5,434,826</u>

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Support staff costs	773,435	773,435	722,612
Depreciation	249,326	249,326	248,873
Technology costs	20,270	20,270	29,366
Premises costs	331,540	331,540	365,499
Other support costs	376,633	376,633	324,022
Governance costs	17,578	17,578	17,644
Other pension costs	159,000	159,000	63,000
Other finance costs (FRS102 pension)	(124,000)	(124,000)	(86,000)
Total support costs	<u>1,803,782</u>	<u>1,803,782</u>	<u>1,685,016</u>

9 Staff Costs

	2017	2016
	£	£
Staff costs during the period were:		
Wages and salaries	3,227,337	3,036,629
Social security costs	305,354	251,097
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	517,928	483,614
FRS102 Other pension and finance costs	35,000	(23,000)
Apprenticeship levy	534	-
	<u>4,086,153</u>	<u>3,748,340</u>
Agency supply staff costs	38,951	157,053
Staff restructuring costs	8,004	-
	<u>4,133,108</u>	<u>3,905,393</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	8,004	-
Other restructuring costs	-	-
	<u>8,004</u>	<u>-</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £8,004 (2016: £Nil).

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

	2017	2016
	No.	No.
Charitable Activities		
Teachers	63	55
Administration and support	54	55
Management	2	7
	<u>119</u>	<u>117</u>

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

	2017	2016
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £505,192 (2016: £519,468).

10 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment.

	2017 £	2016 £
S Brinkley - Headteacher governor and trustee (Appointed 1 September 2015)		
Remuneration	80k-85k	80k-85k
Employer's pension contributions paid	10k-15k	10k-15k
A Sissons - Staff governor and trustee		
Remuneration	45k-50k	40k-45k
Employer's pension contributions paid	5k-10k	5k-10k
L Griffin - Staff governor and trustee (Appointed 11 September 2015)		
Remuneration	25k-30k	25k-30k
Employer's pension contributions paid	0k-5k	0k-5k
J Challis - Trustee		
Remuneration	0k-5k	0k-5k
Employer's pension contributions paid	0k-5k	0k-5k
A Highsmith - Trustee (Appointed 21 October 2015)		
Remuneration	-	0k-5k
Employer's pension contributions paid	-	0k-5k

During the period ended 31 August 2017, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2016: £Nil).

11 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 (2016: £1m) on any one claim and the cost for the period ended 31 August 2017 was £461 (2016: £5,480).

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

12 Intangible fixed assets

	Computer Software £	Total £
Cost		
At 1 September 2016	-	-
Additions	7,539	7,539
At 31 August 2017	<u>7,539</u>	<u>7,539</u>
Amortisation		
At 1 September 2016	-	-
Charges in period	2,965	2,965
At 31 August 2017	<u>2,965</u>	<u>2,965</u>
Carrying amount		
At 31 August 2017	<u>4,574</u>	<u>4,574</u>
At 1 September 2016	<u>-</u>	<u>-</u>

13 Tangible fixed assets

	Leasehold Buildings £	Furniture, Equipment & Machinery £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2016	8,630,525	73,955	231,394	6,125	8,941,999
Additions	732,289	13,268	32,991	7,750	786,298
At 31 August 2017	<u>9,362,814</u>	<u>87,223</u>	<u>264,385</u>	<u>13,875</u>	<u>9,728,297</u>
Depreciation					
At 1 September 2016	440,499	17,694	143,268	3,875	605,336
Charges in period	181,437	9,646	53,132	2,146	246,361
At 31 August 2017	<u>621,936</u>	<u>27,340</u>	<u>196,400</u>	<u>6,021</u>	<u>851,697</u>
Net book values					
As at 31 August 2017	<u>8,740,878</u>	<u>59,883</u>	<u>67,985</u>	<u>7,854</u>	<u>8,876,600</u>
As at 31 August 2016	<u>8,190,026</u>	<u>56,261</u>	<u>88,126</u>	<u>2,250</u>	<u>8,336,663</u>

Leasehold property

The academy trust took out a 125 year lease over the property at the date of conversion. Leasehold buildings are recognised in the accounts as the academy trust has the right to use the property. The valuation was arranged by the EFA and was carried out on a desktop depreciated replacement cost basis. Due to restrictions in the leases on the use of the land, the Trustees consider that the land has no value and as such it is included in the financial statements at nil value. The freehold of this property is owned by the Local Authority.

Additions in the year represent capital works to existing buildings.

14 Debtors

	2017	2016
	£	£
Trade debtors	16,915	17,417
VAT recoverable	26,197	14,850
Prepayments and accrued income	109,881	99,710
	<u>152,993</u>	<u>131,977</u>

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	88,189	89,259
Other taxation and social security	78,005	72,089
Salix loan	1,874	18,539
Other creditors	74,484	70,751
Accruals and deferred income	73,158	48,442
	<u>315,710</u>	<u>299,080</u>

Deferred income

	2017	2016
	£	£
Deferred income at 1 September 2016	38,178	63,300
Released from previous years	(38,178)	(63,300)
Resources deferred in the period	51,771	38,178
Deferred income at 31 August 2017	<u>51,771</u>	<u>38,178</u>

Deferred income represents trip income received specifically for next financial year.

16 Creditors: amounts falling due in greater than one year

	2017	2016
	£	£
Salix loan	11,244	12,181
	<u>11,244</u>	<u>12,181</u>

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17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	152,355	4,569,253	(4,666,535)	25,565	80,638
Pupil Premium funding	14,820	161,131	(152,009)	(4,690)	19,252
Other DfE funding	17,975	32,506	(37,209)	-	13,272
Local Authority revenue funding	-	99,266	(91,531)	-	7,735
Other donations	-	1,529	(1,529)	-	-
Pension reserve (note 29)	(2,280,000)	-	(35,000)	411,000	(1,904,000)
	<u>(2,094,850)</u>	<u>4,863,685</u>	<u>(4,983,813)</u>	<u>431,875</u>	<u>(1,783,103)</u>
Restricted fixed asset funds					
Devolved formula capital funding	4,812	20,695	-	(4,812)	20,695
Condition Improvement Fund	722,929	317,924	-	(802,150)	238,703
Intangible asset fund (note 12)	-	-	(2,965)	7,539	4,574
Fixed asset fund (note 13)	8,336,663	-	(246,361)	786,298	8,876,600
	<u>9,064,404</u>	<u>338,619</u>	<u>(249,326)</u>	<u>(13,125)</u>	<u>9,140,572</u>
Total restricted funds	<u>6,969,554</u>	<u>5,202,304</u>	<u>(5,233,139)</u>	<u>418,750</u>	<u>7,357,469</u>
Unrestricted funds					
Unrestricted funds	49,387	415,970	(388,092)	(7,750)	69,515
Total unrestricted funds	<u>49,387</u>	<u>415,970</u>	<u>(388,092)</u>	<u>(7,750)</u>	<u>69,515</u>
Total funds	<u>7,018,941</u>	<u>5,618,274</u>	<u>(5,621,231)</u>	<u>411,000</u>	<u>7,426,984</u>

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 2017.

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	4,574	4,574
Tangible fixed assets	-	-	8,876,600	8,876,600
Current assets	69,515	447,851	259,398	776,764
Current liabilities	-	(315,710)	-	(315,710)
Non-current liabilities	-	(11,244)	-	(11,244)
Pension Scheme liability	-	(1,904,000)	-	(1,904,000)
Total net assets	<u>69,515</u>	<u>(1,783,103)</u>	<u>9,140,572</u>	<u>7,426,984</u>

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19 Comparative funds note

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	9,271	4,578,726	(4,547,069)	111,427	152,355
Pupil Premium funding	41,804	158,370	(185,354)	-	14,820
Other DfE funding	19,500	29,150	(30,675)	-	17,975
Local Authority revenue funding	-	59,153	(59,153)	-	-
Pension reserve (note 27)	(1,215,000)	-	23,000	(1,088,000)	(2,280,000)
	<u>(1,144,425)</u>	<u>4,825,399</u>	<u>(4,799,251)</u>	<u>(976,573)</u>	<u>(2,094,850)</u>
Restricted fixed asset funds					
Devolved formula capital funding	2,973	20,836	-	(18,997)	4,812
Condition Improvement Fund	259,057	758,488	-	(294,616)	722,929
Fixed asset fund (note 13)	8,383,350	-	(248,873)	202,186	8,336,663
	<u>8,645,380</u>	<u>779,324</u>	<u>(248,873)</u>	<u>(111,427)</u>	<u>9,064,404</u>
Total restricted funds	<u>7,500,955</u>	<u>5,604,723</u>	<u>(5,048,124)</u>	<u>(1,088,000)</u>	<u>6,969,554</u>
Unrestricted funds					
Unrestricted funds	8,709	427,380	(386,702)	-	49,387
Total unrestricted funds	<u>8,709</u>	<u>427,380</u>	<u>(386,702)</u>	<u>-</u>	<u>49,387</u>
Total funds	<u>7,509,664</u>	<u>6,032,103</u>	<u>(5,434,826)</u>	<u>(1,088,000)</u>	<u>7,018,941</u>

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 2016.

20 Comparative analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	8,336,663	8,336,663
Current assets	49,387	496,411	727,741	1,273,539
Current liabilities	-	(299,080)	-	(299,080)
Non-current liabilities	-	(12,181)	-	(12,181)
Pension Scheme liability	-	(2,280,000)	-	(2,280,000)
Total net assets	<u>49,387</u>	<u>(2,094,850)</u>	<u>9,064,404</u>	<u>7,018,941</u>

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Notes to the financial statements
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21 Capital commitments

	2017	2016
	£	£
Contracted for, but not provided in the financial statements	<u>238,733</u>	<u>-</u>

22 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts due within one year	2,565	17,250
Amounts due between one and five years	1,656	4,854
Amounts due after five years	-	-
	<u>4,221</u>	<u>22,104</u>

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

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,957)	597,277
Adjusted for:		
Amortisation (note 12)	2,965	-
Depreciation (note 13)	246,361	248,873
Capital grants from DfE and other capital income	(338,619)	(779,324)
Interest receivable (note 6)	(1,959)	(1,036)
Defined benefit pension scheme cost less contributions payable (note 29)	159,000	63,000
Defined benefit pension scheme finance cost (note 29)	(124,000)	(86,000)
(Increase)/decrease in debtors	(21,016)	52,816
Increase/(decrease) in creditors	33,295	(62,466)
Net cash (used in)/provided by operating activities	<u>(46,930)</u>	<u>33,140</u>

24 Cash flows from financing activities

	2017	2016
	£	£
Repayments of borrowing	(17,602)	(17,899)
Cash inflows from new borrowing	-	13,118
Net cash used in financing activities	<u>(17,602)</u>	<u>(4,781)</u>

25 Cash flows from investing activities

	2017	2016
	£	£
Dividends, interest and rents from investments	1,959	1,036
Purchase of intangible fixed assets	(7,539)	-
Purchase of tangible fixed assets	(786,298)	(202,186)
Capital grants from DfE/ESFA	338,619	779,324
Net cash (used in)/provided by investing activities	<u>(453,259)</u>	<u>578,174</u>

26 Analysis of cash and cash equivalents

	At 1 September 2016 £	Cash flows £	At 31 August 2017 £
Cash at bank and in hand	841,562	(217,791)	623,771
Notice deposits (less than 3 months)	300,000	(300,000)	-
	<u>1,141,562</u>	<u>(517,791)</u>	<u>623,771</u>

27 Contingent liabilities

There are no contingent liabilities that require disclosure.

28 Members liability

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

29 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 latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £64,802 were payable to the schemes at 31 August 2017 (2016: £60,119) and are included within creditors.

29 Pension and similar obligations (continued)

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

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £354,122 (2016: £328,091).

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

Under the definitions set out in FRS 102, the TPS is 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.

29 Pension and similar obligations (continued)

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 2017 was £206,000 (2016: £197,000), of which employer's contributions totalled £160,000 (2016: £153,000) and employees' contributions totalled £46,000 (2016: £44,000). The agreed contribution rate for future years are 16.6% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £31,000 are due for the year ended 31st March 2018, £32,000 are due for the year ended 31st March 2019 and £33,000 are due for the year ended 31st March 2020.

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

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	23.3
Females	25.5	25.8
<i>Retiring in 20 years</i>		
Males	25.7	25.6
Females	27.9	28.1

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2017 £	At 31 August 2016 £
Present value of total obligation		
Discount rate +0.1%	3,674,000	3,690,000
Discount rate -0.1%	3,840,000	3,852,000
Mortality assumption - 1 year increase	3,884,000	3,868,000
Mortality assumption - 1 year decrease	3,632,000	3,674,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,143,000	975,000
Gilts	276,000	188,000
Other bonds	89,000	53,000
Property	120,000	107,000
Cash and other liquid assets	71,000	52,000
LLPs	60,000	54,000
Diversified growth fund	91,000	61,000
Alternative assets	2,000	-
Total market value of assets	1,852,000	1,490,000
Present value of scheme liabilities		
- Funded	(3,756,000)	(3,770,000)
Surplus/(deficit) in the scheme	(1,904,000)	(2,280,000)

The actual return on scheme assets was £207,000 (2016: £182,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	319,000	216,000
Net interest cost	48,000	46,000
Administration expenses	-	1,000
Total amount recognised in the SOFA	367,000	263,000

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

	2017 £	2016 £
At 1 September	3,770,000	2,361,000
Current service cost	319,000	216,000
Interest cost	83,000	95,000
Employee contributions	46,000	44,000
Actuarial (gain)/loss	(442,000)	1,088,000
Benefits paid net of transfers in	(20,000)	(34,000)
At 31 August	3,756,000	3,770,000

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September	1,490,000	1,146,000
Interest on assets	35,000	49,000
Return on assets less interest	172,000	133,000
Other actuarial gains/(losses)	(31,000)	-
Administration expenses	-	(1,000)
Employer contributions	160,000	153,000
Employee contributions	46,000	44,000
Estimated benefits paid plus unfunded net of transfers in	(20,000)	(34,000)
At 31 August	<u>1,852,000</u>	<u>1,490,000</u>

Reconciliation of opening and closing deficit

	2017		2016	
	£	£	£	£
Pension deficit at 1 September		(2,280,000)		(1,215,000)
Current service cost	(319,000)		(216,000)	
Employer contributions	<u>160,000</u>		<u>153,000</u>	
Additional pension cost		(159,000)		(63,000)
Other finance costs		124,000		86,000
Actuarial gains/(losses)		<u>411,000</u>		<u>(1,088,000)</u>
Pension deficit at 31 August		<u>(1,904,000)</u>		<u>(2,280,000)</u>

30 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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.

The following related party transactions took place in the period of account.

J Brinkley (son of S Brinkley, Headteacher, Governor and Trustee) received remuneration during the year, for his work as a temporary lunch-time supervisor, of £Nil (2016: £19) and employer pension contributions amounted to £Nil (2016: £2).

F Burchill (daughter of S Burchill, Parent Trustee) received remuneration during the year, for her work as a temporary lunch-time supervisor, of £Nil (2016: £15) and employer pension contributions amounted to £Nil (2016: £Nil).

S Butler (partner of L Foster, member of the Senior Leadership Team) received remuneration during the year, for her work as Head of the English Faculty, of £49,670 (2016: £49,357) and employer pension contributions amounted to £8,139 (2016: £8,086).

E Brown (Member and Trustee) is a Senior Education Development Manager at RM Education. During the period the school purchased goods and services for ICT with a total cost of £24,247 (2016: £34,429) from RM Education.

M Challis (spouse of J Challis, Trustee) received remuneration during the year, for his work as an temporary examination invigilator, of £897 (2016: £1,141) and employer pension contributions amounted to £Nil (2016: £Nil).

J Munro (son of V Munro, Deputy Headteacher) received remuneration during the year, for his work as a temporary examination invigilator, of £Nil (2016: £1,806) and employer pension contributions amounted to £Nil (2016: Nil).

C Sissons (spouse of A Sissons, Staff Trustee) is the Head of sixth form and received remuneration during the year of £48,116 (2016: £46,071) and employer pension contributions amounted to £7,849 (2016: £7,417).

31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2017 the trust received £3,614 (2016: £4,535) and disbursed £3,521 (2016: £300) from the fund. An amount of £9,244 (2016: £9,151) (including brought forward from prior years) is included in other creditors relating to undistributed funds that are repayable to ESFA.