

**John Taylor MAT  
(A Company Limited by Guarantee)**

**Annual Report and Consolidated Financial Statements**

**For The Year Ended 31 August 2016**

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

## John Taylor MAT

### Reference and administrative details

For the year ended 31 August 2016

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|  |   |                    |
|--|---|--------------------|
| <b>Member only</b>                                 | Church of England Central Education Trust (appointed 01/05/2016)  |                    |
| <b>Members &amp; Directors</b>                     | G Moss (Chair)<br>D Beaty<br>J Hodgkinson (resigned 31/10/2016)<br>A Lee<br>S Treanor   |                    |
| <b>Directors</b>                                   | M Donoghue (Accounting Officer)<br>R Hayes (appointed 21/12/2015)<br>C Hopkins (appointed 25/05/2016)<br>T Hopkins (appointed 06/05/2016)<br>B Mahoney (appointed 07/10/2015)<br>B Richardson |                    |
| <b>Company secretary</b>                           | B Mahoney   |                    |
| <b>Senior Leadership Team</b>                      |   |                    |
| Principal of JTHS and JT MAT CEO                   | M Donoghue  |                    |
| Principal of Kingsmead School                      | I Bryant  |                    |
| Co-Principals of Thomas Russell<br>Infants' School | L Farmer<br>S Burton  |                    |
| Principal of Yoxall St Peter's Primary<br>School   | C Jones   |                    |
| Director of Business                               | B Mahoney   |                    |
| <b>Company registration number</b>                 | 07421140 (England and Wales)  |                    |
| <b>Registered office and principal<br/>address</b> | Dunstall Road<br>Burton on Trent<br>Staffordshire DE13 8AZ  |                    |
| <b>Academies operated</b>                          | <b>Location</b>   | <b>Principal</b>   |
| John Taylor High School                            | Barton Under Needwood   | M Donoghue         |
| Kingsmead School                                   | Hednesford  | I Bryant           |
| Thomas Russell Infants' School                     | Barton Under Needwood   | L Farmer, S Burton |
| Yoxall St Peters Primary School                    | Yoxall  | C Jones            |
| <b>Independent auditor</b>                         | RSM UK Audit LLP<br>St Philips Point<br>Temple Row<br>Birmingham B2 5AF   |                    |
| <b>Bankers</b>                                     | Lloyds TSB<br>High Street<br>Burton on Trent<br>Staffordshire DE13 9LT  |                    |
| <b>Solicitors</b>                                  | Anthony Collins Solicitors LLP<br>134 Edmund Street<br>Birmingham B3 2ES  |                    |

## John Taylor MAT

### Directors' Report

#### For the year ended 31 August 2016

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The Members and Directors present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

During 2016 the trust operated four academies for pupil's aged 3 to 19 serving catchment areas in Barton under Needwood, Yoxall and Hednesford (all in Staffordshire). Kingsmead School joined on 1 September 2015 with Thomas Russell Infant and Yoxall St Peter's Primary Schools joining on 1 April 2016 and 1 May 2016 respectively. In June 2016 the Academy Trust had a combined pupil on roll number of 3,039.

Key Achievements of John Taylor Multi-Academy Trust 2015-16:

- The incorporation of Kingsmead School (September 2015) added significantly to both the capacity and responsibility of the MAT. The Trust has grown further through the incorporation of Thomas Russell Infants School (April 2016) and Yoxall St Peter's C of E Primary (May 2016), to become a 'mixed MAT' of primary and secondary providers, and denominational/non-denominational schools.
- Infrastructure across the MAT has developed significantly – of particular note being the adoption of SchoolIP (for planning, self-evaluation and performance management) across all MAT schools, PS Financials embedded across all MAT schools, the development of a governor portal, and MAT website
- Organisational structures have matured, as required by the growth of the MAT. For example, the Executive Group (of all MAT Principals) meets regularly, and policy alignment continues – with financial- and human resource-related policies adopted across the MAT, and others following with rapidity.
- Governance across all MAT schools operates with aligned committee structures and coherent meeting dates (enabling effective flow of agendas and minutes to and from the MAT Board), permanent Clerks for two of the MAT schools' Local Governing Bodies have been sourced, strategic and operational risk registers have been developed by all our schools, and the inaugural MAT Governor Conference was well-attended and well-received, supported by the MAT's auditors, its solicitors, and with a keynote contribution from the Regional Schools Commissioner (West Midlands)
- The MAT has submitted an application (September 2016) for an 8 form-entry Free School to provide for secondary age children in response to housing and demographic growth – the aspiration being that the school will open in September 2018. It is in the process of preparing an application for a 3 form-entry primary school for the same area, with the potential to open in September 2019. This demonstrates our capacity and the ambition of the Trust, and has raised our profile with various stakeholders locally and across the region.

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

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

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

Detail of the Members and Directors who served during the year are included in the Reference and Administrative Details on page 1. The attendance of Members and Directors who were in office at 31 August 2016 and served throughout the year is listed on Page 16.

During the year under review 7 Trustee Board meetings plus one Extraordinary meeting and 6 local governors' meetings were held. The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All Directors are provided with copies of relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

##### **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.

##### **Directors' indemnities**

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

##### **Principal activities**

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

##### **Method of recruitment and appointment or election of directors**

Directors of the Trust are appointed by existing members in accordance with the Trust's Articles of Association. Chairs of each Local Governing Body and its Committees are annually elected to their roles at the first committee meeting of the academic year in each academy's Local Governing Body (LGB). Directors are appointed because of the range of skills and expertise they can bring to help realise JTMAT's vision and values for the Trust, enhance the effective strategic leadership and management of the Trust, and effectively represent stakeholder interest within the Trust. Two directors shall be appointed to the Board from the LGBs of its academies. In order to ensure opportunity is shared across all JTMAT schools, the tenure of LGB academy directors will be a maximum of four years. Following a recent skills survey audit, which identified a shortfall in PR/Marketing expertise, it was agreed that this skill set will be addressed during the next appointment.

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### **Policies and procedures adopted for the induction and training of directors**

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

#### **Organisational structure**

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

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

#### **Arrangements for setting pay and remuneration of key management personnel**

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

#### **Related parties and co-operation with other organisations**

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

The Academy Trust has a subsidiary undertaking, John Taylor High School Fund, a registered charity. The object of the charity is to advance the education of students by providing and assisting in the provision of facilities for the education of students at John Taylor MAT. Details of the subsidiary undertakings result are shown in note 14 of the financial statements.

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Objectives and activities

##### Objects and aims

The principal object and activity of the charitable company is the operation of John Taylor MAT to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

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

The main objectives of the Trust during the year ended 31 August 2016 are summarised below:

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

##### Strategies and activities

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

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

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

**Restlessness and curiosity:** Looking for opportunity to be involved and to learn from new experiences. Courage to innovate: Leading change – in teaching and learning, curriculum development, organisational structures.

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

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

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Objectives and activities (continued)

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

#### Equality statement

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

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

#### Public Benefit

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

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### STRATEGIC REPORT

##### Achievements and performance

Academies within the Trust continue to perform strongly or are improving in a range of key performance indicators. Academic achievement is clearly very closely aligned to our strategic objectives as articulated on page 4 – particularly regarding children's preparedness for the next stages of their lives (our first objective) and the most demonstrable way in which we can indicate that our Trust adds value (the second objective).

Below are statistical tables indicating the success at KS1, KS2, KS4 and KS5. Due to the changing nature of assessment and the metrics by which schools are assessed – in both the primary and secondary phases – comparisons with previous years are not applicable. Moving forward, the Trust would hope to be able to compare like-for-like data for its schools with previous years.

#### **Key Performance Indicators 2015-16 (Achievement and Progress)**

##### **John Taylor High School**

| % A*-C English and Maths | Average Grade | % Achieving EBacc | Progress 8 (unvalidated) | % Expected Progress English | % Expected Progress Maths | Average Points per Entry (Post-16 overall) | % Grades AAB in 3 Facilitating Subjects |
|--------------------------|---------------|-------------------|--------------------------|-----------------------------|---------------------------|--|---|
| 71                       | B-            | 44                | 0.28                     | 79                          | 77                        | 36.35                                      | 8.63                                    |

##### **Kingsmead School**

| % A*-C English and Maths | Average Grade | % Achieving EBacc | Progress 8 (unvalidated) | % Expected Progress English | % Expected Progress Maths | Average Points per Entry (Post-16 overall) | % Grades AAB in 3 Facilitating Subjects |
|--------------------------|---------------|-------------------|--------------------------|-----------------------------|---------------------------|--|---|
| 44                       | C-            | 13                | -0.24                    | 60                          | 55                        | 33.74                                      | 6.9                                     |

##### **Thomas Russell Infants School**

| Year 2 (end of KS 1) | Reading expected and above % | Reading above expected % | Writing expected and above % | Writing above expected % | Maths expected and above % | Maths above expected % |
|----------------------|------------------------------|--------------------------|------------------------------|--------------------------|----------------------------|------------------------|
| 2016                 | 62%                          | 25%                      | 67%                          | 3%                       | 78%                        | 3%                     |

|                          |      |
|--------------------------|------|
| Year 1 phonics screening | PASS |
| 2016                     | 93%  |

| End of Early Years | Expected level | Above expected level | Expected and above |
|--------------------|----------------|----------------------|--------------------|
| 2016               | 68%            | 12%                  | 80%                |



John Taylor MAT

Directors' Report

For the year ended 31 August 2016

**Achievements and performance (continued)**

**Yoxall St Peter's CE (VC) Primary School**

|                               | 2016   |          |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
|-------------------------------|--|----------|----------|------------|---------|-----|-------|------|-----|-------|-------|-----|-------|------|----------------|--------|---------|----|-----|---------|----|------|-------|----|------|--|----------------|----------|--------|--|------|-----|-----|-----|------------|
| Good Level of Development     | School - 77%<br>67% (national average not yet available)   |          |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Year 1 Phonics Screening Test | 70.59% Achieved<br>2016 – 80% (national average not yet available)   |          |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| KS1 Assessments               | National % achieving age related expectations (national average not yet available)<br>Reading 55%<br>Writing 55%<br>Maths 55%<br>Reading+Writing+Maths 55%<br><br>School achieving Age Related Expectations for KS1<br>Reading 52%<br>Writing 39%<br>Maths 52%<br>Reading+Writing+Maths 39%  |          |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| KS2 Assessments               | <p><b>Average standardised scores</b></p> <table border="1"> <thead> <tr> <th>2016</th> <th>National</th> <th>Yoxall</th> </tr> </thead> <tbody> <tr> <td>Reading</td> <td>103</td> <td>104.1</td> </tr> <tr> <td>SPAG</td> <td>104</td> <td>101.8</td> </tr> <tr> <td>Maths</td> <td>103</td> <td>101.5</td> </tr> </tbody> </table> <p><b>Progress</b></p> <table border="1"> <thead> <tr> <th>2016</th> <th>Floor standard</th> <th>Yoxall</th> </tr> </thead> <tbody> <tr> <td>Reading</td> <td>-5</td> <td>0.0</td> </tr> <tr> <td>Writing</td> <td>-7</td> <td>-4.6</td> </tr> <tr> <td>Maths</td> <td>-5</td> <td>-2.6</td> </tr> </tbody> </table> <p><b>Combined score</b></p> <table border="1"> <thead> <tr> <th></th> <th>Floor Standard</th> <th>National</th> <th>Yoxall</th> <th></th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>65%</td> <td>53%</td> <td>40%</td> <td>8 Children</td> </tr> </tbody> </table> <p>National % achieving age related expectations (national average not yet available)<br/>Reading 66%<br/>Writing 77%<br/>SPAG 72%<br/>Maths 70%<br/>Children achieving expected level<br/>Reading – 70%<br/>Writing – 45%<br/>SPAG – 65%<br/>Maths – 60%</p> | 2016     | National | Yoxall     | Reading | 103 | 104.1 | SPAG | 104 | 101.8 | Maths | 103 | 101.5 | 2016 | Floor standard | Yoxall | Reading | -5 | 0.0 | Writing | -7 | -4.6 | Maths | -5 | -2.6 |  | Floor Standard | National | Yoxall |  | 2016 | 65% | 53% | 40% | 8 Children |
| 2016                          | National   | Yoxall   |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Reading                       | 103  | 104.1    |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| SPAG                          | 104  | 101.8    |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Maths                         | 103  | 101.5    |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| 2016                          | Floor standard   | Yoxall   |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Reading                       | -5   | 0.0      |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Writing                       | -7   | -4.6     |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| Maths                         | -5   | -2.6     |          |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
|                               | Floor Standard   | National | Yoxall   |            |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |
| 2016                          | 65%  | 53%      | 40%      | 8 Children |         |     |       |      |     |       |       |     |       |      |                |        |         |    |     |         |    |      |       |    |      |  |                |          |        |  |      |     |     |     |            |

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### **Achievements and performance (continued)**

External scrutiny of results at all JTMAT schools has indicated that all are in a position to validate in their own self-evaluation and to other parties entrusted with responsibility for school standards the 'good' and 'outstanding' Ofsted judgments with which each school is currently rated.

Validated data will not be made available until later in the academic year, but will be used by the MAT and leaders at MAT- and school-level to further appraise our successes, amend our improvement planning and intervention, with a view of securing even better outcomes for the year ahead.

#### **Financial Review**

The financial results of the trust reflect the addition of Kingsmead School on 1 September 2015, Thomas Russell Infants' School on 1 April 2016 and Yoxall St Peters Primary School on 1 May 2016. Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

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

During the year ended 31 August 2016, total expenditure of £15,506,000 (2015 John Taylor High School only: £7,846,000) was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and income on conversion) was £153,000 (2015 John Taylor High School only, income over expenditure: £158,000).

At 31 August 2016 the net book value of fixed assets was £31,344,000 (2015 John Taylor High School only: £11,944,000). Assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust.

The deficit of the pension reserve of £5,574,000 (2015: £2,227,000) relates to the non-teaching staff pension scheme, where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer to employee contributions, increased government funding or changes to scheme benefits.

#### **Sources of capital income**

As at 31 August 2016 the Trust has been awarded grants to the value of £557,464 from the EFA Capital Improvement Fund (for toilet refurbishment) which was completed in April 2016, and £676,000 towards new roof covering to be completed January 2017. It has also received £436,889 towards the cost of a new 4 classroom block funded by a combination of S106 and Basic Needs funding which was completed in October 2015.

#### **Going concern**

After making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. 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.

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### **Financial and risk management objectives and policies**

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

The MAT strategic risk register is reviewed at all MAT Board meetings and mitigating actions agreed as required and documented. Each Academy's strategic and operational risk registers are reviewed annually by the Local Governing Body.

#### **Reserves policy**

The appropriate level of reserves will be determined by the JTMAT Audit Committee and will be subject to annual approval by the Trust Board. The Trust aims to maintain an adequate level of uncommitted reserves to:

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

The Group's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,935,000 (2015: £984,000). This figure takes account of the addition of 3 new schools to the Trust and their associated local authority balances.

The Trust regularly monitors and reviews the level of reserves in the light of the changing funding and financial climate and other risks such as the potential cash impact on its pension scheme liability. This will be reviewed further following the release of the 2016 triennial pension scheme valuation.

The Group held total fund balances at 31 August 2016 of £28,384,000 (2015: £11,313,000) comprising £26,449,000 (2015: £10,329,000) of restricted funds and £1,935,000 (2015: £984,000) of unrestricted general funds and included within the restricted reserves is a pension reserve deficit of £5,574,000 (2015: £2,227,000).

The Academy Trust has a restricted fixed assets fund, with a balance of £31,344,000 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the Academy Trust and will only be realised by disposing of the tangible assets.

The pension liability at 31 August 2016 is £5,574,000 which is shown separately in a restricted fund and the trustees continue to review the contribution due based on the reports received from the schemes actuaries ensuring the cash is available to meet contributions as they fall due.

#### **Investment Policy**

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

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Key performance indicators:

Members and directors must have the skills, knowledge and experience to run the Multi Academy Trust. Their duties include ensuring that the trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook. The Trust will continue to grow and intends to reach a number of eight schools by 2019.

#### Governance KPIs

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

#### Financial KPIs

1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money).
2. Assurance received that annual financial accounts have been properly prepared and are free of material misstatements.
3. Accounts filed with Companies House for public access by 31 December each year and on the Trust website by 31 January of the following year.
4. All statutory returns submitted on time.
5. Staffing costs capped at 80% of total Trust income (actual staff costs at 82/83%).
6. Alternative sources of funding are pursued, consistent with the Trust's core competencies.
7. Sufficient levels of income are generated to support the asset base of the Trust.
8. Sources of funding pursued for capital development projects.

#### Human Resource KPIs

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

#### School Standards KPIs

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

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Plan for Future Periods

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

Key priorities are identified in our Strategic Plan 2016-19:

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

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

#### Opportunities for Strategic Development 2: Leadership

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

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

- a. Key organisational architecture – calendars, agendas and minutes, policies – are shared with all staff across the MAT to improve efficiency and coherence.
- b. A MAT-wide IT hardware and software inventory is maintained.
- c. Common IT procedures are implemented across MAT schools to improve efficiency.
- d. Cross-site opportunities for data storage and back-up are fully utilised.

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Plan for Future Periods (continued)

- e. Relevant spare stock is stored by the MAT for emergency replacement to its schools, minimising disruption to teaching and management through 'down time'.
- f. JTMAT web presence, and via social media, is effective in communicating to existing stakeholders and the wider community.
- g. Harnessing technology is a regular feature of both the MAT's teaching and governance annual events.
- h. IT-related training is delivered to MAT staff on a needs-driven, as opposed to school-driven, basis.
- i. Existing inter-site connectivity is exploited to enable cross site working.

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

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

#### Principal risks and uncertainties

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

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

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

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

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

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

## John Taylor MAT

### Directors' Report

For the year ended 31 August 2016

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#### Principal risks and uncertainties (continued)

##### 1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2015/16, 97% of the Academy's revenue was ultimately public funded. There can be no assurance gained that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

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

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

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

#### EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The Academy Trust encourages the involvement of its employees in its management through regular meetings of the professional bodies/councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Academy Trust and for receiving their views on important matters of policy.

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

During employment the Academy Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

#### AUDITOR

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

#### Statement as to disclosure of information to auditors

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

**John Taylor MAT**

**Directors' Report**

**For the year ended 31 August 2016**

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The Trustees' Report is approved by order of the Board of Directors and the Strategic Report (included therein) is approved by the Board of Directors in their capacity as the directors at a meeting on 12 December 2016 and signed on its behalf by:



**Mr Gareth Moss**  
**Chair**



## John Taylor MAT

### Governance Statement

For the year ended 31 August 2016

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#### Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between John Taylor MAT and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Governors' responsibilities.

The Board of Directors has formally met 7 times during the year. Attendance during the year at meetings of the Trust Board were as follows:

| Director                           | Meetings attended | Out of a possible |
|------------------------------------|-------------------|-------------------|
| G Moss (Chair)                     | 7                 | 7                 |
| D Beaty                            | 5                 | 7                 |
| M Donoghue (Accounting Officer)    | 7                 | 7                 |
| B Mahoney (appointed 7/10/2015)    | 7                 | 7                 |
| R Hayes (appointed 21/12/2015)     | 4                 | 6                 |
| J Hodgkinson (resigned 31/10/2016) | 5                 | 7                 |
| C Hopkins (appointed 25/05/2016)   | 2                 | 3                 |
| T Hopkins (appointed 06/05/2016)   | 3                 | 3                 |
| A Lee                              | 7                 | 7                 |
| B Richardson                       | 7                 | 7                 |
| S Treanor                          | 4                 | 7                 |

John Taylor MAT has amended its governance structure with revised terms of reference for all its sub-committees and these will continue to be reviewed annually. The Board has undertaken a review and self-evaluation of its own effectiveness and has carried out a skills audit of its members and organised training courses to address specific needs.

The Trust has established an Audit and Compliance Committee whose main purpose is to oversee the audit process and related matters in line with the Trust Scheme of Delegation. During the year the committee met 3 times and invited Mr D Oates, a qualified accountant, to join the committee. M Donoghue and B Mahoney also attended all meetings.

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

## John Taylor MAT

### Governance Statement

For the year ended 31 August 2016

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In addition to the MAT Board, the Trust has established Local Governing Body Managing and Organising Committees at each school which met half termly (ie 6 per year) and are responsible for running the business of each Academy. They receive Management Accounts and detailed financial reports at each meeting in addition to Capital, Health and Safety and Premises related income and expenditure issues. Attendance during the year at all Managing and Organising Committees was as follows:

|                                | Location | Meetings attended | Out of a possible |
|--------------------------------|----------|-------------------|-------------------|
| D Beaty                        | JTH      | 5                 | 6                 |
| C Cheadle                      | JTH      | 4                 | 6                 |
| P Cleary                       | JTH      | 6                 | 6                 |
| M Donoghue                     | JTH      | 6                 | 6                 |
| G Flek                         | JTH      | 6                 | 6                 |
| C Foster                       | JTH      | 5                 | 6                 |
| J Hodgkinson                   | JTH      | 5                 | 6                 |
| A Jenkins                      | JTH      | 5                 | 6                 |
| A Lee                          | JTH      | 4                 | 6                 |
| B Mahoney                      | JTH      | 6                 | 6                 |
| G Moss                         | JTH      | 5                 | 6                 |
| B Richardson                   | JTH      | 5                 | 6                 |
| J Sidwell                      | JTH      | 4                 | 6                 |
| I Bryant                       | KNG      | 6                 | 6                 |
| B Heath                        | KNG      | 4                 | 6                 |
| R Hayes                        | KNG      | 6                 | 6                 |
| B Gamble                       | KNG      | 2                 | 6                 |
| J Bernard                      | KNG      | 6                 | 6                 |
| S Shirley                      | KNG      | 3                 | 6                 |
| D Ryder                        | KNG      | 5                 | 5                 |
| M Pickerill                    | KNG      | 5                 | 6                 |
| L Harrison                     | KNG      | 5                 | 6                 |
| H Brass                        | KNG      | 5                 | 6                 |
| R Dyke                         | KNG      | 5                 | 6                 |
| A Lowe                         | KNG      | 5                 | 5                 |
| J Middleton(resigned 01/01/16) | KNG      | 1                 | 2                 |
| K Bracebridge                  | KNG      | 5                 | 5                 |
| T Hopkins                      | TRI      | 2                 | 2                 |
| N Antona                       | TRI      | 2                 | 2                 |
| R Brittle                      | TRI      | 2                 | 2                 |
| S Shorten                      | TRI      | 2                 | 2                 |
| S Burton                       | TRI      | 1                 | 2                 |
| L Farmer                       | TRI      | 1                 | 2                 |
| A Tipper(resigned 01/07/16)    | TRI      | 0                 | 1                 |
| N Taylor                       | YOP      | 2                 | 2                 |
| C Jones                        | YOP      | 2                 | 2                 |
| P Siddell                      | YOP      | 2                 | 2                 |

#### Future Plans

In its Strategic Plan, the Trust proposes to become a group of eight academies by 2019 (compared with its current four), with both primary (three further schools) and secondary growth (one school) anticipated. Naturally, these projections are subject to revision. However, the Trust Board wholeheartedly and unanimously endorse this proposal as an ideal opportunity to provide exceptional educational provision to more communities in our area, and to further the Trust's objectives.

## John Taylor MAT

### Governance Statement

For the year ended 31 August 2016

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#### Review of value for money

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

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

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

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

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

#### 2. Reviewing controls and managing risks

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

The Director of Business reports half termly to the MAT Board, presenting a budget monitoring report which details the consolidated financial position of the Academies to date and gives an update on the budget for the year, including any significant variances. In turn these are reported, at summary level, to the LGB Managing and Organising Committees of each academy for their own academy's financial position.

A risk register is reviewed annually by the Trust, and financial risk is reviewed by the Audit Committee. The risk register details aspects of procedure and practice that contains risk, the extent of the impact were the risk to manifest itself, the likelihood of the Trust's exposure to such an incidence, and the control mechanisms in place to mitigate likelihood and impact. Annually, the Audit Committee asks the Principal and Director of Business the following:

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