

JAMES COOK LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

James Cook Learning Trust

Contents

Reference and Administrative Details	1
Trustees Report	2 to 13
Governance Statement	14 to 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20 to 22
Independent Reporting Accountant's Report on Regularity	23 to 24
Statement of Financial Activities incorporating Income and Expenditure Account	25 to 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 52

James Cook Learning Trust

Reference and Administrative Details

Members	A Grant (resigned 16 September 2020) A Downing H Robinson J Marron-Shepherd
Trustees (Directors)	A W Barnes V J Blunsdon A Cockerill CEng, FIMechE, Chair K R Frazer R Parker T C South-Fitzhugh (resigned 21 November 2020) P J Thackstone (resigned 31 August 2020) C Walton S A Wilson
Senior Management Team	E Watson, Chief Executive Officer (appointed 1 September 2020) P J Thackstone, Chief Executive Officer (resigned 31 August 2020) P J Thackstone, Executive Head Teacher H Bone, Chief Financial Officer (appointed 27 January 2020) G Howard, Head Teacher A Young, Head Teacher
Principal and Registered Office	Lingfield Primary School Buxton Avenue Marton Middlesbrough TS7 8LP
Company Name	James Cook Learning Trust
Company Registration Number	11483831
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank Plc 83/85 Linthorpe Road Middlesbrough TS1 3DX
Solicitors	Muckle LLP 32 Gallowgate Newcastle Upon Tyne NE1 4BF

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Trustees' report under company law.

The academy trust operates **four** primary academies in the Middlesbrough area. Its academies have a combined pupil capacity of 1,510 and had a roll of 1,278 in the school census on 1st October 2020.

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 James Cook Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as James Cook Learning 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.

Governors Indemnities

All four schools in the Trust are members of the governments risk protection arrangement (RPA) scheme which includes protection for Trustees from claims arising from negligent acts, error or omissions whilst undertaking Trust business.

Method of Recruitment and Appointment or Election of Trustees

The Trust recognises the need to recruit Trustees with the necessary skills and experience. Vacancies are publicised via Academy Ambassadors website.

The Trust's articles of association state that:

- The number of Trustees shall not be less than three but shall not be subjected to any maximum.
- Up to 11 Trustees may be appointed by the Trust's members
- Trustees may co-opt Trustees
- Providing the Chief Executive Officer agrees, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee.

The term of office for any Trustee shall be four years or a shorter period if specified at the time of appointment by the appointing body. This time limit does not apply any post which is held ex-officio. Subject to remaining eligible to be a particular type of Trustees, any Trustees may be re-appointed or re-elected.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Induction is informal enabling it to be tailored specifically to the individual.

All Trustees are able to access training provided by the Trust's governance support service.

Organisational structure

During the academic year The James Cook Learning Trust continued to operate a unified management and leadership structure. The structure aims to devolve responsibility, accountability and encourage involvement in decision making at all levels.

Members

Members are not involved in the day-to-day business of the Trust; however, they do have an important role in an academy trust based on a number of key powers set out in the Trust's articles of association and in company law.

Members help to ensure that Trustees are exercising effective governance by utilising a range of powers including:

- Appointing and removing Trustees
- Appointing and removing Members
- Directing Trustees (Members can, by special resolution, direct Trustees to take a specific action where Trustees are unable or unwilling to act in the best interests of the Trust)
- Amending the Trust's Articles of Association
- Appointing and removing Auditors

Trustees

The Trustees have ultimate accountability for the way in which the academies within the James Cook Learning Trust are managed.

The trustees focus on three core functions:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
- Overseeing and ensuring effective financial performance

The Trust Board may discharge its responsibilities by delegating functions in accordance with the Trust's Articles of Association, Funding Agreement and Academies Financial Handbook. The Trust has approved a committee structure and delegated responsibility to the following committees:

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Finance, Audit and Resources Committee

The Finance and Resources Committee is a Committee of the Board and has delegated responsibility to:

- support and advise the JCLT Board in ensuring the financial viability of the Trust.
- ensure the effective use of resources across the Trust and Academies.
- provide assurance to the JCLT Board regarding the effectiveness of the Trust's financial systems and controls, and compliance with the Financial Handbook and other regulatory requirements
- oversee the quality of teaching and learning, and standards achieved by pupils, across the Trust.
- provide support, advice and challenge across all Academies to enable the Trust Board to evaluate performance and its impact on pupil outcomes.

Curriculum and Standards Committee

The Curriculum and Standards Committee is a committee of the Board and has delegated responsibility to:

- oversee the quality of teaching and learning, and standards achieved by pupils, across the Trust.
- provide support, advice and challenge across all Academies to enable the Trust Board to evaluate performance and its impact on pupil outcomes.

Local Governing Bodies

Local Governing Bodies play a crucial role in the governance of the Trust's schools and the Trust has delegated certain responsibilities to the schools' Local Governing Bodies. The main purpose of the Local Governing Body is to:

- Hold their school to account by monitoring and reviewing its academic and financial performance and its impact on pupil outcomes,
- Ensure a School Improvement Plan is in place reflecting key priorities for the school and the Trust,
- Ensure sound governance and financial management of their school
- Work collaboratively with the other schools in the James Cook Learning Trust,
- Ensure effective links with the school community, and that the school meets its responsibilities to the community in relation to the safeguarding and education of its pupils.

Executive Headteacher Group

The Executive Headteacher group is made up of the four Head Teachers of the schools who meet regularly. The leadership structure of each individual school within the MAT is tailored to meet the needs of the specific school in line with overall aims and objectives of the Trust and key performance indicators.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Arrangements for setting pay and remuneration of key management personnel

Key management personnel is defined as those persons of the Trust having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly and including all Trustees. The Trust's key management personnel are therefore defined as the CEO, CFOO and the Head Teacher of each school.

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as, the school group size, ISR, the pay scales for each role e.g. Head teacher, the level of experience of the staff member. In addition to this, levels of pay may be effected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Trust Board.

Trade union facility time

The number of employees who were relevant union officials during the relevant period is zero. The Trust has a SLA agreement that enables teachers to access union official time should it be required.

Related Parties and Other Connected Charities and Organisations

Members, Trustees and Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Member, Trustee or Governor will remove themselves from the relevant decision-making process.

During the year ending 31 August 2020 the Academy continued to maintain established relationships with other schools across the town.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of The James Cook Learning Trust to provide education for students of different abilities between the ages of 3 and 11. By establishing, maintaining, managing and developing schools, which offer a broad and balanced curriculum and benefit of the inhabitants of the areas in which the schools are situated.

In accordance with the Articles of Association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with emphasis on providing high quality teaching and learning in all curriculum areas.

James Cook Learning Trust is committed to providing excellence; by aspiring for our schools to be outstanding in all that they do. This is achieved by our schools being well led and staffed by valued teams who provide excellent teaching and care. The Trust believes by working collaboratively the quality of education in our schools we be enhanced and ensure that every child has the skills, knowledge and understanding to be successful as they continue their learning journey.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

The main objectives for the James Cook Learning Trust for the year ended 31 August 2020 are as summarised below:

- Ensure that the future strategic growth and direction of JCLT is clearly defined and driven by the overriding values and principles set out in the JCLT vision statement
- Ensure that the Governance Framework is robust, provides clarity about governance roles at all levels, and enables accountability through strong support and challenge.
- Ensure that the Trust is financially sound, with balanced budgets and strong reserves which are matched to improvement strategies and future growth.
- Schools within the Trust will continue to improve compared to national outcomes and similar schools, with evidence of areas of outstanding practice emerging as the Trust becomes more established.

Public Benefit

The Trust provides educational services to children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the charity Commission. The Academy Trust aims to advance for the public benefit, managing and developing schools, offering a broad curriculum set within an inclusive context. The schools in the Trust also provide opportunities for children, their parents, and the local community that they serve through a range of extra-curricular activities and opportunities.

Strategic Report

Achievements and Performance

The Key achievements against the Trusts objectives for 2019/20 are:

The Trust is working with local intelligence to predict any increase in pupil numbers in each of the individual schools. The Trust is also monitoring the plans for new housing developments and potential new families moving into the area. The Trust plan to grow in the future and are currently refining their growth strategy.

The governance model continues to strengthen through training opportunities, strategic partnerships and models of support and challenge. The Trust are developing clear systems for induction at all levels of governance - Local Governors and Trustees.

The Trust continue to see the benefit of the appointment of the CFOO in January 2020. A permanent CEO was also appointed in September 2020 which gives stability within the Trust. Financial planning, monitoring and reporting have been developed to ensure financial stability and compliance.

Internal assessment data indicated that the Trust was meeting its objective to improve outcomes in line with national outcomes and similar schools, however due to Corona Virus (COVID-19) national assessments were cancelled.

The financial impact of Corona Virus (COVID-19) within the Trust as with all schools has been significant. The Trust has policies and procedures in place to ensure that the educational provision is the best it can be.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Key Performance Indicators

Due to national assessments being cancelled the Trust is unable to provide pupil performance data for statutory tests. The Trust has chosen to include the last published performance data which was 2019.

Captain Cook Primary School - Pupil Performance Data 2019

Foundation Stage Performance

	2019
Good Level of Development	70%

Phonics Test Performance %

2019	86%
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Key Stage 1 Performance 2019

Number of pupils 48	Working at expected standard %	Working at greater depth %
Reading	81	21
Writing	77	15
Maths	81	26
Combined Reading, Writing and Maths	74	15

Key Stage 2 Performance 2019

Number of pupils - 59	Working at expected standard %	Working at greater depth%
Writing	81	20
Reading	82	46
Maths	77	33
GPS	87	46
Combined Reading, Writing and Maths	66	18

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Lingfield Primary School – Pupil Performance Data 2019

Foundation Stage Performance

	2019
Good Level of Development	83%

Phonics Test Performance

2019	93%
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Key Stage 1 Performance 2019

Number of pupils 31	Working at expected standard %	Working at greater depth %
Reading	74	26
Writing	74	16
Maths	77	19
Combined Reading, Writing and Maths	65	10

Key Stage 2 Performance 2019

Number of pupils - 30	Working at expected standard %	Working at greater depth%
Writing	83	17
Reading	80	43
Maths	93	43
GPS	83	47
Combined Reading, Writing and Maths	77	13

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Marton Manor Primary School – Pupil Performance Data 2019

Foundation Stage Performance

	2019
Good Level of Development	68%

Phonics Test Performance

2019	74%
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Key Stage 1 Performance 2019

Number of pupils 27	Working at expected standard %	Working at greater depth %
Reading	81	19
Writing	63	15
Maths	74	15
Combined Reading, Writing and Maths	64	11

Key Stage 2 Performance 2019

Number of pupils - 25	Working at expected standard %	Working at greater depth%
Writing	76	4
Reading	68	20
Maths	84	32
GPS	76	32
Combined Reading, Writing and Maths	68	4

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

The Avenue – Pupil Performance Data 2019

Foundation Stage Performance

	2019
Good Level of Development	68%

Phonics Test Performance

2019	90%
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Key Stage 1 Performance 2019

Number of pupils 48	Working at expected standard %	Working at greater depth %
Reading	75	13
Writing	75	10
Maths	73	10
Combined Reading, Writing and Maths	71	8

Key Stage 2 Performance 2019

Number of pupils - 31	Working at expected standard %	Working at greater depth%
Writing	87	10
Reading	87	23
Maths	81	10
GPS	76	32
Combined Reading, Writing and Maths	84	29

Other KPIs monitored during the year include pupil attendance, pupil numbers, pupil teacher ratio, staffing numbers, staff cost as a percentage of income, average teacher cost and leadership costs as a proportion of total staffing costs.

Going Concern

After making appropriate enquiries, the board of trustees have 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 can be found in the Accounting Policies.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Financial Review

The majority of the Trusts' income for the period of account is obtained from either the ESFA (Education & Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ending 31 August 2020 total expenditure of £6,137,000 (excluding net inherited liabilities) was in excess of grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources.

At 31 August 2020 the net book value of £13,267,000 fixed assets was the assets were used exclusively for providing education and associated support to the pupils in the academies within the Trust.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund.

Reserves Policy

The Finance, Audit and Resources Committee review the level of reserves regularly. The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. To manage the cash flow effectively and ensuring long term financial sustainability the Finance, Audit and Resources Committee consider it prudent to hold reserves (total funds less the amount held in fixed assets funds and pension scheme funds) of the equivalent of £411,000 for 2019/20 which is based on 1 months expenditure (salaries and invoices).

The Finance and Resources Committee have reviewed the reserve levels of the individual schools. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust are implementing stringent financial controls to achieve the level of reserve outlined in the Reserves Policy. The Board have approved individual school budget plans to spend the majority of its revenue income each year on the students in its care; but also maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Academy. This will ensure that reserves are held for any changes in pupil led funding and to provide for any unforeseen liabilities.

Investment Policy

The Board of Trustees are committed to ensuring that all funds under their control are rigorously administered under a risk adverse investment strategy. During 2019/20 the Trust has adopted a Treasury Management Policy, however Trustees do not consider the investment of surplus funds as a primary activity at this time.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Principal Risks and Uncertainties

The Academy Trust has agreed a Risk Management Policy. A Trust Risk Register has been compiled and each risk area has been evaluated. The Trust policy is to adopt best practice in the identification, evaluation and effective control of known risk to ensure they are managed to an acceptable level.

The principal financial risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA and the need for capital investment in the Trust's estate. Pupil numbers remain a focus as any fall in numbers on roll has a significant impact on funding.

In addition, the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Trustees have assessed the other major risks to which the Academy is exposed, in particular those relating to Governance, IT and other operational areas. The Trust policy is to adopt best practice in the identification, evaluation and effective control of known risks to ensure they are managed to an acceptable level.

Fundraising

From time to time the academy may fund raise on behalf of itself or another national or local recognised charity.

Parents and carers are informed of the fund raising events and that participation is voluntary. The Trust does not engage professional fundraisers.

Plans For Future Periods

The Trust plans to:

- Create outward-facing schools which work with other schools and organisations – in a climate of mutual challenge – to champion best practice and secure excellent achievements for all pupils;
- Strengthen partnerships within the MAT with a focus on teaching and learning, utilising growing expertise and experience from existing and new schools.
- Maintain financial stability:
- By increasing numbers on roll across the Trust;
- By economies of scale and driving efficiencies through ensuring best value for money when procuring services and resources.

How we aim to achieve our Vision for the future

- Regular Headteacher meetings across the Trust;
- Shared PD Days;
- Regular Peer review across all aspects of Trust performance
- Networking of staff;
- Hub development
- Evidence of impact on systems within schools and outcomes in each school

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

- Challenge from Trustees, Local Governing Bodies and external agencies
- Robust competitive tendering processes

Auditor

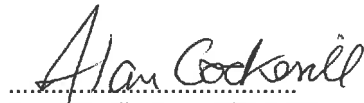
Insofar as the trustees are aware:

- 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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on ~~26.01.2021~~ 26.01.2021 and signed on its behalf by:



A Cockerill CEng. FIMechE
Trustee

James Cook Learning Trust

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring James Cook Learning 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 CEO as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between James Cook Learning 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. Attendance at the relevant committee meetings was as follows:

Board Meeting

Name	Meetings attended	Out of a possible
Mrs A Barnes	3	4
Mrs V Blunsdon	3	4
Mr A Cockerill, Chair	4	4
Mrs K Frazer	4	4
Mrs R Parker	4	4
Mrs T South-Fitzhugh	1	4
Mr P Thackstone, CEO	4	4
Mr C Walton	4	4
Mr S Willson	4	4

Curriculum and Standards Committee

Name	Meetings attended	Out of a possible
Mrs A Barnes	2	2
Mrs R Parker - Chair	2	2
Mr P Thackstone, CEO	2	2
Mr C Walton	1	2
Mr S Willson	2	2

James Cook Learning Trust

Governance Statement (continued)

Finance, Audit and Resources Committee

Name	Meetings attended	Out of a possible
Mrs V Blunsdon - Chair	3	3
Mr A Cockerill	3	3
Mrs K Frazer	3	3
Mrs T South-Fitzhugh	1	3
Mr P Thackstone, CEO	3	3

The Trust are in the process of completing a governance review across the whole Trust with support from the governance support service. The basis for the review is the National Association of Governors Framework. The outcome of this review will inform the training requirements over the coming year. The Trust have reviewed their governance framework and scheme of delegation during the year.

The Trust are actively recruiting new Trustees and Local Governors. The Trust are advertising vacancies on the Academies Ambassador website.

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 CEO is well supported by the CFOO who was appointed in January 2020.

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 appropriate. The accounting officer for the Trust has delivered improved value for money during the period by:

- Developing school to school support which uses in house expertise
- Developing trust data collection and evaluation processes which ensure a consistent set of information for Trustees
- Since the formation of the MAT, duplication has been reduced by producing joint policies and procedures. This ensures consistent and efficient processes are in operation from the outset.
- Offering training and challenge across the trust in relation to early years and safeguarding provision.
- Maximising funding streams for all schools e.g. CIF

The Trust has been in operation for two years. We have begun to maximize the use of resources and have a clear focus on securing best value for money.

James Cook Learning Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in James Cook Learning Trust to 31 August 2020 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 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Board of Trustees on a half termly basis.

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint MHA Tait Walker, the external auditor to undertake a programme of internal assurance.

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, Clive Owen LLP have been appointed as internal assurance providers for the upcoming financial year.

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

- testing of payroll systems
- testing of purchase systems and procurement procedures
- review of fixed assets register

James Cook Learning Trust

Governance Statement (continued)

On a termly basis, MHA Tait Walker reports to the Board of Trustees, through the Finance, Audit and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. Items identified as a result of the internal assurance visit have been added to the MAT's finance improvement plan, which was also presented to the Finance and Resources Committee.

Review of Effectiveness

As accounting officer, the chief executive 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 or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 26.01.2021 and signed on its behalf by:



A Cockerill CEng. FIMechE
Trustee



E Watson
Accounting officer
Chief Executive Officer

James Cook Learning Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of James Cook Learning Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 Governing Body and ESFA.



E Watson
Accounting officer

Date: 26.1.21

James Cook Learning Trust

Statement of Trustees' Responsibilities

The trustees (who 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 Academies 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 26.01.2021 and signed on its behalf by:



A Cockerill CEng. FIMechE
Trustee

James Cook Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of James Cook Learning Trust

Opinion

We have audited the financial statements of James Cook Learning Trust (the 'academy trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, 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', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 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 prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 academy trust 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 academy trust'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.

James Cook Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of James Cook Learning Trust (continued)

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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 been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report .

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 19, the trustees 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 academy trust'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 academy trust or to cease operations, or have no realistic alternative but to do so.

James Cook Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of James Cook Learning Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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


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 auditor's report.

Use of our report

This report is made solely to the academy trust's trustees, 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 academy trust's trustees 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 academy trust and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 

MHA Tait Walker is a trading name of Tait Walker LLP.

James Cook Learning Trust

Independent Reporting Accountant's Report on Regularity to James Cook Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by James Cook Learning Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 September 2018 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

James Cook Learning Trust

Independent Reporting Accountant's Report on Regularity to James Cook Learning Trust and the Education and Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to James Cook Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to James Cook Learning 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 James Cook Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.


MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 

MHA Tait Walker is a trading name of Tait Walker LLP.

James Cook Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	20	-	72	92
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,336	-	5,336
Other trading activities	4	191	-	-	191
Total		211	5,336	72	5,619
Expenditure on:					
Raising funds	6	2	-	-	2
<i>Charitable activities:</i>					
Academy trust educational operations	7	21	5,823	291	6,135
Total		23	5,823	291	6,137
Net income/(expenditure)		188	(487)	(219)	(518)
Transfers between funds		(15)	(67)	82	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(1,637)	-	(1,637)
Net movement in funds/(deficit)		173	(2,191)	(137)	(2,155)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		204	(104)	13,410	13,510
Total funds/(deficit) carried forward at 31 August 2020		377	(2,295)	13,273	11,355

James Cook Learning Trust

Statement of Financial Activities for the Period from 25 July 2018 to 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	50	-	77	127
Transfer from local authority on conversion		-	746	13,533	14,279
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,042	-	5,042
Other trading activities	4	291	-	-	291
Investments	5	4	-	-	4
Total		345	5,788	13,610	19,743
Expenditure on:					
Raising funds	6	3	-	-	3
<i>Charitable activities:</i>					
Academy trust educational operations	7	58	5,268	280	5,606
Total		61	5,268	280	5,609
Net income		284	520	13,330	14,134
Transfers between funds		(80)	-	80	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(624)	-	(624)
Net movement in funds/(deficit)		204	(104)	13,410	13,510
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2019		204	(104)	13,410	13,510

James Cook Learning Trust

(Registration number: 11483831)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	Period ended 31 August 2019 £ 000
Fixed assets			
Tangible assets	12	13,267	13,370
Current assets			
Debtors	13	278	217
Cash at bank and in hand		643	821
		921	1,038
Creditors: Amounts falling due within one year	14	(538)	(482)
Net current assets		383	556
Total assets less current liabilities		13,650	13,926
Net assets excluding pension liability		13,650	13,926
Pension scheme liability	24	(2,295)	(416)
Net assets including pension liability		11,355	13,510
Funds of the Academy:			
Restricted funds			
Restricted income fund	15	-	312
Restricted fixed asset fund	15	13,273	13,410
Restricted pension fund	15	(2,295)	(416)
		10,978	13,306
Unrestricted funds			
Unrestricted income fund	15	377	204
Total funds		11,355	13,510

The financial statements on pages 25 to 52 were approved by the trustees, and authorised for issue on ~~26.01.2021~~ and signed on their behalf by:


A Cockerill CEng. FIMechE
Trustee

James Cook Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	Period ended 31 August 2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	(59)	857
Cash flows from investing activities	20	<u>(119)</u>	<u>(36)</u>
Change in cash and cash equivalents in the year		(178)	821
Cash and cash equivalents at 1 September		<u>821</u>	<u>-</u>
Cash and cash equivalents at 31 August	21	<u><u>643</u></u>	<u><u>821</u></u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

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 2019 (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

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 sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), Where the receipt is probable and it can be measured reliably.

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.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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'.

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.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Donated fixed assets

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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

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 either a straight-line or reducing balance basis over its expected useful lives, per the table below.

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.

Asset class

Leasehold buildings
Leasehold land
Fixtures and equipment
Computer equipment

Depreciation method and rate

50 years straight line
125 years straight line
7 years straight line
3 years straight line

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Liabilities

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

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.

Leased assets

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

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 cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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

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

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

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 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 and include grants from Education Skills and Funding Agency and 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 estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme

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 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £291,000 (2019 - £280,000).

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total period ended 31 August 2019 £ 000
Other voluntary income					
Educational trips and visits	15	-	-	15	29
Capital grants	-	-	69	69	77
Other donations	5	-	3	8	21
	<u>20</u>	<u>-</u>	<u>72</u>	<u>92</u>	<u>127</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2019 £ 000	
Total 2019	<u>50</u>	<u>-</u>	<u>77</u>	<u>127</u>	

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total period ended 31 August 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	4,015	-	4,015	3,953
Other ESFA Group grants	-	741	-	741	422
ITT Bursaries Grants	-	4	-	4	3
	-	4,760	-	4,760	4,378
Other government grants					
Local authority grants	-	571	-	571	653
Other Government grants	-	5	-	5	11
	-	576	-	576	664
Total grants	-	5,336	-	5,336	5,042
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2019 £ 000	
Total 2019	-	5,042	-	5,042	

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total period ended 31 August 2019 £ 000
Hire of facilities	9	-	-	9	16
Catering income	68	-	-	68	89
Recharges and reimbursements	34	-	-	34	4
Other sales	80	-	-	80	182
	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>	<u>291</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2019 £ 000
Total 2019	<u>291</u>	<u>-</u>	<u>-</u>	<u>291</u>

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total period ended 31 August 2019 £ 000
Short term deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total Period ended 31 August 2019 £ 000
Total 2019	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total period ended 31 August 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	2	2	3
Academy's educational operations					
Direct costs	3,855	-	377	4,232	4,224
Allocated support costs	554	787	562	1,903	1,382
	<u>4,409</u>	<u>787</u>	<u>941</u>	<u>6,137</u>	<u>5,609</u>

	Non Pay Expenditure			Total 31 August 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2019	<u>4,120</u>	<u>593</u>	<u>896</u>	<u>5,609</u>

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	7	14
Depreciation	291	280
Fees payable to auditor - audit	9	9
Fees payable to auditor - other audit services	<u>8</u>	<u>3</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities

			Period ended 31 August 2019
		2020	£ 000
Direct costs - educational operations		4,232	4,224
Support costs - educational operations		1,903	1,382
		6,135	5,606
	Educational operations	Total 2020	Total period ended 31 August 2019
	£ 000	£ 000	£ 000
Analysis of support costs			
Support staff costs	554	554	466
Depreciation	291	291	65
Technology costs	39	39	29
Premises costs	496	496	313
Legal costs	1	1	22
Other support costs	515	515	479
Governance costs	7	7	8
Total support costs	1,903	1,903	1,382

8 Staff

Staff costs

	2020 £ 000	Period ended 31 August 2019 £ 000
Staff costs during the year were:		
Wages and salaries	3,157	3,034
Social security costs	285	265
Operating costs of defined benefit pension schemes	890	679
	<u>4,332</u>	<u>3,978</u>
Supply staff costs	77	132
Staff restructuring costs	-	10
	<u>4,409</u>	<u>4,120</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

	2020 £ 000	Period ended 31 August 2019 £ 000
Staff restructuring costs comprise:		
Redundancy payments	-	10

Staff numbers

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

	31 August 2020 No.	31 August 2019 No.
Charitable Activities		
Teachers	54	41
Administration and support	78	101
Management	6	5
	<u>138</u>	<u>147</u>

Higher paid staff

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

	31 August 2020 No.	31 August 2019 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	<u>2</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £407,410 (2019 - £344,424).

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services

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

- Human resources;
- Financial services;
- Governance services;
- Education and support services; and
- Technology support services

The academy trust charges for these services on the following basis:

- on the basis of actual central costs split pro rata to GAG income between the schools that are part of the Trust.

The actual amounts charged during the year were as follows:

	2020 £ 000	2019 £ 000
Lingfield Primary	34	44
The Avenue Primary	45	39
Capital Cook Primary	64	44
Marton Manor Primary	41	44
	<hr/>	<hr/>
	184	171

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

P J Thackstone (Staff Trustee):

Remuneration: £70,000 - £75,000 (2019 - £70,000 - £75,000)

Employer's pension contributions: £15,000 - £20,000 (2019 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 September 2019	13,456	129	65	-	13,650
Additions	56	11	68	53	188
At 31 August 2020	13,512	140	133	53	13,838
Depreciation					
At 1 September 2019	239	17	24	-	280
Charge for the year	241	19	31	-	291
At 31 August 2020	480	36	55	-	571
Net book value					
At 31 August 2020	13,032	104	78	53	13,267
At 31 August 2019	13,217	112	41	-	13,370

13 Debtors

	2020 £ 000	31 August 2019 £ 000
Trade debtors	4	2
VAT recoverable	96	97
Prepayments	68	66
Accrued grant and other income	110	52
	278	217

14 Creditors: amounts falling due within one year

	2020 £ 000	31 August 2019 £ 000
Trade creditors	122	207
Other taxation and social security	68	66
Accruals	141	47
Deferred income	134	101
Pension scheme creditor	73	61
	538	482

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year (continued)

	31 August 2020 £ 000	31 August 2019 £ 000
Deferred income		
Deferred income at 1 September 2019	101	-
Resources deferred in the period	134	101
Amounts released from previous periods	(101)	-
Deferred income at 31 August 2020	<u>134</u>	<u>101</u>

The deferred income relates to income received in respect of universal infant free school meals and rates relief.

15 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	312	4,015	(4,260)	(67)	-
Other Government Grants	-	580	(580)	-	-
Other DfE/ESFA	-	741	(741)	-	-
	<u>312</u>	<u>5,336</u>	<u>(5,581)</u>	<u>(67)</u>	<u>-</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grants	151	69	(5)	(123)	92
Transfer on Conversion	13,259	-	(273)	38	13,024
Capital expenditure from GAG	-	-	(13)	167	154
Other capital grants	-	3	-	-	3
	<u>13,410</u>	<u>72</u>	<u>(291)</u>	<u>82</u>	<u>13,273</u>
Restricted pension funds					
Pension Reserve	(416)	-	(242)	(1,637)	(2,295)
Total restricted funds	<u>13,306</u>	<u>5,408</u>	<u>(6,114)</u>	<u>(1,622)</u>	<u>10,978</u>
Unrestricted funds					
Unrestricted	<u>204</u>	<u>211</u>	<u>(23)</u>	<u>(15)</u>	<u>377</u>
Total funds	<u>13,510</u>	<u>5,619</u>	<u>(6,137)</u>	<u>(1,637)</u>	<u>11,355</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds				
General Annual Grant (GAG)	3,953	(3,641)	-	312
Other Government Grants	424	(424)	-	-
Pupil Premium	653	(653)	-	-
Other DfE/ESFA	371	(371)	-	-
	<u>5,401</u>	<u>(5,089)</u>	<u>-</u>	<u>312</u>
Restricted fixed asset funds				
DfE/ESFA Capital Grants	77	(6)	80	151
Transfer on Conversion	13,533	(274)	-	13,259
	<u>13,610</u>	<u>(280)</u>	<u>80</u>	<u>13,410</u>
Restricted pension funds				
Pension Reserve	387	(179)	(624)	(416)
Total restricted funds	19,398	(5,548)	(544)	13,306
Unrestricted funds				
Unrestricted	345	(61)	(80)	204
Total funds	<u>19,743</u>	<u>(5,609)</u>	<u>(624)</u>	<u>13,510</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £ 000	Period ended 31 August 2019 £ 000
Lingfield Primary	152	124
The Avenue Primary	54	103
Captain Cook Primary	11	47
Marton Manor Primary	160	205
Central Services	-	37
Total before fixed assets and pension reserve	377	516
Restricted fixed asset reserve	13,273	13,410
Pension reserve	(2,295)	(416)
Total	11,355	13,510

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Lingfield Primary	616	96	53	212	977
The Avenue Primary	924	146	94	268	1,432
Captain Cook Primary	1,355	158	96	394	2,003
Marton Manor Primary	882	105	88	250	1,325
Central Services	78	49	5	(24)	108
Academy Trust	3,855	554	336	1,100	5,845

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Lingfield Primary	571	115	61	146	893
The Avenue Primary	784	142	66	196	1,188
Captain Cook Primary	1,344	147	75	321	1,887
Marton Manor Primary	850	103	70	199	1,222
Central Services	53	10	3	71	137
Academy Trust	<u>3,602</u>	<u>517</u>	<u>275</u>	<u>933</u>	<u>5,327</u>

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	13,267	13,267
Current assets	377	538	6	921
Current liabilities	-	(538)	-	(538)
Pension scheme liability	-	(2,295)	-	(2,295)
Total net assets	<u>377</u>	<u>(2,295)</u>	<u>13,273</u>	<u>11,355</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	13,370	13,370
Current assets	204	794	40	1,038
Current liabilities	-	(482)	-	(482)
Pension scheme liability	-	(416)	-	(416)
Total net assets	<u>204</u>	<u>(104)</u>	<u>13,410</u>	<u>13,510</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Capital commitments

	2020 £ 000	31 August 2019 £ 000
Contracted for, but not provided in the financial statements	10	-

18 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £ 000	31 August 2019 £ 000
Amounts due within one year	6	7
Amounts due between one and five years	18	22
	24	29

19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

		2020 £ 000	Period end 31 August 2019 £ 000
Net (expenditure)/income		(518)	14,134
Depreciation	6	291	280
Capital grants from DfE and other capital income		(69)	(77)
Assets transferred on conversion from Local Authority		-	(13,533)
Interest receivable	5	-	(4)
Defined benefit pension scheme obligation inherited	24	-	(387)
Defined benefit pension scheme cost less contributions payable	24	236	192
Defined benefit pension scheme finance cost	24	6	(13)
Increase in debtors		(61)	(217)
Increase in creditors		56	482
Net cash (used in)/provided by Operating Activities		(59)	857

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Cash flows from investing activities

	2020 £ 000	Period end 31 August 2019 £ 000
Dividends, interest and rents from investments	-	4
Purchase of tangible fixed assets	(188)	(117)
Capital funding received from sponsors and others	69	77
Net cash used in investing activities	<u>(119)</u>	<u>(36)</u>

21 Analysis of cash and cash equivalents

	2020 £ 000	31 August 2019 £ 000
Cash at bank and in hand	<u>643</u>	<u>821</u>
Total cash and cash equivalents	<u>643</u>	<u>821</u>

22 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	<u>821</u>	<u>(193)</u>	<u>628</u>
Total	<u>821</u>	<u>(193)</u>	<u>628</u>

23 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 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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 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 Teeside Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £73,365 (2019 - £61,155) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £487,389 (2019: £336,772).

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

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £220,000 (2019 - £208,000), of which employer's contributions totalled £165,000 (2019 - £155,000) and employees' contributions totalled £55,000 (2019 - £53,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	31 August 2020	31 August 2019
	%	%
Rate of increase in salaries	3.30	3.10
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	2.30	2.10

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

	31 August 2020	31 August 2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	23.50	23.80
Retiring in 20 years		
Males retiring in 20 years	23.20	23.60
Females retiring in 20 years	25.30	25.70

Sensitivity analysis

	At 31 August 2020	At 31 August 2019
	£000	£000
Discount rate +0.1%	4,928	4,007
Discount rate -0.1%	5,140	4,181
Mortality assumption – 1 year increase	4,853	4,234
Mortality assumption – 1 year decrease	5,220	3,954
CPI rate +0.1%	5,099	4,147
CPI rate -0.1%	4,969	4,040

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

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

	2020 £ 000	31 August 2019 £ 000
Equities	2,081	2,809
Property	219	309
Cash and other liquid assets	318	467
Other	121	92
Total market value of assets	<u>2,739</u>	<u>3,677</u>

The actual return on scheme assets was (£1,042,000) (2019 - £128,000).

Amounts recognised in the statement of financial activities

	2020 £ 000	Period ended 31 August 2019 £ 000
Current service cost	401	282
Past service cost	-	65
Interest income	(71)	(96)
Interest cost	77	83
Total amount recognised in the SOFA	<u>407</u>	<u>334</u>

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

	2020 £ 000	Period ended 31 August 2019 £ 000
At start of period	4,093	-
Conversion of academy trusts	-	2,960
Current service cost	401	282
Interest cost	77	83
Employee contributions	55	53
Actuarial (gain)/loss	524	656
Benefits paid	(116)	(6)
Past service cost	-	65
At 31 August	<u>5,034</u>	<u>4,093</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

24 Pension and similar obligations (continued)

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

	2020 £ 000	Period ended 31 August 2019 £ 000
At start of period	3,677	-
Conversion of academy trusts	-	3,347
Interest income	71	96
Actuarial gain/(loss)	(1,113)	32
Employer contributions	165	155
Employee contributions	55	53
Benefits paid	(116)	(6)
At 31 August	<u>2,739</u>	<u>3,677</u>

25 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.