

JAMES COOK LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 August 2021

James Cook Learning Trust

Contents

Reference and Administrative Details	1
Trustees Report	2 to 12
Governance Statement	13 to 16
Statement of Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements to the Members of James Cook Learning Trust	19 to 22
Independent Reporting Accountant's Assurance Report on Regularity to James Cook Learning Trust and the Education and Skills Funding Agency	23 to 24
Statement of Financial Activities for the (including Income and Expenditure Account)	25 to 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 51

James Cook Learning Trust

Reference and Administrative Details

Members	A Grant (resigned 16 September 2020) A Downing H Robinson J Marron-Shepherd M Braithwaite (appointed 17 April 2021)
Trustees (Directors)	A W Barnes V J Blunsdon A Cockerill CEng, FIMechE, Chair (resigned 31 August 2021) K R Frazer R Parker T C South-Fitzhugh (resigned 21 November 2020) C Walton (resigned 16 July 2021) S A Willson A Waller-Amos (appointed 26 February 2021) R Elsdon (appointed 17 December 2020)
Senior Management Team	E Watson, Chief Executive Officer (appointed 1 September 2020) P J Thackstone, Head Teacher H Bone, Chief Financial and Operating Officer 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 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. 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 1,316 in the school census on 7th October 2021.

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.

Trustees 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. The Trust Board carries out a skills audit annually to inform the recruitment process and Trustee development. Vacancies are publicised via the 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 other 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 Trustee, any Trustee may be re-appointed or re-elected.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (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

The James Cook Learning Trust has established a management structure to ensure the efficient and effective operation of the Trust. The structure aims to devolve responsibility, accountability and encourage involvement in decision making at all levels as demonstrated by the Trust's Scheme of Delegation. The structure consists of four levels; Members, Trustees, Executive team (CEO and CFOO) and Head Teachers/Local Governing Bodies.

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 as well as the Local Governing Bodies:

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Finance, Audit, Risk and Resources Committee

The Finance, Audit, Risk 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

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

Executive Team

The executive team consists of the CEO and CFOO.

- **CEO** - Responsible for setting the overall direction of the Trust; leading on key priorities that are outlined by the Trust's Development Plan, management of resources, management of risk and change and communicating and building relationships with key stakeholders
- **CFOO** - Responsible for leading and managing the financial and operational aspects of the Trust and providing strategic and operational leadership in all aspects of business activities

Local Governing Bodies/Head Teachers

The Head Teachers are responsible for the day-to-day running of their school (assisted by the school's senior leadership team).

Each school has a Local Governing Body, which plays a crucial role in the governance of the Trust's schools. The Trust Board 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

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (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.

The Trust Board ensures its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration. All amendments to key management personnel pay and remuneration is discussed and agreed by the Trust Board.

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as:

- The size of the Trust or individual schools within the Trust
- The pay scales for each role
- The level of experience of the staff member
- Nationally agreed pay awards
- Ability to recruit key management personnel and retain them in post

In addition, the factors outlined in the Academy Trust Handbook are taken into account, namely:

- Process – that the procedure for determining executive pay and benefits, and keeping them proportionate, is agreed by the board in advance and documented
- Independence – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and that conflicts of interest are avoided
- Robust decision-making – factors in determining pay and benefits are clear, including whether educational and financial performance considerations, and the degree of challenge in the role, have been taken into account
- Proportionality – pay and benefits represent good value for money and are defensible relative to the public sector market
- Documentation – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained
- A basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term
- Understanding that inappropriate pay and benefits can be challenged by ESFA, particularly in instances of poor financial management of the trust

This is reflected in the Trust's pay policy.

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.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Related Parties and Other Connected Charities and Organisations

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

The Trust has no connected organisations but does work with local charities and other schools in pursuit of the activities defined by the objects of the Trust.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust is to advance education in the UK for the public benefit in particular by establishing, maintaining, managing and developing schools, which offer a broad and balanced curriculum and benefit the inhabitants of the areas in which the schools are situated. In doing this, the Trust is responsible for the operation of four primary schools in Middlesbrough providing education for pupils of different abilities between the ages of 3 and 11.

The 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.

The main objectives for the James Cook Learning Trust for the year ended 31st August 2021 are summarised as follows:

- 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

Despite the on-going operational difficulties posed by Covid, the following key achievements have been accomplished.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Key achievements against the Trusts objectives for 2020-21 are:

The Trust is working with local intelligence, including the Local Authority place planning team, to predict any changes in pupil numbers in each of the individual schools due to changes in birth rate and new housing developments. The Trust plan to grow in the future and to facilitate this have developed a growth strategy and core offer with a focus on school improvement and that reflects the Trust's values and principles.

The governance model continues to strengthen through training opportunities, strategic partnerships and models of support and challenge. A Chairs' forum has been established to improve communication between the levels of governance. The Trust are developing clear systems for induction at all levels of governance which is being supported by the appointment of a new governance service.

The Trust continue to see the benefit of appointing of a permanent CEO in September 2020 providing stability within the Trust. Financial planning, monitoring and reporting have been embedded to ensure financial stability and compliance. The reserves position has improved during the year due to careful monitoring and planning.

Internal assessment has continued across the Trust throughout the pandemic to measure academic attainment and progress. Data had been collected and analysed allowing Trust schools to make predictions for all 2021-22 statutory assessments. Whilst the Trust's objective is to improve outcomes across its schools, the data monitoring shows the impact of the pandemic has been significant. Covid Catch-up funding is being used effectively across the Trust to close the gap with a particular focus on disadvantaged pupils.

Key Performance Indicators

Academic

In usual circumstances, one of the Trust's key performance indicators is the comparison of statutory assessment outcomes for Trust pupils against national outcomes for all pupil groups. Due to national assessments being cancelled for the last two academic years the Trust is unable to provide pupil performance data for statutory tests. The last published performance data from 2019 is available via <https://www.compare-school-performance.service.gov.uk>.

During periods of lock down all schools provided a high quality remote learning offer. Learning materials were provided to suit the needs of all learners. Vulnerable children were encouraged to attend school to ensure high quality learning opportunities were provided.

Overall, stakeholders' feedback relating to the home learning provision was very positive across the Trust.

Attendance was closely monitored throughout the reporting period taking into account the lockdown in the spring term. National guidance was followed when recording absences.

During the reporting period there were no official inspections and all schools continue to be rated good by OFSTED.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Financial & Operational

The Trust completed the ESFA School Resource Management Self-Assessment Tool (SRMSAT), undertook an annual benchmarking exercise and utilised the DfE's View My Financial Insights platform. Included in these reviews were examination of key performance indicators including 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.

These reviews highlighted how Trust schools compare to other schools with a similar demographic. The schools operate broadly in-line with other similar schools. Where this exercise highlighted a discrepancy, reasons for the discrepancy were investigated and where necessary plans are in place to review contracts to ensure value for money.

Pupil numbers on roll are monitored on a termly basis and reported to Local Governing Bodies and the Trust Board. Pupil numbers are taken into account when setting budgets and forecasting.

One Trust school was successful in gaining CIF funding to address ventilation issues in the school kitchen.

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.

FINANCIAL REVIEW

Financial performance for the year

The financial result for the year ended 31 August 2021 was a consolidated net deficit of £261,000 (2019-2020: net deficit £2,155,000). Accounting for the Local Government Pension Scheme has a significant impact on the financial performance. 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. When adjusting for these accounting entries, capital income and depreciation there is an underlying surplus of £180,000.

The Trust's principal funding source is income grant funding from the Department for Education via the ESFA (Education & Skills Funding Agency) the use of which is restricted to particular purposes. In addition, the Local Authority provides Early Years funding and top-up SEN funding where it has been agreed that specialist support is required. The grants and funding received from these bodies are shown as restricted funds in the statement of financial activities.

The Trust reported restricted revenue income of £5,774,000 in 2020-21, representing an increase of 8% on 2019-20. This increase has been generated by:

- An increase in per pupil funding via general annual grant (GAG) funding
- Increased number of pupils on roll
- One-off grants relating to Covid (Covid Catch Up Premium)

Unrestricted revenue income has fallen year on year, primarily due to Covid, however for school trips for example the Trust has not incurred the associated cost.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Donations and capital grants have increased from £92,000 2019-2020 to £170,000 in 2020-21. The Trust has recognised Condition Improvement Funding of £89,000 in the restricted fixed asset fund. This relates to a project to improve kitchen ventilation at The Avenue Primary School. The project started in October 2021 and is due to complete by December 2021.

Expenditure on charitable activities amounted to £6,349,000 in 2020-2021 including depreciation of £314,000.

The year on year increase is attributable to a number of factors, however the most significant include:

- Teachers' pay award and pay progression
- Supply staff costs

The Trust takes a prudent approach to financial planning. This, to some extent, explains the in-year underlying surplus. The full operational cost was factored into the Trust's plans, however a planned increase in funding was not. Similarly, additional pupils have not required significant changes to the organisation's staffing structure impacting on the cost base. In addition, within the surplus there are earmarked funds of £81,000 relating to capital projects, PE Grant Funding and Covid Catch-up Premium.

Financial position at 31 August 2021

At 31 August 2021, the Trust had net assets of £11,094,000, a decrease of £261,000 from the position at 31 August 2021. The pension scheme liability has increased by £306,000 to £2,601,000.

At 31 August 2021 the net book value of fixed assets was £13,027,000. The assets were used exclusively for providing education and associated support to the pupils in the academies within the Trust. £74,000 of expenditure was capitalised during the year.

Net current assets are £668,000 (2019-20 £383,000). The increase in debtors is due to the timing in VAT reclaims and accrued grant income. Trade creditors and accruals have fallen as no significant capital projects were undertaken during the summer holidays and some Trust contracts have been aligned with the Trust's financial year.

Unrestricted and restricted revenue funds have increased £180,000.

Financial impact of COVID-19

Due to the pandemic the Board of Trustees has carefully considered the impact of Covid on its finances both for the short term and medium term. Across the Trust catch-up strategies were factored into the three-year budget forecast.

During the reporting period there was increased expenditure on consumables relating to hygiene, cleaning and sanitisation in line with government guidance. Increased levels of agency staff were required to cover Covid related absences and facilitate Covid safety measures such as 'bubbles', creating additional financial pressure.

Some small building projects were undertaken to improve the safety of staff and pupils during the pandemic. This included installing additional washing facilities and improved ventilation. This was at a cost of £10,000.

The Trust received a donation of ICT equipment from the DFE. In addition, the Local Authority provided a grant for schools to purchase additional ICT equipment to support the home learning offer. This totalled £20,000 across the Trust.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Reserves Policy

The Trust holds reserves for the following purposes:

- Cash flow – to manage fluctuations in income and expenditure streams effectively and in line with the Academy Trust Handbook
- Financial Management – to ensure the Trust can respond to future anticipated major expenditure requirements and also to urgent unexpected expenditure
- Investment in education provision - to enhance and support educational provision where required

The Finance, Audit, Risk and Resources Committee (FARR) review the reserve levels of the individual schools regularly. The level of reserves required is set annually and approved by Trustees. Trustees will consider the following:

- The risk of unforeseen emergency or other unexpected needs for funds
- Uncertainty, turbulence or expected one-off reduction in funding arrangements
- The need for any large project spend to develop facilities, ICT investment or building condition needs that cannot be met by future income alone
- Fluctuations in pupil numbers
- Cash flow issues
- The Trust's consolidated annual budget
- Reserves across the Trust and individual school level

Any financial risks are reviewed in terms of impact and likelihood as part of the strategic risk management process.

The Trust's strategic aim is to hold reserves equivalent of one month's revenue expenditure. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst keeping with the principle object of the Trust.

Total revenue reserves at the end of the period amounted to £557,000. This balance includes unrestricted funds (free reserves) of £496,000 (2019-20 £377,000) which is considered appropriate for the Trust, and restricted funds of £61,000 (2019-20 £ nil). The reserves held are in excess of the reserves policy. This is owing to earmarked funds of £81,000 for:

- Capital projects which were due to be completed before the financial year end
- PE grant and Covid Recovery Premium carried forward

When adjusting for earmarked reserves the Trust meets its desired reserves level.

Where individual schools fall below the desired reserves level they will be required to move towards this position based on a 3-year budgeting planning model. Where individual schools maintain reserves levels that are in excess of 10% of all income for a period of 24 months or more will be required to complete a business case to justify the reserves level.

Users should note that the significant deficit on the LGPS does not mean that there is an immediate liability that crystallises. However, the deficit could affect the Trust by increasing employer's pension contributions over a number of years. This is taken into account when the Trust prepares budgets and forecasts.

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

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 2020/21 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.

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, pay increases 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 and Middlesbrough is predicted to have a falling birth rate.

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. This may have an impact on the employer contributions that Trust is expected to make in relation to this scheme.

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. Procedures are in place to ensure compliance with safeguarding and health and safety.

Fundraising

From time to time the academy may fund raise on behalf of itself or another national or local recognised charity. Most schools have a parent-led group which engages in fundraising.

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 Head teacher meetings across the Trust;
- Shared PD Days;

James Cook Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

- Regular monitoring and review across all aspects of Trust performance
- Networking of staff;
- Hub development
- Evidence of impact on systems within schools and outcomes in each school
- 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 board on 9 December 2021 and signed on its behalf by:



S A Willson
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	5	6
Mrs V Blunsdon	6	6
Mr A Cockerill	5	6
Mrs R Elsdon	4	4
Mrs K Frazer	6	6
Mrs R Parker	6	6
Mrs T South-Fitzhugh	0	1
Mr C Walton	4	6
Mr S Willson, Chair	6	6
Mrs A Waller-Amos	3	3

Curriculum and Standards Committee

Name	Meetings attended	Out of a possible
Mrs A Barnes	4	4
Mrs R Parker - Chair	4	4
Mr C Walton	3	4
Mr S Willson	3	3
Mrs A Waller-Amos	1	1

James Cook Learning Trust

Governance Statement (continued)

Finance, Audit and Resources Committee

Name	Meetings attended	Out of a possible
Mrs V Blunsdon - Chair	4	4
Mr A Cockerill	3	4
Mrs R Elsdon	3	3
Mrs K Frazer	3	4
Mrs T South-Fitzhugh	0	0

During the year two trustees, including the Chair retired from the Trust Board. Trustees appointed a new chair and vacancies are being advertised on Academy Ambassadors based on the governance skills audit review. A new Trustee was appointed with marketing experience which was identified as a skills gap in a previous review.

The Trust Board have appointed a new strategic governance and clerking service from September 2021 after a tendering process.

During the year the Trust Board undertook an 'Effective Trust Governance Self-Audit' based on the 'Twenty-One Key Questions a MAT Should Ask Itself'. This review demonstrated that the Trust has made progress in a number of areas, in particular the Trust Board noted the progress made on the Risk Management Policy and associated processes. It was necessary to take the impact of Covid into account when reflecting on progress.

Key developments during the year include:

- Strengthening links between all the layers of governance by introducing a Chairs' Forum that meet on a termly basis.
- Standardising management information, including financial and performance data on academic progress and attainment
- Refinement of the Trust's Scheme of Delegation to enable effective governance

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.

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
- Adopting joint policies and procedures. This ensures consistent and efficient processes are in operation from the outset.

James Cook Learning Trust

Governance Statement (continued)

- Offering collaborative training and challenge across the Trust in relation to early years and safeguarding provision.
- Maximising funding streams for all schools e.g. CIF
- Tendered for external audit services and governance services
- Utilising expertise across the Trust e.g. SEND

The focus for the next year will be larger Trust contracts and ensuring efficiency across the Trust with regards to staff deployment.

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 2021 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 2020 to 31 August 2021 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 regular 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, Risk 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
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Clive Owen LLP, to undertake a programme of internal assurance.

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

- Testing of payroll systems, purchase systems and procurement procedures

James Cook Learning Trust

Governance Statement (continued)

- Review of pupil premium
- Review of safeguarding procedures
- Review of insurance

On a termly basis Clive Owen LLP reports to the Board of Trustees, through the Finance, Audit, Risk and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' responsibilities.

Where control issues have been identified steps have been taken to address these and progress against any actions is monitored by the Finance, Audit, Risk and Resources Committee. No significant control issues have been identified during the period.

Approved by order of the members of the board on 9 December 2021 and signed on its behalf by:



S A Willson
Trustee



E Watson
Chief Executive Officer

James Cook Learning Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of James Cook Learning Trust I have considered my responsibility to notify the academy trust board 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 2020.

I confirm that I and the academy trust board 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 2020.

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



.....
E Watson
Accounting officer

9 December 2021

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 2020 to 2021;
- 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 9 December 2021 and signed on its behalf by:



.....
S A Willson
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') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including 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 2020 to 2021 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's affairs as at 31 August 2021 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 2020 to 2021.

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 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

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

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

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

Other information (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.

James Cook Learning Trust

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

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 18], 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'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 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.

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

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

James Cook Learning Trust

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

Use of our report

This report is made solely to the Academy'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'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 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,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2021

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

James Cook Learning Trust

Independent Reporting Accountant's Assurance 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 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 board's funding agreement with the Secretary of State for Education dated 1 September 2018 and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available 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;

James Cook Learning Trust

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

- Evaluation of internal control procedures and reporting lines;
- 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 2020 to 31 August 2021 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: 15 December 2021

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 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	13	3	154	170
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,771	-	5,771
Other trading activities	4	112	-	-	112
Total		125	5,774	154	6,053
Expenditure on:					
Raising funds	5	2	-	-	2
<i>Charitable activities:</i>					
Academy trust educational operations	6	4	6,031	314	6,349
Total		6	6,031	314	6,351
Net income/(expenditure)		119	(257)	(160)	(298)
Transfers between funds		-	(25)	25	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	23	-	37	-	37
Net movement in funds/(deficit)		119	(245)	(135)	(261)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		377	(2,295)	13,273	11,355
Total funds/(deficit) carried forward at 31 August 2021		496	(2,540)	13,138	11,094

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	5	2	-	-	2
<i>Charitable activities:</i>					
Academy trust educational operations	6	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	23	-	(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

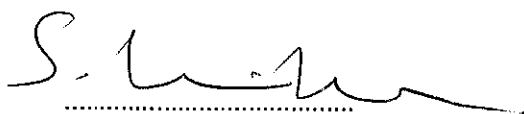
James Cook Learning Trust

(Registration number: 11483831)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	11	13,027	13,267
Current assets			
Debtors	12	402	278
Cash at bank and in hand		<u>743</u>	<u>643</u>
		1,145	921
Creditors: Amounts falling due within one year	13	<u>(477)</u>	<u>(538)</u>
Net current assets		<u>668</u>	<u>383</u>
Total assets less current liabilities		<u>13,695</u>	<u>13,650</u>
Net assets excluding pension liability		13,695	13,650
Pension scheme liability	23	<u>(2,601)</u>	<u>(2,295)</u>
Net assets including pension liability		<u><u>11,094</u></u>	<u><u>11,355</u></u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	14	61	-
Restricted fixed asset fund	14	13,138	13,273
Restricted pension fund	14	<u>(2,601)</u>	<u>(2,295)</u>
		10,598	10,978
Unrestricted funds			
Unrestricted income fund	14	<u>496</u>	<u>377</u>
Total funds		<u><u>11,094</u></u>	<u><u>11,355</u></u>

The financial statements on pages 25 to 51 were approved by the trustees, and authorised for issue on 9 December 2021 and signed on their behalf by:



S A Willson
Trustee

James Cook Learning Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	27	(59)
Cash flows from investing activities	19	<u>73</u>	<u>(119)</u>
Change in cash and cash equivalents in the year		100	(178)
Cash and cash equivalents at 1 September		<u>643</u>	<u>821</u>
Cash and cash equivalents at 31 August	20	<u><u>743</u></u>	<u><u>643</u></u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2020 to 2021 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 2021 (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 2021 (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 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
Improvements to property

Depreciation method and rate

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

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (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 12. 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 13. 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.

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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 £314,000 (2020 - £291,000).

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 2021 £ 000	Total 2020 £ 000
Other voluntary income					
Educational trips and visits	5	-	-	5	15
Capital grants	-	-	147	147	69
Other donations	8	3	-	11	8
Donated fixed assets	-	-	7	7	-
	<u>13</u>	<u>3</u>	<u>154</u>	<u>170</u>	<u>92</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>20</u>	<u>-</u>	<u>72</u>	<u>92</u>	

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	4,310	-	4,310	4,015
Other ESFA Group grants	-	752	-	752	741
ITT Bursaries Grants	-	-	-	-	4
	-	5,062	-	5,062	4,760
Other government grants					
Local authority grants	-	616	-	616	571
Other Government grants	-	-	-	-	5
	-	616	-	616	576
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	93	-	93	-
	-	93	-	93	-
Total grants	-	5,771	-	5,771	5,336
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	-	5,336	-	5,336	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	17	18
Pupil Premium and Service Premium	220	223
Universal Infant Free School Meals (UiFSM)	194	199
PE and Sports Grant	73	73
Other	16	-
Teachers' Pay Grant	232	228
	<u>752</u>	<u>741</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	22	-	-	22	9
Catering income	58	-	-	58	68
Recharges and reimbursements	18	-	-	18	34
Other sales	14	-	-	14	80
	<u>112</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>191</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>	

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	2	2	2
Academy's educational operations					
Direct costs	4,059	-	244	4,303	4,232
Allocated support costs	665	724	657	2,046	1,903
	<u>4,724</u>	<u>724</u>	<u>903</u>	<u>6,351</u>	<u>6,137</u>

	Non Pay Expenditure			Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2020	<u>4,409</u>	<u>787</u>	<u>941</u>	<u>6,137</u>

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	8	7
Depreciation	314	291
Fees payable to auditor - audit	8	9
Fees payable to auditor - other audit services	<u>2</u>	<u>8</u>

6 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	4,303	4,232
Support costs - educational operations	<u>2,046</u>	<u>1,903</u>
	<u>6,349</u>	<u>6,135</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Charitable activities (continued)

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	665	665	554
Depreciation	314	314	291
Technology costs	107	107	39
Premises costs	410	410	496
Legal costs	-	-	1
Other support costs	541	541	515
Governance costs	9	9	7
Total support costs	<u>2,046</u>	<u>2,046</u>	<u>1,903</u>

7 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	3,268	3,157
Social security costs	291	285
Operating costs of defined benefit pension schemes	<u>1,001</u>	<u>890</u>
	4,560	4,332
Supply staff costs	154	77
Staff restructuring costs	<u>10</u>	<u>-</u>
	<u>4,724</u>	<u>4,409</u>
	2021 £ 000	2020 £ 000

Staff restructuring costs comprise:

Severance payments	<u>10</u>	<u>-</u>
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,824 (2020: £Nil). Individually, the payments were:

Non-contractual payments £2,824

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Staff (continued)

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	53	54
Administration and support	78	78
Management	6	6
	<u>137</u>	<u>138</u>

Higher paid staff

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

	2021 No.	2020 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 £404,909 (2020 - £407,410).

8 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

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Central services (continued)

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:

	2021/20	2020/19
	£ 000	£ 000
Lingfield Primary	37	34
The Avenue Primary	54	45
Captain Cook Primary	69	64
Marton Manor Primary	45	41
	<u>205</u>	<u>184</u>

9 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): resigned 31/08/2020

Remuneration: £Nil (2020 - £70,000 - £75,000)

Employer's pension contributions: £Nil (2020 - £15,000 - £20,000)

Other related party transactions involving the trustees are set out in note 24.

10 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 2021 (continued)

11 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 2020	13,512	140	133	53	13,838
Additions	19	14	39	2	74
Transfers	53	-	-	(53)	-
At 31 August 2021	13,584	154	172	2	13,912
Depreciation					
At 1 September 2020	480	36	55	-	571
Charge for the year	246	22	46	-	314
At 31 August 2021	726	58	101	-	885
Net book value					
At 31 August 2021	12,858	96	71	2	13,027
At 31 August 2020	13,032	104	78	53	13,267

12 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	23	4
VAT recoverable	145	96
Prepayments	78	68
Accrued grant and other income	156	110
	402	278

13 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	84	122
Other taxation and social security	76	68
Other creditors	3	-
Accruals	93	141
Deferred income	143	134
Pension scheme creditor	78	73
	477	538

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	134	101
Resources deferred in the period	143	134
Amounts released from previous periods	(134)	(101)
Deferred income at 31 August 2021	<u>143</u>	<u>134</u>

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

14 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	4,310	(4,262)	(25)	23
Other Government Grants	-	616	(616)	-	-
Other DfE/ESFA	-	752	(732)	-	20
COVID-19	-	93	(75)	-	18
Other income	-	3	(3)	-	-
	<u>-</u>	<u>5,774</u>	<u>(5,688)</u>	<u>(25)</u>	<u>61</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grants	92	133	(14)	(19)	192
Transfer on Conversion	13,024	-	(267)	-	12,757
Capital expenditure from GAG	154	-	(28)	39	165
Other capital grants	3	21	(4)	(2)	18
Donated assets	-	-	(1)	7	6
	<u>13,273</u>	<u>154</u>	<u>(314)</u>	<u>25</u>	<u>13,138</u>
Restricted pension funds					
Pension Reserve	(2,295)	-	(343)	37	(2,601)
Total restricted funds	<u>10,978</u>	<u>5,928</u>	<u>(6,345)</u>	<u>37</u>	<u>10,598</u>
Unrestricted funds					
Unrestricted	<u>377</u>	<u>125</u>	<u>(6)</u>	<u>-</u>	<u>496</u>
Total funds	<u>11,355</u>	<u>6,053</u>	<u>(6,351)</u>	<u>37</u>	<u>11,094</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

	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><u>13,510</u></u>	<u><u>5,619</u></u>	<u><u>(6,137)</u></u>	<u><u>(1,637)</u></u>	<u><u>11,355</u></u>

The academy trust is not subject to GAG carried forward limits.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

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

General Annual Grant - General Annual Grant must be used for the normal running of the academy. The funding agreement does not include a limit on the GAG available to carry forward.

Other DfE/ESFA grants includes pupil premium, rates relief and Year 7 catch up grant, teachers pay grant, free school meals supplementary grant and one vision funding.

Other government grants includes high needs funding, healthy lifestyles funding and looked after children funding.

Other restricted funds income comprises various restricted grants and earned income.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

The inherited funds reflect the fixed assets, the pension deficit, the surplus GAG and any surplus capital grant acquired on conversion.

Other restricted fixed assets funds represents capital expenditure financed from GAG.

Transfers between funds represent fixed assets purchased by GAG.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £ 000	2020 £ 000
Lingfield Primary	163	152
The Avenue Primary	119	54
Captain Cook Primary	102	11
Marton Manor Primary	159	160
Central services	14	-
Total before fixed assets and pension reserve	557	377
Fixed asset reserve	13,138	13,273
Pension reserve	(2,601)	(2,295)
Total	11,094	11,355

Total cost analysis by academy

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 2021 £ 000
Lingfield Primary	680	104	18	215	1,017
The Avenue Primary	1,057	175	39	292	1,563
Captain Cook Primary	1,353	172	29	358	1,912
Marton Manor Primary	885	127	35	257	1,304
Central Services	84	87	1	69	241
Academy Trust	4,059	665	122	1,191	6,037

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Funds (continued)

Comparative information in respect of the preceding period is 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	<u>3,855</u>	<u>554</u>	<u>336</u>	<u>1,100</u>	<u>5,845</u>

15 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	13,027	13,027
Current assets	496	538	111	1,145
Current liabilities	-	(477)	-	(477)
Pension scheme liability	-	(2,601)	-	(2,601)
Total net assets	<u>496</u>	<u>(2,540)</u>	<u>13,138</u>	<u>11,094</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	-	-	13,267	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>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	127	10

17 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	5	6
Amounts due between one and five years	13	18
	18	24

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

	2021 £ 000	2020 £ 000
Net expenditure	(298)	(518)
Depreciation	5	314
Capital grants from DfE and other capital income	(147)	(69)
Defined benefit pension scheme cost less contributions payable	23	305
Defined benefit pension scheme finance cost	23	38
Increase in debtors	(124)	(61)
(Decrease)/increase in creditors	(61)	56
Net cash provided by/(used in) Operating Activities	27	(59)

19 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Purchase of tangible fixed assets	(74)	(188)
Capital funding received from sponsors and others	147	69
Net cash provided by/(used in) investing activities	73	(119)

20 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	743	643
Total cash and cash equivalents	743	643

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	643	100	743
Total	643	100	743

22 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.

23 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 . 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 £77,712 (2020 - £73,365) were payable to the schemes at 31 August 2021 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.

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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 £519,897 (2020: £487,389).

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

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

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 2021 was £235,000 (2020 - £220,000), of which employer's contributions totalled £176,000 (2020 - £165,000) and employees' contributions totalled £59,000 (2020 - £55,000). 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

	2021	2020
	%	%
Rate of increase in salaries	3.70	3.30
Rate of increase for pensions in payment/inflation	2.70	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.70	2.30

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	<u>25.40</u>	<u>25.30</u>

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	5,903	4,928
Discount rate -0.1%	6,157	5,140
Mortality assumption – 1 year increase	5,801	4,853
Mortality assumption – 1 year decrease	6,265	5,220
CPI rate +0.1%	6,108	5,099
CPI rate -0.1%	<u>5,952</u>	<u>4,969</u>

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

	2021 £ 000	2020 £ 000
Equities	2,712	2,081
Property	250	219
Cash and other liquid assets	285	318
Other	<u>182</u>	<u>121</u>
Total market value of assets	<u>3,429</u>	<u>2,739</u>

The actual return on scheme assets was £594,000 (2020 - (£1,042,000)).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	481	401
Interest income	(47)	(71)
Interest cost	<u>85</u>	<u>77</u>
Total amount recognised in the SOFA	<u>519</u>	<u>407</u>

James Cook Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

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

	2021	2020
	£ 000	£ 000
At start of period	5,034	4,093
Current service cost	481	401
Interest cost	85	77
Employee contributions	59	55
Actuarial (gain)/loss	510	524
Benefits paid	(139)	(116)
At 31 August	6,030	5,034

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

	2021	2020
	£ 000	£ 000
At start of period	2,739	3,677
Interest income	47	71
Actuarial gain/(loss)	547	(1,113)
Employer contributions	176	165
Employee contributions	59	55
Benefits paid	(139)	(116)
At 31 August	3,429	2,739

24 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. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Gibson Aquatic Systems Limited

Close family relationship (partner) between Head of School and Owner of Gibson Aquatic Systems Limited

Dining Hall partitions to aid social distancing, this transaction was under the de minimis limit.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Gibson Aquatic Systems Limited was £Nil (2020 - £Nil).