

Registered number: 06346630

The JCB Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021



The JCB Academy Trust
(A company limited by guarantee)

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The JCB Academy Trust
(A company limited by guarantee)

Reference and Administrative Details

Members

J C Bamford Excavators Limited
A Ross
M Turner

Trustees

J C Bamford Excavators Limited (nominated representative is M Jeffery), Chair¹
D R Bell, Vice Chair
A J Geer
D M Richards
J McGuirk, Principal and Accounting Officer (appointed 11 September 2020)¹
P Gwinnett (appointed 11 September 2020)
J R Hubinger (appointed 16 June 2021)¹

¹ Member of the finance link committee

Company registered number

06346630

Company name

The JCB Academy Trust

Principal and registered office

Mill Street
Rocester
Staffordshire
ST14 5JX

The JCB Academy Trust
(A company limited by guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2021

Company secretary

J Cox

Principal

J McGuirk

Senior management team

J McGuirk, Principal and Accounting Officer
J Bailey, Vice Principal
T Greene, Vice Principal
J Cox, Finance and Operations Director
J Gardner, Director of Safeguarding, Standards & Culture
P Povey, Director of Apprenticeships
P Stanmore, Director of KS5

Independent auditor

Dains LLP
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Bankers

Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2BH

Solicitors

Eversheds LLP
1 Wood Street
London
EC2V 7WS

Knights Solicitors LLP
The Brampton
Newcastle-Under-Lyme
Staffordshire
ST5 0QW

The JCB Academy Trust
(A company limited by guarantee)

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 year from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates an Academy in Rocester, Staffordshire. It has a combined learner capacity at year 9 to 11 of 600 and had a roll of 588 at the October 2021 census date.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of The JCB Academy Trust are also the directors of the charitable company for the purposes of company law.

Members of the charitable Company are nominated by either the Secretary of State for Education or by J C Bamford Excavators Limited, the main sponsors of the Academy. The Articles of Association require the members of the charitable Company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the charitable Company and the management of the Academy Trust.

The Secretary of State for Education has the right to appoint one person to the membership of the Academy Trust. This right has not yet been exercised.

The members may unanimously agree to appoint such additional members as they think fit.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

The 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.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are elected for a period of four years but are eligible for re-election at the meeting at which they retire.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. A skills matrix is completed for each Trustee and updated annually. All new Trustees receive an induction pack and induction training. Where necessary, induction will provide training on charity, educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as Trustee.

f. Organisational structure

The Academy Trust Board (the Trustees) is responsible for the overall strategic direction of the Academy and for those statutory duties which may not be delegated to individual Trustees with link Trustee responsibilities.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the strategic direction of the Academy, capital expenditure and senior staff appointments. Each Trustee has at least one designated link Trustee responsibility within the following areas:

- Audit and Risk
- Finance
- Safeguarding overview
- Legal and HR
- Property and health and safety
- Curriculum
- Apprentice outcomes
- Leadership and management
- Staffing
- Remuneration

Link Trustees report to the full Trust Body to provide assurance and monitor performance in these areas.

Leadership and management at the Academy is delegated by Trustees to the Senior Management Team who are responsible at an executive level for implementing the policies laid down by the Trustees and reporting back to them. The Principal is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team should always contain a Trustee. Some spending control is devolved to designated budget holders within a hierarchy of limits and in accordance with the approved Financial Regulations.

Following the meeting of 2 September 2016 it was agreed to adopt a revised structure which would comprise a main Trust Board with operational sub committees for the school and apprentice programme. Trustees considered and agreed the structure and membership of all three. As part of this change, Andrew Geer and David Richards agreed to join the Academy subcommittee and are no longer expected to attend all Trust meetings.

- Apprentice Outcomes
- Finance
- Audit and Risk

Structure, governance and management (continued)

- Leadership and Management including PR and community
- KS4/KS5 Curriculum - Core Curriculum
- KS4/KS5 Engineering/Business Curriculum - Business focus
- Legal and HR
- Property/Health and Safety
- Quality Assurance
- Safeguarding/learner welfare

Any issues of concern raised at the Subcommittee meetings are further raised in Trust meetings.

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees review the pay of Senior Managers throughout the year, through a Trustee Pay Committee. The Trustees will act with the intention of rewarding outstanding performance and ensuring the retention of quality staff. The recommendations of the Pay Committee are made following consideration of performance reviews and advice from the Principal. Pay Committee recommendations must then be approved and minuted by all Trustees in formal meeting.

h. Trade union facility time

The JCB Academy Trust has no employees who were relevant union officials during the year.

i. Related parties and other connected charities and organisations

J C Bamford Excavators Limited is the principal sponsor to the Academy.

Objectives and activities

a. Objects and aims

The principal object and activity of the charitable Company is the operation of The JCB Academy Trust to advance, for public benefit, education for learners of different abilities from the ages of 13 upwards with an emphasis on engineering, manufacturing and international business.

The main objectives of the Academy are summarised below:

Changing lives by developing the engineers and business leaders of the future

This education is provided at no cost to parents of children from the following four local authorities: Staffordshire, Stoke on Trent, Derbyshire and Derby City. The JCB Academy will consider all applications for places and will not select learners on the basis of ability for admission at Y9 or Y10.

Objectives and activities (continued)

b. Objectives, strategies and activities

The JCB Academy's main strategy is encompassed in its mission statement which is "Changing lives by developing the engineers and business leaders of the future". To this end, the activities provided include:

- Developing the following attitudes amongst the young people who join the academy:
 - can do, will do attitudes;
 - passion for quality;
 - desire to achieve through actions;
 - pursuit of technical and academic excellence;
 - creative and enterprising behaviour;
 - team and leadership capacity.
- Implementing a unique curriculum which enables the objectives, vision and above attitudes to be achieved by all young people.
- Providing a learning environment which enables the objectives, vision and above attitudes to be achieved by all young people.
- Appointing and developing staff who have the abilities and approach which will enable them to develop the engineers and business leaders of the future.
- Developing partnerships with industry, higher education and other local providers to ensure that the vision can be achieved and that the curriculum is embedded within real world experiences.
- Providing a wide range of enrichment activities which will allow learners to explore engineering, manufacturing and business in a wide range of contexts.
- Providing careers education and guidance which enables all young people who attend the academy to obtain employment or move on to higher education.

The JCB Academy welcomed its first learners in September 2010 in Y10 and Y12 and introduced an apprenticeship programme in September 2013. In September 2018 the academy welcomed its first cohort of learners into Y9.

c. Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The JCB Academy's aims and objectives and in planning future activities.

The object of The JCB Academy is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad curriculum with a strong emphasis on engineering, manufacturing and international business.

Strategic report

Achievements and performance

The JCB Academy is the provider of choice for learners with an interest in engineering and business, subsequently the academy is fully oversubscribed across every year group.

a. Key performance indicators

The JCB Academy is a high achieving academy and consistently achieves above average results across Key Stage 4 and 5. The exceptional experience of students is enhanced through a creative curriculum with opportunities to work with our employer partners on real life challenges. This experience and our results have led to oversubscription across Key Stage 4 and 5.

An excellent set of KS4 results for students studying at the Academy was achieved in 2020/21:

- 86.1% 9-4 in English
- 84.1% 9-4 in Mathematics
- 80.7% 9-4 in two or more science subjects
- 47% 9-5 in English
- 60% 9-5 in Mathematics
- 83% in Level 2 Engineering Design
- 78% in Level 2 Engineering Manufacture
- 86% in Level 2 Engineering Principles
- 99% in Level 2 Business
- 76% in Level 2 ICT
- 97% in Level 2 Sports

Students in KS5 achieved exceptional results in 2020/21 with approx. 50% of all students achieving straight A*/A (or equivalent) grades.

- Sixth Form qualifications: A*/A (and equivalent) 74%

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The Academy recorded a total deficit (before actuarial losses) in the year of £341,000 (2020 - £655,000) after charging depreciation of £709,000 (2020 - £732,000) and non-cash pension costs of £331,000 (2020 - £339,000). The net cash inflow from operating activities was £349,000 (2020 - £89,000) and the net increase in cash and cash equivalents was £272,000 (2020 - £33,000). Loans from the ESFA, which are repayable from 2021 until 2027, were £693,000 (31 August 2020 - £793,000) and net assets were £18,645,000 (2020 - £19,753,000).

The Academy is budgeting to achieve a surplus before depreciation and non-cash pension costs in 2021/22 and expects to continue to generate such surpluses in future years following a strong period of expansion and learner recruitment, combined with ongoing tight cost control and managing the impacts of the pandemic. It is expected that ongoing net operating cash inflows will enable the Academy to continue to meet all its liabilities as they fall due. As set out in note 17, after the end of the year, the Academy has agreed a revised repayment profile for its loans due to the ESFA (the Academy's principal creditor) which will improve the overall liquidity position. The Trustees are aware that the ongoing effects of the pandemic increase uncertainty, particularly in respect of future apprentice numbers, and has sought confirmation of future recruitment numbers from JCB, the principal employer of apprentices from the Academy. Should future revenues vary significantly from those expected the Trustees and management will put in place actions to further reduce costs and cash outflows to ensure that the Academy can continue to operate within its available financial resources. The Academy has in place a process to monitor and mitigate key risks throughout the year and to regularly update forecasts and three-year financial plans, all of which is reviewed regularly by the Trustees. Accordingly, the Trustees have made appropriate enquiries and have a reasonable expectation that the Academy 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.

Financial review

a. Financial review

Most of the Academy's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. During 2013/14 the Academy established an apprenticeship programme that is funded by the Education and Skills Funding Agency. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2021, total income in relation to Restricted General Funds was £7,517,000 (2020 - £7,553,000). Total expenditure in relation to Restricted General Funds was £7,444,000 (2020 - £7,753,000).

The local government pension scheme liability, valued in accordance with FRS102 is explained in note 26 to the accounts. As at 31 August 2021 the valuation of the Academy element of the Staffordshire Pension Fund shows a deficit of £3,485,000 (2020 - £2,388,000).

The deficit on restricted funds excluding fixed assets and pension liability at 31 August 2021 was £560,000 (2020- £964,000).

At 31 August 2021, the net book value of fixed assets was £22,568,000 (2020 - £23,105,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively in providing education and the associated support services to the learners of the Academy.

Strategic report (continued)

Financial review (continued)

Financial effect of significant events on the financial performance and financial position of the Trust.

The Covid pandemic was a significant factor on the operation of the Academy, resulting in reduced Apprentice recruitment, lockdowns, increased absences, and unexpected additional costs for such things as mass testing. There was also a financial impact on key cost areas of the Academy.

This effect on costs varied dependent on the cost type. As an example catering was maintained during periods of lockdown for vulnerable learners, but the cost of operation could not be financed by the numbers of learners attending creating a cost overspend. On a different note there was savings made in such items as classroom resources and copying as more learning went on line.

There was some additional Covid related funding available to meet the additional costs and to support lost learning.

Key factors that will affect the Trusts financial performance going forward.

Creditors due with and after more than one year include loan from the ESFA totalling £693,000 at year end. It is key to the operation of the academy that the scheduled repayments on these loans are manageable, and can be met, whilst allowing the Academy to meet its normal trading obligations. A revised repayment plan has now been agreed with the ESFA post year end that will allow sufficient cash flow to meet all obligations.

There will be a medium-term effect from a reduction in 3-year Apprentice recruitment in September 2020, which will impact on Apprentice funding in the two following years. This has been included in financial forecasts and adjustments made to manage its effect.

Overall financial position of the Trust at the reporting date.

At the Balance Sheet date, the Trust was presenting a net current liability position of £45,000 compared with a net current liability position the previous year of £171,000.

Loans located in Creditors due within and after one year have reduced by £100,000 to £693,000. A revised repayment plan has been agreed with the ESFA after the 31 August 2021.

There was acquisition of fixed assets in the year, this was financed by SCC Local Enterprise Partnership Funding and a small amount of ESFA capital grants.

Defined benefit pension scheme liability for the Local Government Pension Scheme increased significantly from £2,388,000 to £3,485,000 and this was the principal cause for a reduction in total funds from £19,753,000 to £18,645,000 at year end.

Circumstances giving rise to the deficit and the steps being taken to eliminate the deficit.

Restricted income funds remain in deficit as a result of historical General Annual Grant losses, though this deficit has reduced in the year end 31 August 2021. Financial plans for current and future periods are targeted at maintaining an operating surplus to further reduce, and eventually eliminate this negative balance.

Financial performance of the Academy Trust in the year.

The Academy has operated in unprecedented conditions due to the pandemic. Despite this we have maintained tight financial controls which has ensured that we have achieved an operating surplus for the year before depreciation and non cash pension costs.

Strategic report (continued)

Financial review (continued)

Trusts investment policy.

The Trust has no investments at year end apart from bank balances held with the Trust's Bankers: Barclays, at normal commercial interest rates.

b. Reserves policy

Any reserves held will be in accordance with the requirements laid down by the Department for Education.

Excluding the pensions reserve there was a deficit on Restricted Income funds of £560,000 which was reduced from £964,000 in 19-20. Unrestricted funds deficit had reduced to £13,000 from £23,000.

The Trustees have identified reserves representing 60 days trading as appropriate for normal operations. The current deficits, though reduced on previous periods, were still considered to be unsatisfactory, and the Trustees were taking steps to manage resources to move to the required level of surplus.

There is a deficit on the defined benefit pension scheme reserve of £3,485,000 (2020: £2,388,000), this will normally result in a cash flow effect for the Academy Trust in the form of an increase in employers pension contributions over a period of years.

c. Investment policy

The Academy seeks to maximise returns whilst minimising risk. Cash balances are held in interest bearing accounts. No other investments are held by the Academy.

d. Principal risks and uncertainties

The Trustees maintain a risk register of the major risks to which the Academy is exposed. Risks identified are reviewed and systems are in place to mitigate identified risks. Trustees discussed the risk register at the Trust meeting on 24 November 2021.

Principal risks included:

Apprentice numbers are a key risk to the Academy. Due to Covid, apprentice numbers have reduced for 20-21 with a corresponding reduction in salary costs, but apprentice numbers must return to normal levels in 21-22 and later years to avoid impact on income.

The ESFA funding fails to keep pace with cost inflation particularly national wage increases and this leads to deficits and pressure on future cashflows which are necessary to meet the ESFA loan repayment schedule.

Pandemic: risks to learners, staff and visitors from pandemic/ infectious disease remain

Plans are in place to mitigate these risks. The Academy has an effective system of internal financial controls and this is explained in more detail in the governance statement.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Fundraising

The Academy is supported by the Futures Foundation which was established to support learners past, present and future at the JCB Academy. During the year The Bamford Trust has supported the Foundation to make donations of £51,000 to the Academy. Specifically to improve physical facilities.

Plans for future periods

The JCB Academy will be one of the first providers to offer the new T-Level Level 3 qualification in engineering from August 2022. These qualifications will be equivalent to 3 A-levels. These 2-year courses have been developed in collaboration with employers and businesses so that the content meets the needs of industry and prepares learners for work, further training or study.

The JCB Academy's strong links with business and engineering enables it to provide exceptional experiences which complement learning and a deep understanding of the world of work. This is a strength the academy aims to further develop as it looks at updating existing challenges and adding exciting new challenges in collaboration with employer partners.

Funds held as custodian on behalf of others

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 30.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2021 and signed on its behalf by:


M Jeffery
For and on behalf of JCB Bamford Excavators Limited
Chair of Trustees

The JCB Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J C Bamford Excavators Limited (nominated representative is M Jeffery), Chair	4	4
D R Bell, Vice Chair	4	4
A J Geer	2	4
D M Richards	3	4
J McGuirk, Principal and Accounting Officer	4	4
P Gwinnett	4	4
J R Hubinger	2	2

The following individuals were also in attendance at the meeting:

	Meetings attended	Out of a possible
S Simpkin	1	4
T Penter	4	4
H Kaur	4	4

The board maintains effective oversight in fewer than 6 meetings annually through the use of a subcommittee structure.

The Finance link committee is a sub-committee of the main Board of Trustees. Its purpose is to prepare and present their analysis of the financial performance and position of the Academy to the Board of Trustees throughout the year. The committee meets on a regular basis prior to full Board of Trustees meetings and will subsequently present their findings.

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Governance Statement (continued)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Penter (Non Trustee)	3	3
J C Bamford Excavators Limited (nominated representative is M Jeffery)	3	3
J McGuirk	3	3
R Hubinger	1	1

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy 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 JCB Academy was established to develop 'Engineers and Business Leaders for the Future'. It provides a unique educational experience for young people linked to a problem solving approach. Central to this is the involvement of local partner business organisations. A Department of Education Advisor described the integrated curriculum as 'outstanding' and 'unique'.

In September 2018 Ofsted endorsed our approach rating the Academy as good. Inspectors particularly praised progress in Mathematics and English. Another excellent set of results for students studying at the Academy was achieved in 2020-21 as set out in the Strategic Report section above.

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 The JCB Academy Trust for the year 1 September 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance Link Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from Cooper Parry LLP

The work of internal audit included a review of the budgeting process and a review of information for completing budget reports for 2020/21.

On a semi-annual basis, the reviewer reports to the Board of Trustees through the Finance Link on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

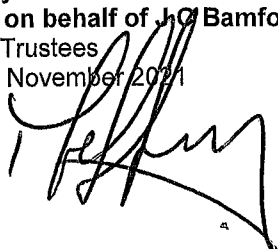
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external and internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees and signed on their behalf by:

M Jeffery
For and on behalf of JCB Bamford Excavators Limited
Chair of Trustees
Date: 24 November 2021



J McGuirk
Principal and Accounting Officer



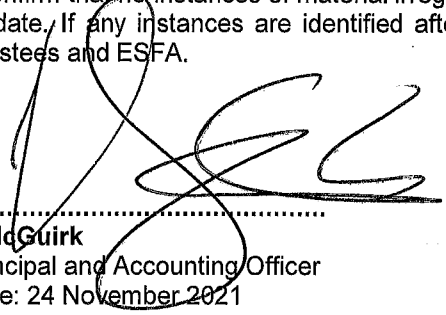
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of The JCB Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & 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 of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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 of Trustees and ESFA.



.....
J McGuirk
Principal and Accounting Officer
Date: 24 November 2021

The JCB Academy Trust
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Statement of Trustees' responsibilities
For the Year Ended 31 August 2021

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:

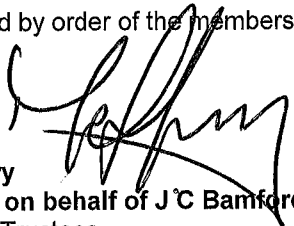
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:


M Jeffery
For and on behalf of JCB Bamford Excavators Limited
Chair of Trustees
Date: 24 November 2021

The JCB Academy Trust
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Independent Auditor's Report on the financial statements to the Members of The JCB Academy Trust

Opinion

We have audited the financial statements of The JCB Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

The JCB Academy Trust
(A company limited by guarantee)

Independent Auditor's Report on the financial statements to the Members of The JCB Academy Trust
(continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report on the financial statements to the Members of The JCB Academy 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

The JCB Academy Trust
(A company limited by guarantee)

Independent Auditor's Report on the financial statements to the Members of The JCB Academy Trust
(continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Jonathan Dudley (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

24 November 2021

The JCB Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The JCB Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 January 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 The JCB Academy Trust during the year 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.

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

Respective responsibilities of The JCB Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The JCB Academy Trust's funding agreement with the Secretary of State for Education dated 6 November 2008 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 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 Academies Accounts Direction 2020 to 2021 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 JCB Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The JCB Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

Dains LLP

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 24 November 2021

The JCB Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	4	-	1	284	285	189
Charitable activities	5	123	7,516	-	7,639	7,670
Other trading activities	6	11	-	-	11	26
Total income		134	7,517	284	7,935	7,885
Expenditure on:						
Raising funds	7	2	-	-	2	5
Charitable activities	8	122	7,444	709	8,275	8,535
Total expenditure		124	7,444	709	8,277	8,540
Net income/(expenditure) before transfers		10	73	(425)	(342)	(655)
Net movement in funds before other recognised gains/(losses)		10	73	(425)	(342)	(655)
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(766)	-	(766)	(531)
Net movement in funds		10	(693)	(425)	(1,108)	(1,186)

The JCB Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Reconciliation of funds:						
Total funds brought forward	18	(23)	(3,352)	23,128	19,753	20,939
Net movement in funds	18	10	(693)	(425)	(1,108)	(1,186)
Total funds carried forward	18	(13)	(4,045)	22,703	18,645	19,753

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 54 form part of these financial statements.

The JCB Academy Trust
(A company limited by guarantee)
Registered number: 06346630

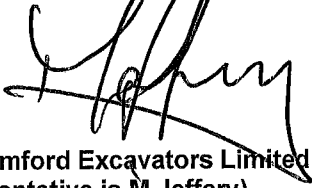
Balance Sheet
As at 31 August 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	22,568	23,105
		<u>22,568</u>	<u>23,105</u>
Current assets			
Stocks	14	3	-
Debtors	15	366	331
Cash at bank and in hand		537	265
		<u>906</u>	<u>596</u>
Creditors: amounts falling due within one year	16	(951)	(767)
Net current liabilities		<u>(45)</u>	<u>(171)</u>
Total assets less current liabilities		<u>22,523</u>	<u>22,934</u>
Creditors: amounts falling due after more than one year	17	(393)	(793)
Net assets excluding pension liability		<u>22,130</u>	<u>22,141</u>
Defined benefit pension scheme liability	26	(3,485)	(2,388)
Total net assets		<u><u>18,645</u></u>	<u><u>19,753</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	22,703	23,128
Restricted income funds	18	(560)	(964)
		<u>22,143</u>	<u>22,164</u>
Restricted funds excluding pension asset	18	22,143	22,164
Pension reserve	18	(3,485)	(2,388)
Total restricted funds	18	<u>18,658</u>	<u>19,776</u>
Unrestricted income funds	18	<u>(13)</u>	<u>(23)</u>
Total funds		<u><u>18,645</u></u>	<u><u>19,753</u></u>

The JCB Academy Trust
(A company limited by guarantee)
Registered number: 06346630

Balance Sheet (continued)
As at 31 August 2021

The financial statements on pages 23 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



**J C Bamford Excavators Limited (nominated
representative is M Jeffery)**
Chair of Trustees
Date: 24 November 2021

The notes on pages 28 to 54 form part of these financial statements.

The JCB Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	349	89
Cash flows from investing activities	22	23	(39)
Cash flows from financing activities	21	(100)	(17)
Change in cash and cash equivalents in the year		272	33
Cash and cash equivalents at the beginning of the year		265	232
Cash and cash equivalents at the end of the year	23	537	265

The notes on pages 28 to 54 form part of these financial statements

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.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The JCB Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Academy recorded a total deficit (before actuarial losses) in the year of £341,000 (2020 - £655,000) after charging depreciation of £709,000 (2020 - £732,000) and non-cash pension costs of £331,000 (2020 - £339,000). The net cash inflow from operating activities was £349,000 (2020 - £89,000) and the net increase in cash and cash equivalents was £272,000 (2020 - £33,000). Loans from the ESFA, which are repayable from 2021 until 2027, were £693,000 (31 August 2020 - £793,000) and net assets were £18,645,000 (2020 - £19,753,000).

The Academy is budgeting to achieve a surplus before depreciation and non-cash pension costs in 2021/22 and expects to continue to generate such surpluses in future years following a strong period of expansion and learner recruitment, combined with ongoing tight cost control and managing the impacts of the pandemic. It is expected that ongoing net operating cash inflows will enable the Academy to continue to meet all its liabilities as they fall due. As set out in note 17, after the end of the year, the Academy has agreed a revised repayment profile for its loans due to the ESFA (the Academy's principal creditor) which will improve the overall liquidity position. The Trustees are aware that the ongoing effects of the pandemic increase uncertainty, particularly in respect of future apprentice numbers, and has sought confirmation of future recruitment numbers from JCB, the principal employer of apprentices from the Academy. Should future revenues vary significantly from those expected the Trustees and management will put in place actions to further reduce costs and cash outflows to ensure that the Academy can continue to operate within its available financial resources. The Academy has in place a process to monitor and mitigate key risks throughout the year and to regularly update forecasts and three-year financial plans, all of which is reviewed regularly by the Trustees. Accordingly, the Trustees have made appropriate enquiries and 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.

1. Accounting policies (continued)

1.3 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 year 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where 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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on raising funds**

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

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 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.

1.7 Tangible fixed assets

Assets costing £500 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 50 years
Furniture and equipment	- 10-15 years
Computer equipment	- 4-5 years

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.

1.8 Stocks

Unsold uniforms are valued at the lower of cost or net realisable value.

1. Accounting policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 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.

1.12 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 bases 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 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1. Accounting policies (continued)

1.14 Pensions

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.

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 30.

1.16 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 the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgement:

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The JCB Academy Trust
(A company limited by guarantee)

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

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2021.

4. Income from donations and capital grants

	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	1	125	126	138
Capital Grants	-	159	159	51
	<u>1</u>	<u>284</u>	<u>285</u>	<u>189</u>
Total 2020	<u>58</u>	<u>131</u>	<u>189</u>	

The JCB Academy Trust
(A company limited by guarantee)

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

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds * 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,640	3,640	3,573
Other DfE/ESFA grants				
Apprentice Funding	-	1,372	1,372	1,469
Post 16 Funding	-	1,210	1,210	1,020
Teachers Pension Grant	-	187	187	177
UTC Transition Funding	-	100	100	200
Other DfE/ESFA grants	-	94	94	82
Pupil Premium	-	72	72	59
Rates Relief	-	36	36	37
	-	6,711	6,711	6,617
Other Government grants				
Local Authority Income	-	162	162	127
	-	162	162	127
Other income from the Academy Trust's educational operations	123	551	674	906
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	47	47	-
Covid Emergency Funding	-	4	4	-
	-	51	51	-
COVID-19 additional funding (non-DfE/ESFA)				
Mass Testing	-	41	41	-
CJRS Grant	-	-	-	20
	-	41	41	20
	123	7,516	7,639	7,670
Total 2020	175	7,495	7,670	

* Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

The academy received £47k of funding for catch-up premium and costs incurred in respect of this funding totalled £47k.

6. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Consultancy income	(2)	(2)	7
Lettings income	1	1	1
Uniform sales	7	7	10
Other income	5	5	8
	<u>11</u>	<u>11</u>	<u>26</u>
Total 2020	<u>26</u>	<u>26</u>	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	2	2	5
Educational Operations:					
Direct costs	3,929	-	675	4,604	5,034
Allocated support costs	1,289	244	2,138	3,671	3,501
	<u>5,218</u>	<u>244</u>	<u>2,815</u>	<u>8,277</u>	<u>8,540</u>
Total 2020	<u>5,366</u>	<u>191</u>	<u>2,983</u>	<u>8,540</u>	

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational Operations	4,604	3,671	8,275	8,535
Total 2020	5,034	3,501	8,535	

Analysis of direct costs

	Educational Operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	3,929	3,929	4,141
Depreciation	157	157	181
Educational supplies	174	174	78
Examination Fees	201	201	208
Staff development and other staff costs	6	6	9
Technology costs	8	8	8
Consultancy	32	32	80
Other costs	76	76	263
Recruitment and other staff expenses	21	21	66
	4,604	4,604	5,034
Total 2020	5,034	5,034	

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	43	43	32
Staff costs	1,289	1,289	1,225
Depreciation	553	553	550
Catering	219	219	221
Staff development and other staff costs	6	6	4
Technology costs	147	147	151
Consultancy	6	6	6
Travel, subsistence and expenses	1	1	-
Other costs	107	107	100
Maintenance of premises and special facilities	206	206	141
Cleaning and caretaking	120	120	89
Equipment rental costs	186	186	240
Rates	37	37	38
Security	12	12	15
Energy	97	97	87
Legal and professional	16	16	16
Transport	590	590	537
Other premises costs	36	36	49
	<u>3,671</u>	<u>3,671</u>	<u>3,501</u>
Total 2020	<u>3,501</u>	<u>3,501</u>	

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	157	214
Depreciation of tangible fixed assets	710	732
Fees paid to auditor for:		
- audit	8	7
- other services	2	2
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	3,692	3,809
Social security costs	375	388
Pension costs	1,111	1,152
	<u>5,178</u>	<u>5,349</u>
Agency staff costs	-	17
Staff restructuring costs	40	-
	<u>5,218</u>	<u>5,366</u>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	22	-
Severance payments	18	-
	<u>40</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £18K (2020: £nil). Individually, the payments were: £13.5k and £4.5k

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

10. Staff (continued)

c. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2021 No.	2020 No.
Teachers	44	67
Administration and support	55	47
Management	7	6
	<u>106</u>	<u>120</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	5	8
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	1	-
In the band £160,001 - £170,000	-	1
	<u>-</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £687,187 (2020 - £640,174).

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Notes to the Financial Statements
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11. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal as a Trustee only received remuneration in respect of services she provided undertaking the roles of principal under her contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£000	£000
J Wade, Principal and Accounting Officer (until 31 August 2020)	Remuneration	N/A	165 - 170
	Pension contributions paid	N/A	35 - 40
J McGuirk, Principal and Accounting Officer (from 1 September 2020)	Remuneration	115 - 120	N/A
	Pension contributions paid	20 - 25	N/A

During the year ended 31 August 2021, no expenses were reimbursed or paid directly to any Trustee (2020 - £NIL to any Trustee).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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13. Tangible fixed assets

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020	27,710	1,553	1,704	30,967
Additions	113	50	9	172
At 31 August 2021	<u>27,823</u>	<u>1,603</u>	<u>1,713</u>	<u>31,139</u>
Depreciation				
At 1 September 2020	5,208	1,006	1,648	7,862
Charge for the year	553	110	46	709
At 31 August 2021	<u>5,761</u>	<u>1,116</u>	<u>1,694</u>	<u>8,571</u>
Net book value				
At 31 August 2021	<u>22,062</u>	<u>487</u>	<u>19</u>	<u>22,568</u>
At 31 August 2020	<u>22,502</u>	<u>547</u>	<u>56</u>	<u>23,105</u>

Included within freehold property is freehold land at a valuation of £200,000 (2020 - £200,000) which is not depreciated.

14. Stocks

	2021 £000	2020 £000
Uniform stock	<u>3</u>	<u>-</u>

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

15. Debtors

	2021	2020
	£000	£000
Trade debtors	19	39
Other debtors	52	17
Prepayments and accrued income	295	275
	<u>366</u>	<u>331</u>

16. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Other loans	300	-
Trade creditors	237	255
Other taxation and social security	95	96
Other creditors	97	97
Accruals and deferred income	222	319
	<u>951</u>	<u>767</u>

Other Loans represent loans from the ESFA. These loans are interest free and the balance shown in these Financial Statements as falling due within one year reflects the repayment profile agreed with the ESFA during the year. Subsequent to the year end a revised repayment agreement was reached with the ESFA. Under the new agreement £115,000 will now be paid by instalments in the year ending 31 August 2022 rather than £300,000 which was due under the previous arrangement. For more details of the new repayment schedule see note 17.

	2021	2020
	£000	£000
Deferred income at 1 September	201	472
Resources deferred during the year	96	201
Amounts released from previous periods	(201)	(472)
	<u>96</u>	<u>201</u>

At 31 August 2021, the Academy Trust was holding funds received in advance for school trips to take place in 2021/22, bus sales relating to travel in 2021/22 and grant income.

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

17. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Other loans	393	793

Other Loans represent loans from the ESFA. These loans are interest free and the balance shown in these Financial Statements as falling due after one year reflects the repayment profile agreed with the ESFA during the year. Subsequent to the year end a revised repayment agreement was reached with the ESFA to repay the loans totalling £693,000 by instalments. Under the new agreement £115,000 will now be paid by instalments in the year ending 31 August 2022, £60,000 in the year ending 31 August 2023, £120,000 in the year ending 31 August 2024, £150,000 in each of the years ending 31 August 2025 and 2026 and £23,000 in the year ending 31 August 2027. These revised repayment terms will be reflected in the Financial Statements for the year ending 31 August 2022.

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds					
General Funds	(23)	134	(124)	-	(13)
Restricted general funds					
General Annual Grant (GAG)	(964)	3,640	(3,236)	-	(560)
Pupil Premium	-	72	(72)	-	-
Apprenticeship income	-	1,372	(1,372)	-	-
Other DfE/ESFA grants	-	94	(94)	-	-
UTC Transition Funding	-	100	(100)	-	-
Post-16 Funding	-	1,210	(1,210)	-	-
Rates Relief	-	36	(36)	-	-
Teachers Pension Grant	-	187	(187)	-	-
Covid Emergency Funding	-	4	(4)	-	-
Covid Catch-up Premium	-	47	(47)	-	-
Covid Mass Testing	-	41	(41)	-	-
Other Government Grants	-	162	(162)	-	-
Other Income	-	552	(552)	-	-
Pension reserve	(2,388)	-	(331)	(766)	(3,485)
	(3,352)	7,517	(7,444)	(766)	(4,045)

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Notes to the Financial Statements
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18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Restricted fixed asset funds					
DfE/ESFA capital grants	22,998	19	(701)	-	22,316
ESFA Emergency Funding	34	-	(1)	-	33
Bamford Trust capital expenditure	80	-	(2)	-	78
Capital expenditure from GAG	16	-	(5)	-	11
Legacy Donation	-	125	-	-	125
LEP Grant	-	140	-	-	140
	<u>23,128</u>	<u>284</u>	<u>(709)</u>	<u>-</u>	<u>22,703</u>
Total Restricted funds	<u>19,776</u>	<u>7,801</u>	<u>(8,153)</u>	<u>(766)</u>	<u>18,658</u>
Total funds	<u>19,753</u>	<u>7,935</u>	<u>(8,277)</u>	<u>(766)</u>	<u>18,645</u>

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

General Annual Grant (GAG) must be used for the normal running costs of an Academy. Each Academy is allowed to carry forward up to 12% of the current year's GAG. Of the carried forward amount, up to 2% of the carry forward GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted general funds were funded by government grants or donations from sponsors. Any unexpended balances of these grants must be surrendered to the grant-maker or donor at the end of the contract.

Restricted fixed asset funds were funded by government grants or sponsor donations.

The Academy Trust is carrying a net deficit of £560,000 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The running costs of The JCB Academy Trust differ to that of traditional state secondary schools. The Academy Trust normally has 40% more teaching time per year with longer terms and school days. Engineering normally accounts for 40% of our curriculum which results in additional staffing, materials, maintenance and equipment costs. Our students are drawn from four local authorities and a catchment radius of 18 miles, resulting in significant transport costs.

The Academy Trust is taking the following action to return these funds to surplus:

The Academy Trust has financial plans that intend to maintain the Academy Trust in annual surplus position from 2022/23 onwards, and the deficit brought forward will be addressed within the short to medium term.

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

18. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	-	201	(224)	-	-	(23)
Restricted general funds						
General Annual Grant (GAG)	(1,251)	3,572	(3,264)	(21)	-	(964)
Pupil Premium	-	59	(59)	-	-	-
Apprenticeship income	-	1,469	(1,469)	-	-	-
Other DfE/ESFA grants	-	1,517	(1,517)	-	-	-
Other government grants	-	146	(146)	-	-	-
Other income	-	790	(790)	-	-	-
Pension reserve	(1,518)	-	(339)	-	(531)	(2,388)
	<u>(2,769)</u>	<u>7,553</u>	<u>(7,584)</u>	<u>(21)</u>	<u>(531)</u>	<u>(3,352)</u>

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

18. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Restricted fixed asset funds						
DfE/ESFA capital grants	23,708	17	(727)	-	-	22,998
ESFA Emergency Funding	-	34	-	-	-	34
Bamford Trust capital expenditure	-	80	-	-	-	80
Capital expenditure from GAG	-	-	(5)	21	-	16
	<u>23,708</u>	<u>131</u>	<u>(732)</u>	<u>21</u>	<u>-</u>	<u>23,128</u>
Total Restricted funds	<u>20,939</u>	<u>7,684</u>	<u>(8,316)</u>	<u>-</u>	<u>(531)</u>	<u>19,776</u>
Total funds	<u>20,939</u>	<u>7,885</u>	<u>(8,540)</u>	<u>-</u>	<u>(531)</u>	<u>19,753</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	22,568	22,568
Current assets	-	771	135	906
Creditors due within one year	(13)	(938)	-	(951)
Creditors due in more than one year	-	(393)	-	(393)
Pension scheme liability	-	(3,485)	-	(3,485)
Total	<u>(13)</u>	<u>(4,045)</u>	<u>22,703</u>	<u>18,645</u>

Notes to the Financial Statements
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	23,105	23,105
Current assets	-	573	23	596
Creditors due within one year	(23)	(744)	-	(767)
Creditors due in more than one year	-	(793)	-	(793)
Pension scheme liability	-	(2,388)	-	(2,388)
Total	(23)	(3,352)	23,128	19,753

20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of financial activities)	(342)	(655)
Adjustments for:		
Depreciation	710	732
Capital grants from DfE and other capital income	(284)	(131)
Defined benefit pension scheme cost less contributions payable	287	307
Defined benefit pension scheme finance cost	44	32
(Increase)/decrease in stocks	(3)	9
Decrease in debtors	54	220
Decrease in creditors	(117)	(425)
Net cash provided by operating activities	349	89

21. Cash flows from financing activities

	2021 £000	2020 £000
Repayments of borrowing	(100)	(17)
Net cash used in financing activities	(100)	(17)

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22. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(172)	(129)
Capital grants from DfE Group and other capital income	195	90
Net cash provided by/(used in) investing activities	23	(39)

23. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	537	265
Total cash and cash equivalents	537	265

24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2021 £000
Cash at bank and in hand	265	272	-	537
Debt due within 1 year	-	-	(300)	(300)
Debt due after 1 year	(793)	100	300	(393)
	(528)	372	-	(156)

25. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	57	-

26. Pension commitments

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 Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £97,000 were payable to the schemes at 31 August 2021 (2020 - £97,000) 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 full-time 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 the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £469,000 (2020 - £443,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £286,000 (2020 - £272,000), of which employer's contributions totalled £218,000 (2020 - £205,000) and employees' contributions totalled £68,000 (2020 - £67,000). The agreed contribution rates for future years are 26.2 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums - pre April 2008	50	50
Commutation of pensions to lump sums - post April 2008	75	75

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.4	21.2
Females	24.0	23.6
<i>Retiring in 20 years</i>		
Males	22.5	22.1
Females	25.7	25.0

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26. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(217)	(168)
Discount rate -0.1%	217	168
Mortality assumption - 1 year increase	319	-
Mortality assumption - 1 year decrease	(319)	-
CPI rate +0.1%	201	154
CPI rate -0.1%	(201)	(154)
Rate of increase in salaries +0.1%	14	11
Rate of decrease in salaries +0.1%	(14)	(11)

The Academy Trust's share of the assets in the scheme was:

	2021	2020
	£000	£000
Equities	3,190	2,377
Corporate bonds	854	699
Property	314	280
Cash and other liquid assets	135	140
Total market value of assets	4,493	3,496

The actual return on scheme assets was 679,000 (2020 - £14,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£000	£000
Current service cost	(506)	(491)
Interest income	62	60
Interest cost	(105)	(92)
Total amount recognised in the Statement of Financial Activities	(549)	(523)

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26. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	5,883	4,568
Current service cost	506	491
Interest cost	105	92
Employee contributions	68	67
Actuarial losses	1,445	692
Benefits paid	(29)	(27)
At 31 August	7,978	5,883

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £000	2020 £000
At 1 September	3,495	3,029
Interest income	62	60
Actuarial gains	679	161
Employer contributions	218	205
Employee contributions	68	67
Benefits paid	(29)	(27)
At 31 August	4,493	3,495

27. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	53	143
Later than 1 year and not later than 5 years	14	57
	67	200

28. Members' liability

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

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Four Trustees/Members of the Academy Trust hold senior positions in J C Bamford Excavators Limited. The Academy Trust received income of £95,476 from the Company during the year in respect of apprenticeship training and donations (2020 - £55,262). The amount outstanding in debtors at the year-end was £10,040 (2020: £Nil).

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £23,182 (2020 - £24,975) and disbursed £111,680 (2020 - £17,385) from the fund. An amount of £20,461 (2020 - £108,959) is included in other creditors relating to undistributed funds that is repayable to ESFA.