



Jewish Community Academy Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year to 31 August 2020

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Jewish Community Academy Trust

Reference and Administrative Details

Members	Chief Rabbi Ephraim Mirvis Michael Goldstein Claire Lemer David Frei Joshua Rowe
Trustees	Alan Capper, Chair (1/3/19 - 31/12/20) Michael Goldstein, Chair (from 1/1/21) Claire Lemer, Co Vice Chair Dean Jayson, Co Vice Chair Dan Bacall Glenn Bezalel Julia Chain (from 3/3/20) Russell Tenzer (from 5/1/21) Steven Rosenthal (1/3/19 – 15/11/20) Jeremy Newman (1/3/19 – 8/10/19) Joanne Greenaway (1/3/19 – 22/11/19) Jason Marantz (1/3/19 – 2/12/19) Claudia Kitsberg (1/3/19 – 17/12/19)
Senior Management Team:	
CEO and Accounting Officer	Kirsten Jowett
Chairs of Governors	Moriah – Gabi Braham Rimon – Brian Doctor QC (to 28/1/20), Suzanne Tager (from 28/1/20) Sacks Morasha – Mark Nicolaides Wolfson Hillel – Belinda Cohen
Headteachers	Hertsmere – Rita Alak-Levi Moriah – Sarah Simmons and Hayley Gross (Executive Headteacher) Rimon – Sara Keen and Jane Elliot (Acting 1/4/20 – 31/08/20) Sacks Morasha – Hayley Gross Wolfson Hillel – Alex Kingston, Laura Russell, and Tamar Cohen (Acting HT from 1/06/20)
Company Name	Jewish Community Academy Trust
Principal and Registered Office	154 Chase Road Southgate London N14 4LG

Jewish Community Academy Trust

Company Registration Number 07643890 (England and Wales)

Independent Auditor Cohen Arnold
New Burlington House
1075 Finchley Road
London
NW11 0PU

Bankers Lloyds Bank plc
Threadneedle St,
PO Box 1000
BX1 1LT

Assessment and Evaluation Committee Alan Capper- Chair
Kirsten Jowett
Hayley Gross
Sara Keen
Alex Kingston
Claire Lemer
Dan Bacall
Joanne Greenaway (until November 2019)
Jason Marantz (until December 2019)
Glenn Bezalel
Claudia Kitsberg (until December 2019)
Jeremy Newman (until October 2019)
Sarah Simmons
Rita Alak-Levi

Finance and Resources Committee Dean Jayson – Chair
Russell Tenzer
David Freeder (until 6/5/20)
Ezra Carlson
Elliot Goodman
Joe Tager / Emma Greenfeld
Nicholas Shoham
Kirsten Jowett
Michael Sher
Jeremy Newman (until October 2019)

Local Governing Bodies

Moriah Gabi Braham - Chair
Kate Leach - Vice Chair (to 1/1/20)
Hayley Gross/Sarah Simmons - HT
David Freeder (to 6/5/20)
Emma Diamond (to 23/7/20)
Lara Caplin (until November 2019)
Talía Shaw (to 23/7/20)
Leonie Lewis (from Feb to April 2020)

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	Gina Ross (until November 2019) Judith Green (until July 2019) Paul Flaum (until July 2019) Link Trustee Dean Jayson
Rimon	Brian Doctor – Chair until 28/1/20 Julia Chain - Vice Chair (until Feb 2020) Sara Keen (until April 2020) - HT Emma Greenfeld Veronica Kennard (until April 2020) Paul Morland Adam Quint Jenny Sandler Matthew Somers Joe Tager Suzanne Tager Chair from 28/1/20 Jo Rosenblatt from 28/2/20 Jane Elliott – Acting HT (1/4/20 – 31/8/20) Chaya Mitz Link Trustee Jason Marantz (as per A Capper email 6 May)
Sacks Morasha	Mark Nicolaides - Chair Simone Gershon - Vice Chair Hayley Gross - HT Chaja Green Ben Morris (until December 2019) Elliot Goodman Scott Aaron Howard Cohen (until 5/4/20) Luci Joseph Irene Mansfield Justin Kett Sarah Woodward Rabbi Jeremy Lawrence Daniel Dahan from 29/1/20 Elisa Angel from 29/1/20 Link Trustee Claire Lemer
Wolfson Hillel	Belinda Cohen - Chair Alison Waters – Vice Chair Alex Kingston - HT Ezra Carlson Simon Goulden Rabbi Yisroel Fine Marina Lamaris Ruth Lessman Tamar Cohen Laura Russell Nick Shoham Link Trustee Alan Capper

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Hertsmere

Judy Greenberg – Chair (from 19/03/20)

HT – Rita Alak-Levi

Gabi Braham

Daniella Ross

Michael Sher

Joanne Curtis

David Piha

Daniella Green (Jan – May 2020)

Asher Teren (Jan – May 2020)

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Trustee Report

The Trustees present their annual report together with the financial statements and auditor's report of the Academy Trust for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Academy Trust operates 5 schools.

1. Hertsmere Jewish Primary School, an academy for pupils aged 3-11. The school PAN is 60 with a maximum capacity of 455. The current school roll is 437.
2. Moriah Jewish Day School, an academy for pupils aged 3-11. The school PAN is 30 per year with a maximum capacity of 240 pupils. The current school roll is 86 pupils.
3. Rimom Jewish Primary Schools, an academy for pupils aged 4 to 11. The school PAN is 30 per year with a maximum capacity of 210 pupils. The current school roll is 186.
4. Sacks Morasha Jewish Primary School, an academy for pupils aged 4-11. The school PAN is 30 per year with a maximum capacity of 210 pupils. The current school roll is 211.
5. Wolfson Hillel Primary School, an academy for pupils aged 3-11. The school PAN is 60 with a maximum capacity of 480. The current school roll is 453.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The primary governing documents of the Academy Trust are its memorandum and articles of association.

Members

The Members have overall nominal responsibility for the Trust but they exercise their functions through the TB. Each Member guarantees to contribute £10 if the Trust were to become insolvent and is wound up – that is the “guarantee” implied by the term “company limited by guarantee”.

The powers and duties of the Members in broad terms are:

1. To appoint and remove Trustees
2. To maintain the Membership and to appoint Members
3. To approve any proposed changes to the Articles of Association
4. To receive the annual accounts of the Trust

Trustees

The Trustees are the directors of the trust and are the equivalent of governors in a local authority maintained school. As company directors their duties are to:-

- act within their powers;
- promote the success of the company;
- exercise independent judgment;
- exercise reasonable care, skill and diligence;
- avoid conflicts of interest;
- not to accept benefits from third parties; and
- declare any interest in proposed transactions or arrangements.

Accordingly, it is the Trustees who are responsible for setting the vision, strategy and securing the fulfilment of that vision and strategy. The members are akin to the shareholders of a share company – they do not get involved in management but could exercise their powers to remove Trustees if they consider that the Trustees in post are failing to act in the best interests of the Academy Trust.

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Conflicts of Interest

Trustees and all who have delegated responsibility are required to ensure that no conflict of interest arises. They are required to disclose and declare any business interests. The current Articles provide: "Any [Trustee] who has or can have any direct or indirect duty or personal interest (including but not limited to any Personal Financial Interest) which conflicts or may conflict with his duties as a [Trustee] shall disclose that fact to the [Trustees] as soon as he becomes aware of it. A [Trustee] must absent himself from any discussions of the [Trustees] in which it is possible that a conflict will arise between his duty to act solely in the interests of the Academy Trust and any duty or personal interest (including but not limited to any Personal Financial Interest)."

A "Personal Financial Interest" is defined in Articles 6.5 to 6.9 and is widely drafted to include companies in which the Trustee has an interest as well as interests of family members and those with whom the Trustee has business or other close relationships.

Organisational Structure

Trust Board ("TB")

The TB focuses on the three core functions of governance:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding the CEO to account for the educational performance of the academies and their pupils, and the performance management of staff; and
- Overseeing the financial performance of the Trust and making sure its money is well spent.

Composition: Up to 11 Trustees appointed by the Members, the CEO, any Trustees co-opted by the board as determined by the Members

Quorum: One-third of the total number of Trustees in post or 3 if higher

Meetings: At least three each year convened on seven clear days' notice except in emergency as determined by the Chair

Retained responsibilities:

- Deciding upon major strategic and legal aspects such as:
- Establishing a new academy
- Discontinuing or merging existing ones
- Disposal of land otherwise for operational letting or hire purposes
- Proposing changes to the Articles of Association
- Adopting the strategic plan for the Trust which will include individual strategic plans for each academy
- Procurement requiring the publication of OJEU advertisements
- Procurement of any contract with a value in excess of £30,000
- Approving the overall budget for the Trust and its devolution to each academy
- Approving the annual accounts of the Trust
- Ensuring that all regulatory requirements are met
- Recommending appointment of Members, Trustees and members of LGB and co-opting additional
- Trustees including conducting skills audits as required
- Ensuring that all Trustees and members of LGB are appropriately trained
- Approving all policies that the Trust by law is required to maintain. All policies originate from the Executive Team.
- Determining each year the scheme of delegation and terms of reference including approving the membership of all committees
- Determining admission arrangements for each academy
- Establishing arrangements for independent appeals against refusals to admit pupils to an academy

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- Establishing arrangements for independent review panels to review permanent exclusions
- Appointment and performance management of:
 - CEO
 - CFO
 - HTs

Finance and Resources Committee

Composition: as determined by the TB. To include finance governor representative from each of the Initial Academies

Delegated responsibilities:

- Detailed consideration of the annual budget including consideration of
- The extent to which funds are retained for central services not directly related to individual academies
- The allocation of central funds for the purposes of each individual academy, [including an envelope for staffing], which will be based mainly but not solely on pupil numbers
- The allocation of funds to each individual academy to be applied at the discretion of the HT
- Monitoring the financial performance of the Trust and holding the CEO and CFO to account for this
- Monitoring the use of the pupil premium and other earmarked or dedicated funds
- Monitoring all Human Resource aspects
- Determination of staff pay and conditions
- Procurement of any contract with a value in excess of £30,000 but less than £80,000
- Disciplinary, capability and grievance aspects relating to CEO, EH, CFO and HT
- Detailed consideration of those policies within its remit
- Appointing non-employee members of the committee to operate as an audit committee
- Ensuring internal and external audit are completed

Assessment and Evaluation Committee

Composition: as determined by the TB to include HT representative from each of the Initial Academies.

Delegated responsibilities:

- All aspects of the curriculum and curriculum delivery
- Dealing with formal complaints against an academy in accordance with the Trust complaints policy
- Monitoring student issues including behaviour and exclusions
- Monitoring all aspects of SEN
- Monitoring all aspects of safeguarding including British Values and the operation of the Prevent strategy
- Monitoring all equality aspects including the Public Sector Equality Duty
- Monitoring all aspects of readiness of inspection
- Detailed consideration of those policies within its remit
- Monitoring educational outcomes and pupil achievement

Local Governing Body for each Academy

Each LGB must have members who are able to demonstrate the following skills:

- Strategic leadership
- Risk Management
- Educational Improvement
- Financial management and monitoring
- Staffing and performance management

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Composition: as determined by the TB and to include 2 Parent Governors

Delegated responsibilities:

- Reporting to the TB on the overall performance of the academy
- Determination of the annual spend of that part of the Trust budget delegated to be managed by the academy
- Monitoring educational outcomes and pupil achievement
- Appointment of staff (excluding HT) working at the academy in accordance with Trust policies
- Monitoring all aspects of safeguarding, SEN, equality and student welfare
- Dealing with the regulatory requirements of admissions and exclusions
- Liaising with the TB, CEO and CFO on all aspects of policy setting as they may respectively require
- Arranging election of elected members of the LGB in accordance with the Articles of Association

JCAT has two further committees which are formed when required

1. Admissions Sub-Committee
2. Pupil Exclusions Sub-Committee

Policies and procedures adopted for the induction and training of Governors and Trustees

Induction was provided for all Trustees and Governors through training and the provision of copies of policies, procedures, minutes and other documents that they will need to undertake their role as governors, trustees and directors of the Academy Trust.

CEO

- Provide strategic and operational leadership of the Trust
- Responsible for the internal organisation management and control of each of the academies and specifically:
 - Development of Trust-wide strategies and strategies for individual academies for TB approval
 - Determining and implementing curriculum provision and assessment
 - Performance management of HTs and those staff who report directly to the CEO. Other staff at each academy shall be performance managed by the HT and other staff at a central trust level shall be managed by their allocated line manager.
- Disciplinary, capability and grievance aspects relating to HTs and those staff who report directly to the CEO.
- Securing compliance with the Master Funding Agreement and each Supplemental Funding Agreement
- Ensuring the proper discharge of all statutory functions including in relation to admission appeals and reviews of permanent exclusion
- Reporting termly to the Evaluation & Assessment Committee and the TB

CFO

- Provide financial leadership of the Trust
- Secure financial probity and value for money including compliance with the Academies Financial Handbook
- Prepare and maintain the Trust's Financial Manual
- Prepare budget for the Trust, including allocation of funds for centrally-maintained services, determining envelope of funding allocated to individual academies and determining sums to be delegated to each
- LGB for local spending, for TB approval
- Reporting termly to Finance & Resources Committee

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Headteachers

- Implementing agreed curriculum provision and assessment as determined by the TB
- Performance management of all staff below HT level
- Disciplinary, capability and grievance aspects relating to all staff below HT level
- Prepare budget for the school with the CFO for TB approval
- Ensuring authorised spending is in line with agreed budget plans and liaising with the CFO where there are potential significant variances or approval is needed for spend above £30,000
- Ensuring the proper discharge of all statutory requirements including safeguarding referrals and exclusions.

All decisions taken under delegated authority must be reported to the next available TB meeting. This should be done by way of a minute of the decision or of the meeting at which the decision was taken.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key personnel is set by the Finance and Resources Committee having due regard to the skills, experience and expertise of the individual, the market rates within the sector and any particular factors affecting recruitment and retention.

Related Parties and other connected charities and organisations

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from the local community and local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

The Academy Trust is founded by the Office of the Chief Rabbi and the United Synagogue and as such any Trustees/employees of these organisations are related parties. The following Trustees are Trustees/employees within these organisations - Dan Bacall (OCR) and Claudia Kitsberg (US). Michael Goldstein is President of the United Synagogue and Claire Lemer is also a Trustee of the United Synagogue.

Jeremy Newman, a former Trustee is the Chair of the Finchley Jewish Day School Trust which owns Sacks Morasha land and buildings and provides funds to Sacks Morasha Primary School monthly.

Joanne Greenaway, a former Trustee, is CEO of London School for Jewish Studies who manage the Jewish Teacher Training Partnership of which Wolfson Hillel Primary School lead one of the teacher training programmes.

The Governors are drawn from each schools the local community and it is therefore inevitable that transactions will take place with organisations with which a member of the board of Governors has a connection. All transactions involving such organisations are at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Details of any transactions occurring during the period are shown in the notes to the accounts.

Objectives and Activities

Objects

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice

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to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools with a designated Jewish religious character offering a broad and balanced curriculum conducted as Orthodox Jewish schools under the religious authority of the Chief Rabbi of the United Hebrew Congregations of the Commonwealth both generally and in particular in relation to arranging for religious education and daily acts of worship (the “Academies”); and

- b. purely as ancillary to 4.a. promoting for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Each school within the Academy Trust has adopted a "Scheme of Government" (Funding Agreement) approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the School, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Public benefit

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims are demonstrably to the public benefit.

Achievements and Performance

Key Performance Indicators

The main KPI is the Ofsted Framework for Inspection and each Academy evaluates each area on a regular basis. The schools in JCAT are currently rated as follows

Hertsmere	Inadequate, January 2019
Moriah	Requires Improvement, July 2018
Rimon	Good, November 2018
Sacks Morasha	Good, January 2018
Wolfson Hillel	Outstanding, March 2017

Jewish Schools are also subject to a section 48 inspection. Each school in JCAT was inspected by Pikuach. The schools are currently rated as follows

Hertsmere	Outstanding, June 2015
Moriah	Outstanding, May 2019
Rimon	Good, June 2019
Sacks Morasha	Good, February 2015
Wolfson Hillel	Good, March 2017

Statutory Data Outcomes 2019

*Data was not collected for 2019-20 in line with National expectations due to Covid

Year 1	Phonics
Moriah	96
Rimon	96
Sacks Morasha	97
Wolfson Hillel	98

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Key Stage 1

Age Related or Better	Reading	Writing	Maths
Moriah	85%	81%	89%
Rimon	83%	73%	87%
Sacks Morasha	83%	80%	83%
Wolfson Hillel	95%	90%	98%

Key Stage 2

Progress	Reading	Writing	Maths
Moriah	-0.2	-1.5	0.5
Rimon	3.6	-1.1	0.7
Sacks Morasha	1.7	-0.3	0.5
Wolfson Hillel	1.7	-1.4	2.3
National	0	0	0

Attainment	RWM Combined	RWM Higher Level
Moriah	65%	16%
Rimon	82%	23%
Sacks Morasha	76%	31%
Wolfson Hillel	78%	10%
National	65%	11%

	Average Score Reading	Average Score Maths
Moriah	106	107
Rimon	111	109
Sacks Morasha	109	108
Wolfson Hillel	107	108
National	104	105

Financial Review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

A capital grant from the Education and Skills Funding Agency (ESFA) amounting to £27,513 was received to fund the final stages of the construction of the Rimon building. Following its completion in August 2014, the cost of the new building is shown in the accounts as Leasehold Buildings. The cost is being depreciated over the remaining period of the lease (12 years remain on 31 August 2020). The short length of this lease has resulted in the depreciation cost of the Leasehold Building being a significant figure within the total depreciation charge for the Academy Trust as shown in the statement of financial activities (£119,891 out of the total deprecation of £166,634).

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Revenue grants amounting to £5,874,545 (2019: £2,899,889) were received from the Education and Skills Funding Agency (ESFA) during the year, together with grants from the hosts LA's of £1,059,781 and Community Security Trust (CST) £243,434)

In addition, donations from parents, individuals and organisations within the community amounted to £841,563 (2019: £752,892) were received. These amounts together were used to fund the running of the Schools and capital costs not covered by government capital grants as well as specific projects. The School's Parents Associations run fundraising activities and makes donations from these activities to the school.

The central team salaries and on costs were fully recharged to the schools (£303,807), excluding a donation from the United Synagogue of £92,000. These were split evenly across the five schools and included the costs for the CEO, CFO, Finance Team and Operations Team.

Changes in financial assumptions used by the actuaries in calculating the Academy Trust's liability under the Local Government Pension Scheme (LGPS), a defined benefit pension scheme, have resulted in a significant increase in the trust's liability under the scheme. An increase in the net liability under the Local Government Pension Scheme of £1,019,842 has been recognised during the year in the statement of financial activities, taking the net liability to £2,394,000 on 31 August 2020. This liability is shown in a separate fund within the restricted general fund of the Academy Trust. This increase is also due to the addition of a further school in October 2019.

Reserves Policy

As the majority of the Academy Trust's revenue is in the form of grants from government sources the level of which are set in advance of each school year, the Academy Trust intends to build and maintain reserves equivalent to between one and two months expenditure to facilitate cash flow and as a buffer against unexpected expenditure.

Reserves

The total balance on reserves at the end of the year was £-609,126 (2019: £410,714).

The year-on-year reduction driven largely by an increase in pension liability of £1,019,842; up to a year-end balance of £2,394,000 (2019: £1,374,158).

The balance on general reserves of £285,942 (2019: £155,787) is made up of unrestricted reserves of £112,376 (2019: 155,904) and restricted reserves of £173,566 (2019: -£116).

These balances are in line with the reserves policy.

Investment policy

Jewish Community Academy Trust does not hold any investments at this time and reserves are currently held in the Trusts interest-bearing bank accounts.

Operations

The operations management at JCAT during 2019-20 was outsourced to SCBM Services Ltd, a school management outsourcing provider. The SCBM Services reported to and was managed by the CEO of JCAT. The JCAT Operations team has the following primary roles across the whole MAT:

- Contract management
- Oversight of compliance and Health & Safety
- ICT Management & Data Protection
- Catering

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- Premises Maintenance and Improvement
- Asset Management

The Operations Team interfaces with the individual schools through the operations email address. All schools have access to the operations team and can request support in any area the Operations Team has responsibility.

Additionally, regular routine checks are carried out at each site (currently every other week) where the following areas are reviewed:

- Cleaning
- Procurement Process
- Catering
- Caretaking

A monitoring visit log is completed at the end of each visit and this is shared with the Head Teacher of that school.

Contract Management

As new schools have joined the MAT, existing contracts are reviewed and benchmarked against other JCAT school for value. At the end of each contract a decision is made, in conjunction with the SLT of that school and the CEO, whether to renew or source an alternative supplier.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Schools are exposed, those relating to the teaching and learning, provision of facilities and other operational areas of the School, and its finances. The Trustees have implemented a number of systems to assess general risks that the School faces, especially in the operational areas e.g. in relation to teaching, health and safety, bullying and school trips, and in relation to the control of finance. The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

The principal risks and uncertainties that the Academy Trust currently faces relate primarily to a shortfall in pupil numbers in all of the schools, the need to maintain a robust financial status, the need to ensure that high calibre staff are recruited and retained, the need to ensure that the school accommodation is well maintained and meets the needs of the school over the short, medium and long term, and potential changes in government funding and policy. These are mitigated by the risk management process that the Academy Trust has in place.

The Academy Trust has been a member of the government's Risk Protection Arrangement for Academies, since 1 September 2014. This is the main external arrangement used for sharing the Schools' insurable risks.

Auditor

Cohen Arnold act as the Academy Trust's auditors under section 485 of the Companies Act 2006. Cohen Arnold have indicated its willingness to continue in office.

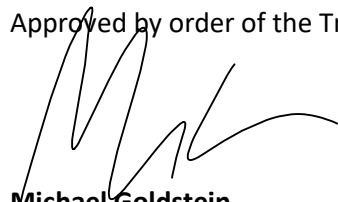
Statement as to disclosure of information to the auditor

In so far as the Trustees are aware:

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

Jewish Community Academy Trust

Approved by order of the Trustee Board on 31/01/21 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Michael Goldstein', written over the printed name.

Michael Goldstein
Chair of Trustees

Trustee Statement

Scope of responsibility

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

The Trustee Board has delegated the day-to-day responsibility to our CEO as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the Trustee Board any material weaknesses or breakdowns in internal control.

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

Upon formation of the Trust each academies staffing structure, contracts and finance systems were reviewed. During the year, the Academy Trust has continued to secure value for money through close monitoring of budgets and obtaining a range of quotes before entering into contracts or purchasing goods where alternative suppliers are available. . The Headteachers along with the operations team continues to review its educational resources, subscriptions and licences to ensure those being used are the most appropriate for the School and are being fully utilised with changes being planned and made where this is considered appropriate.

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 JCAT for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustee Board 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 Trustee Boards is of the view that there is an on-going process for identifying, evaluating, and managing each School's significant risks that has been in place for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

The risk and control framework and review of effectiveness

JCATs 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 Governing Body of each school and the F&R committee;
- regular reviews by the F&R Committee of reports which indicate the financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- purchasing guidelines and regular review by the F&R committee of significant expenditure;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustee Board has considered the need for a specific internal audit function and has assigned this function to the finance trustee – Russell Tenzer as Finance Trustee and qualified accountant, to monitor and advise on the internal control system. We also commissioned a peer review from the CFO of the Ivy Learning Trust – see Internal Scrutiny Report. In 2021 we are outsourcing this to SBM independent auditors.

The reviewer's role includes performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included:

- testing the income systems; and
- testing the accounting systems by reference to reconciliation of bank and control accounts and the procedures use to prepare financial reports and returns.

Any issues identified by the Responsible Officer would be reported to the Trustee Board via the F&R Committee at the first available F&R Committee meeting. The schedule of checks was completed as planned and no material issues were identified as a result of the reviewer's work.

Review of Effectiveness

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

- the work of the internal reviewer;
- the work of the external auditor;
- the financial management process; and
- the work of the Acting CFO who, together with the F&R Committee, has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of any weaknesses in the system of internal control as they have arisen and plans to address any weaknesses and to ensure continuous improvement of the system have been implemented. Approved by order of the members of the Trustees Board on 27/01/21 and signed on its behalf by:



Michael Goldstein
Chair of Trustees



Kirsten Jowett
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Statement of Regularity, Propriety and Compliance

As Accounting Officer of the Jewish Community Academy Trust School I have considered my responsibility to notify the Academy Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust's Board are able to identify any irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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

Signed



Kirsten Jowett
Accounting Officer

Date: 31/01/21

Jewish Community Academy Trust

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Trustee's Responsibilities

The Trustee Board (who act as trustees for charitable activities of the Jewish Community Academy Trust) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the ESFA, 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 Academy Trust and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020.
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust 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 Academy Trust 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 the 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 Academy Trust'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 Trustee Board on 31/01/21 and signed on its behalf by:



Michael Goldstein
Chair of Trustees

Jewish Community Academy Trust

REPORT OF THE INDEPENDENT AUDITOR

Report of Independent Auditor

Opinion

We have audited the financial statements of the Jewish Community Academy Trust for the year ended 31 August 2020 which comprise the statement of financial activities (including income and expenditure account), balance sheet, 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', SORP (FRS102) and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the SORP (FRS102) and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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. Our opinion on the financial statements does not cover the other information and, except

Jewish Community Academy Trust

REPORT OF THE INDEPENDENT AUDITOR

to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

Jewish Community Academy Trust

REPORT OF THE INDEPENDENT AUDITOR

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Jewish Community Academy Trust

REPORT OF THE INDEPENDENT AUDITOR

A handwritten signature in black ink, appearing to read 'D. Goldberg', with a long, sweeping horizontal line underneath.

David Goldberg, FCA (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Date: 31/01/21

Jewish Community Academy Trust

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE TRUSTEE BOARD AND THE EDUCATION FUNDING AGENCY (continued)

In accordance with the terms of our engagement letter dated 12 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy Trust during the year to 31 August 2020 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 Governing Body and the ESFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the Academy Trust and the ESFA those matters we are required to state to it 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 Academy Trust and the ESFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Accounting Officer and Auditors

The Accounting Officer is responsible, under the requirements of the Funding Agreement with the Secretary of State for Education dated 2 August 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed, and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

Jewish Community Academy Trust

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE TRUSTEE BOARD AND THE EDUCATION FUNDING AGENCY (continued)

- evaluation of the internal control procedures;
- reviewing systems checks undertaken by the internal reviewer;
- confirming with the Accounting Officer that the evidence to sign the regularity statement is in order;
- obtaining representation from the Governors and the Accounting Officer; and
- reviewing the expenditure disbursed and income received.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Goldberg, FCA (Senior Statutory Auditor)

For and on behalf of
Cohen Arnold
Chartered accountants & statutory auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

Date: 31/01/21

Jewish Community Academy Trust

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

	Note	Unrestricted General Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	1,819,815	-	36,481	1,856,297	793,539
Transfer from local authority on conversion	26	-	-	-	-	340,632
Charitable activities:						
Funding for the academy trust's educational operations	2	-	7,775,890	-	7,775,890	3,251,988
Other trading activities	4	-	442,005	-	442,005	74,625
Investments	5	-	492	-	492	227
Total		1,819,815	8,218,387	36,481	10,074,683	4,461,011
Expenditure on:	6					
Raising funds	7	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	8	1,863,343	8,553,705	166,634	10,583,682	4,815,545
Pension deficit inherited on conversion	26		517,842		517,841	1,048,712
Total	6	1,863,343	9,071,547	166,634	11,101,524	5,864,258
Net income / (expenditure)		(43,527)	(853,160)	(130,153)	(1,026,840)	(1,403,247)
Transfers between funds	15	-	-	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	7,000	-	7,000	(159,909)
Net movement in funds		(43,527)	(546,160)	(130,153)	(1,019,840)	(1,563,156)
Reconciliation of funds						
Total funds brought forward		155,904	(1,374,274)	1,629,085	410,714	1,973,870
Total funds carried forward		112,376	(2,220,434)	1,498,932	(609,126)	410,714

Jewish Community Academy Trust

Balance Sheet

for the year ended 31 August 2020

		2020 £	2019 £
Fixed assets			
Tangible assets	12	1,462,451	1,629,085
Current assets			
Debtors	13	683,479	417,997
Cash at bank and in hand		606,474	551,755
		1,289,953	969,752
Creditors: Amounts falling due within one year	14	(967,530)	(813,965)
Net current assets		322,423	155,787
Net assets excluding pension liability		1,784,874	1,784,872
Defined benefit pension scheme (liability)	23	(2,394,000)	(1,374,158)
Total net assets		(609,126)	410,714
Funds of the Academy Trust:			
Restricted funds			
Restricted fixed asset fund	15	1,498,932	1,629,085
General funds	15	173,566	(116)
Designated funds	15	-	-
Pension reserve	15	(2,394,000)	(1,374,158)
Total restricted funds		(721,502)	254,811
Unrestricted funds			
General funds	15	112,376	155,904
Designated funds	15	-	-
Total unrestricted funds	15	112,376	155,904
Total funds		(609,126)	410,714

The financial statements on pages 17-29 were approved by the Trustees and authorised for issue on 31/1/21, and are signed on their behalf by:

Michael Goldstein
Chair of Trustee Board

Jewish Community Academy Trust

STATEMENT OF CASH FLOWS

for the year ended 31 August 2020

	<i>Notes</i>	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	17,745	353,315
Cash flows from investing activities	20	36,973	4,391
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		54,719	357,706
Cash and cash equivalents on 1 September 2018		551,755	194,049
		<hr/>	<hr/>
Cash and cash equivalents on 31 August 2019	21	606,474	551,755
		<hr/> <hr/>	<hr/> <hr/>

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust meets the definition of a public entity body under FRS102.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related condition 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.

The general annual grant ('the GAG') from the ESFA which is intended to meet recurrent costs, is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Any unspent amount is reflected as a balance in the restricted fund.

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

Donations

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

Other income

Other income, including hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Donated goods, facilities and service

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

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis.

Expenditure

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

Expenditure on Raising Funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets are acquired with unrestricted funds, the amount so spent is transferred to the restricted fixed asset fund. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold Building	Remaining term of the lease
Fixtures, fittings, and equipment	5 years
ICT equipment	3 years

Depreciation on the Leasehold Building commenced from September 2014 when the asset was brought fully into use. Additions to the building subsequent to this time are written off over the remaining period to the expiry of the lease. The remaining period as of 31 August 2020 was 12 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. Assets are carried at fair value in the balance sheet. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Provisions

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

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

Leased assets

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

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. 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.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS') and the National Employment Savings Trust (NEST). The TPS and LGPS are defined benefit schemes and the assets are held separately from those of the Academy Trust. NEST is a defined contribution scheme whose assets are also held separately to those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

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

NEST is a defined contribution scheme run by the NEST Corporation, a non-departmental public body that operates at arm's length from the Government and is accountable to Parliament through the Department for Work and Pensions. The contributions are recognised in the period to which they relate.

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. Unrestricted designated funds are funds that have been designated by the Trustees at the year-end for a particular use over the coming year (or longer period).

Restricted Fixed Assets 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. Funds are also

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

transferred to the Restricted Fixed Asset funds when assets are purchased from other funds to support the understanding of the accounts by the reader.

Restricted General funds comprise all other restricted funds received with restrictions imposed by funders or donors, and include grants from the ESFA. Restricted designated funds are funds that have been designated by the Trustees at the year-end for a particular use over the coming year (or longer period).

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The depreciation policies used by the Academy Trust represent a judgement as to the useful lives of the tangible fixed assets of the Academy Trust.

2 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
DfE / EFA grants				
. General Annual Grant (GAG)	-	5,810,424	5,810,424	2,801,679
. Start Up Grants	-	-	-	75,000
. Other DfE/EFA grants	-	64,122	64,122	23,210
	-	5,874,545	5,874,545	2,899,889
Other Government grants				
. Local authority grants	-	1,059,781	1,059,781	56,727
	-	1,059,781	1,059,781	56,727
Other income from the academy trust's educational operations	-	841,563	841,563	295,371
	-	7,775,890	7,775,890	3,251,988
2019 total	-	3,251,988		

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

3 DONATIONS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Fund	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Capital grants	-	-	36,481	36,481	40,648
Donated fixed assets	-	-	-	-	-
Other donations	1,819,815	-	-	1,819,815	752,892
2020 total	1,819,815	-	36,481	1,856,297	793,539
2019 total	752,892	-	40,648		

4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Fund	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Fundraising	-	33,868	-	33,868	74,662
Other	-	408,136	-	408,136	(37)
2020 total	-	442,005	-	442,005	74,625
2019 total	-	74,625	-		

In the prior year, catering income for the trust was shown in Income from other trading activities. In the current year this has been reclassified to other income from the academy trust's educational operations.

5 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Fund	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Bank Interest	-	492	-	492	227
2020 total	-	492	-	492	227
2019 total		227	-		

6 EXPENDITURE

	Staff costs	Premises costs	Other costs	2020	2019
	£	£	£	£	£
Expenditure on raising funds	-	-	-	-	-
Academy Trust's educational operations:					
Direct costs	6,493,033	-	263,239	6,756,272	3,066,219
Support costs	857,762	647,119	2,322,528	3,827,410	1,749,326
2020 total	7,350,795	647,119	2,731,725	10,583,682	4,815,545
2019 total	2,975,530	445,500	1,394,515		

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Net incoming resources for the period include:

	2020	2019
	£	£
Operating leases- Leasehold land & buildings	68,000	68,000
Depreciation	166,634	165,607
Loss on disposal of fixed assets	-	-
Fees payable for: Audit	12,000	12,000

7 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Cost of raising funds	-	-	-	-
	-	-	-	-
2019 total	-	-	-	-

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Restricted Fixed Assets	Total 2020	Total 2019
	£	£	£	£	£
Direct costs – educational operations	37,850	6,718,422	-	6,756,272	3,066,219
Support costs – educational operations	1,825,492	1,835,283	166,634	3,827,410	1,749,326
Total	1,863,343	8,553,705	166,634	10,583,682	4,815,545

Analysis of support costs

				Total 2020	Total 2019
				£	£
Support staff costs	-	857,762	-	857,762	290,459
Recruitment	755	-	-	755	22,246
Depreciation	-	-	166,634	166,634	165,607
Technology costs	118,236	9,491	-	127,726	54,479
Premises costs	285,923	203,440	-	489,363	289,116
Catering costs	526,955	-	-	526,955	216,217
Other support costs	891,629	509,000	-	1,400,629	515,404
Security and transport	1,995	255,590	-	257,585	195,799
Governance costs	-	-	-	-	-
Total support costs	1,825,492	1,835,283	166,634	3,827,410	1,749,326

9 STAFF COSTS

a. Staff costs

Staff costs during the period were:

	Total 2020	Total 2019
	£000	£000
Wages and salaries	5,513,991	2,375,625
Social security costs	406,887	217,002
Operating costs of defined benefit pension schemes	1,147,455	331,912
Staff restructuring costs	106,714	-
	7,175,046	2,924,538

Staff restructuring costs comprise:

Redundancy payments	106,714	-
Severance payments	-	-
Other restructuring costs	-	-
	106,714	-

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £0 reflecting the payment to nil individuals (2019: nil).

c) Staff numbers

The number of persons (including senior management team) employed by the Academy Trust during the year (including those on long term contracts via agencies) was:

	2020 Persons	2019 Persons
Teachers	107	71
Management	16	12
Administration and support	99	75
	<hr/>	<hr/>
	222	158
	<hr/>	<hr/>

d) Higher paid staff

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

	2020	2019
£60,001 - £70,000	2	3
£70,001 - £80,000	0	1
£80,001 - £100,000	0	1
£100,001 - £150,000	2	1

e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on pages 1-4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £475,691 (2019: £263,190).

10 RELATED PARTY TRANSACTIONS – TRUSTEES AND GOVERNORS’ REMUNERATION AND EXPENSES

The Headteachers and the Staff Governor only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contract of employment and not in respect of their services as Governors. Other Trustees did not receive payments from the Academy Trust in respect of their role as Trustees. The value of their Remuneration was as follows:

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Headteachers:

Hertsmere:

Remuneration: 65,000 -70,000, Employer pension contributions paid: £10,000 - £15,000

Moriah:

Remuneration: Executive HT £70,000-£75,000 (0.5fte), Acting HT £50,000-60,000, Employer pension, contributions paid: £10,000 - £15,000

Rimon:

Remuneration: £80,000-£85,000, Employer pension contributions paid: £10,000 - £15,000

Sacks Morasha:

Remuneration: £70,000-£75,000 (0.5fte), Employer pension contributions paid: £5,000 - £10,000

Wolfson Hillel:

Remuneration: £65,000-£70,000 (0.8fte), Employer pension contributions paid: £10,000 - £15,000

Staff Governor

Moriah

Remuneration: £45,000 – 50,000, Employer pension contributions paid: £5,000 – £10,000

Rimon

Remuneration: £55,000-£60,000, Employer pension contributions paid: £10,000 - £15,000

Sacks Morasha

Remuneration: £60,000-£65,000, Employer pension contributions paid: £15,000 - £20,000

Wolfson Hillel

Remuneration: £40,000-£45,000, Employer pension contributions paid: £5,000 - £10,000

During the period ended 31 August 2020, no expenses were reimbursed to Trustees (2019: £nil).

11 TRUSTEE AND OFFICERS' INSURANCE

The Trustees have opted into the Department for Education's Risk Protection Arrangement (RPA). The RPA is not an insurance scheme but is a mechanism through which the cost of risks that materialise from 1 September 2014 will be covered by government funds. In common with normal commercial practice the Academy Trust benefits from cover under this arrangement to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The arrangement provides cover up to £10,000,000 on any one claim and in any one membership year (running from 1 September). The total cost of the RPA for the year was £25,789 (2019: £10,721). No separate cost for providing cover for Trustees and officers is identified under the arrangement. The cost of this insurance is included in the total insurance cost.

12 TANGIBLE FIXED ASSETS

	Leasehold Buildings £	Furniture, Fittings & Equipment £	Computer Equipment £	Total £
Cost:				
On 1 September 2019	2,147,687	233,717	113,336	2,494,740
Additions	-	-	-	-
Disposals	-	-	-	-
On 31 August 2020	2,147,687	233,717	113,336	2,494,740

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Depreciation:				
On 1 September 2019	594,215	158,104	113,336	865,655
Charged in period	119,891	46,743	-	166,634
Disposals	-	-	-	-
On 31 August 2020	714,106	204,847	113,336	1,032,289
Net book value:				
On 31 August 2020	1,433,581	28,870	-	1,462,451
On 31 August 2019	1,553,472	75,613	-	1,629,085

13 DEBTORS

	2020	2019
	£	£
Trade debtors	61,080	50,513
VAT recoverable from HMRC	134,616	214,496
Prepayments and accrued income	366,410	22,082
Other debtors	121,374	131,266
	683,479	417,997

14 CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	233,547	232,348
Taxation and social security	139,490	3,778
Other creditors	282,060	292,364
Accruals and deferred income	312,433	285,475
	967,530	813,965

	2020	2019
	£	£
Deferred income		
Deferred income on 1 September 2019	279,775	-
Released from previous years	(279,775)	-
Resources deferred in the year	5,800	279,775
Deferred income as of 31 August 2020	5,800	279,775

At the balance sheet date, the Academy Trust was holding as deferred income funds received in advance relating to Hertsmere Nursery class deposits.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

15 FUNDS

	At 1 September 2019 £	Incoming resources £	Resources expended £	Gains losses and transfers £	At 31 August 2020 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	(116)	5,810,424	(5,636,742)	-	173,566
Start-up grants	-	-	-	-	-
Local authority grants	-	1,059,781	(1,059,781)	-	-
Other DfE / ESFA grants	-	64,122	(64,122)	-	-
Funds inherited on conversion	-	-	-	-	-
Other income	-	1,284,061	(1,284,061)	-	-
	(116)	8,218,387	(8,044,705)	-	173,566
Pension reserve	(1,374,158)	-	(1,026,842)	7,000	(2,394,000)
	(1,374,274)	8,218,387	(9,071,547)	7,000	(2,220,434)
Designated	-	-	-	-	-
	(1,374,274)	8,218,387	(9,071,547)	7,000	(2,220,434)
RESTRICTED FIXED ASSETS FUNDS					
ESFA capital grants	1,546,460	-	(166,634)	-	1,379,826
Other donated assets	40,977	-	-	-	40,977
Devolved formula capital	40,648	36,481	-	-	77,129
Other donations	1,000	-	-	-	1,000
	1,629,085	36,481	(166,634)	-	1,498,932
TOTAL RESTRICTED FUNDS	254,811	8,254,868	(9,238,181)	7,000	(721,502)
UNRESTRICTED FUNDS					
General	155,904	1,819,815	(1,863,343)	-	112,376
	155,904	1,819,815	(1,863,343)	-	112,376
TOTAL FUNDS	410,714	10,074,683	(11,101,524)	7,000	(609,126)

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

The GAG is provided to the Academy Trust to enable it to meet the general running costs of the Schools. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward on 31 August 2020.

Other ESFA grants have been received to fund the costs of rent, rates and insurance. Grants have also been received in relation to PE and Sports, Pupil Premium, Pay and Pension Supplement and funding the Universal Infant Free School Meals programme to all children in Key Stage 1 and Foundation Stage. Local Authority Grants were received in relation to pupils with Special Educational Needs and in relation to the School Travel Plan.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Voluntary parental donations have been made to the Schools, which were used to enhance the offering provided to pupils. Donations have been made from individuals and organisations within the community directed at specific purposes, including enrichment and religious education, training, and resources, buying books for the school library and purchasing additional computing equipment.

ANALYSIS OF ACADEMIES BY FUND BALANCE

	2020	2019
	£	£
Rimon Jewish Primary School	181,869	49,576
Moriah Jewish Day School	(7,953)	(4,159)
Sacks Morasha Jewish Primary School	3,897	47,874
Wolfson Hillel Primary School	138,457	26,132
Hertsmere Jewish Primary School	(17,632)	-
JCAT Trust	(12,696)	36,365
Total	285,942	155,787
 Fixed Asset Reserve	 1,498,932	
Pension Reserve	(2,394,000)	
Surplus/(Deficit)	(609,126)	

ANALYSIS OF ACADEMIES BY SPEND

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
Rimon Jewish Primary School	724,933	188,335	195,295	300,006	1,408,569
Hertsmere Jewish Primary School	1,231,705	414,882	62,077	656,022	2,364,687
Moriah Jewish Day School	598,147	421,225	18,988	434,163	1,472,523
Sacks Morasha Jewish Primary School	864,121	347,804	65,243	342,779	1,619,947
Wolfson Hillel Primary School	1,874,862	369,706	50,652	709,721	3,004,941
JCAT Trust	22,684	292,309	426	230,881	546,381
Total	5,316,451	2,034,344	392,681	2,673,572	10,417,048

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

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

	At 1 September 2018 £	Incoming resources £	Resources expended £	Gains losses and transfers £	At 31 August 2019 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	2,801,679	(2,803,628)	1,833	(116)
Start-up grants	-	75,000	(75,000)	-	-
Local authority grants	-	56,272	(56,272)	-	-
Other DfE / ESFA grants	-	23,210	(23,210)	-	-
Funds inherited on conversion	-	340,632	(340,632)	-	-
Other income	36,392	370,224	(370,224)	-	-
	<u>36,392</u>	<u>3,667,472</u>	<u>(3,705,813)</u>	<u>1,833</u>	<u>(116)</u>
Pension reserve	(19,579)	-	(1,194,670)	(159,909)	(1,374,158)
	<u>16,813</u>	<u>3,667,472</u>	<u>(4,900,482)</u>	<u>(158,076)</u>	<u>(1,374,274)</u>
Designated	1,833	-	-	(1,833)	-
	<u>18,646</u>	<u>3,667,472</u>	<u>-</u>	<u>(159,909)</u>	<u>(1,374,158)</u>
RESTRICTED FIXED ASSETS FUNDS					
ESFA capital grants	1,712,067	-	(165,607)	-	1,712,067
Other donated assets	40,977	-	-	-	40,977
Devolved formula capital	-	40,648	-	-	40,648
Other donations	1,000	-	-	-	1,000
	<u>1,754,044</u>	<u>40,648</u>	<u>(165,607)</u>	<u>(159,909)</u>	<u>1,629,085</u>
TOTAL RESTRICTED FUNDS	<u>1,772,690</u>	<u>3,708,119</u>	<u>(5,862,258)</u>	<u>(159,909)</u>	<u>254,811</u>
UNRESTRICTED FUNDS					
General	201,180	752,892	(798,168)	-	155,904
	<u>201,180</u>	<u>752,892</u>	<u>(798,168)</u>	<u>-</u>	<u>155,904</u>
TOTAL FUNDS	<u>1,973,870</u>	<u>4,461,011</u>	<u>(5,864,258)</u>	<u>(159,909)</u>	<u>410,714</u>

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances on 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	1,462,451	1,462,451
Current assets	112,376	1,141,096	36,481	1,289,953
Current liabilities	-	(967,530)	-	(967,530)
Pension scheme liability	-	(2,394,000)	-	(2,394,000)
Total net assets	112,376	(2,220,434)	1,498,932	(609,126)

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	1,629,085	1,629,085
Current assets	155,904	813,849	-	969,752
Current liabilities	-	(813,965)	-	(813,965)
Pension scheme liability	-	(1,374,158)	-	(1,374,158)
Total net assets	155,904	(1,374,274)	1,629,085	410,714

17 CAPITAL COMMITMENTS

There are no contracted for, but not provided capital commitments in 2020 (2019 - £nil)

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

18 FINANCIAL OBLIGATIONS UNDER OPERATING LEASES

At 31 August 2019 the total of the Academy Trust minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Land and Buildings:		
Amounts due within one year	68,000	68,000
Amounts due between one and five years	272,000	272,000
Amounts after five years	812,016	880,016
	<u>1,152,016</u>	<u>1,220,016</u>

Rent is payable under a 20 year lease agreement signed in August 2012 with United Synagogue Trusts Limited on the land on which Rimmon School has been built. 12 years remain on this lease at the balance sheet date.

19 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,026,840)	(1,403,247)
Adjusted for:		
Depreciation (note 12)	166,634	165,607
Loss on disposal of fixed assets (note 12)	-	-
Capital grants from ESFA and other capital income (note 2)	(36,481)	(40,648)
Interest receivable (note 5)	(492)	(227)
Defined benefit pension cost less contributions payable (note 23)	1,026,842	1,194,670
Defined benefit pension finance income/cost (note 23)	-	-
(Decrease)/Increase) in debtors	(265,482)	(319,637)
Increase/(Decrease) in creditors	153,566	756,797
Net cash provided by operating activities	<u>17,745</u>	<u>353,315</u>

20 CASH FLOW FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	492	227
Purchase of tangible fixed assets	-	(36,484)
Capital grants from ESFA/DfE	36,481	40,648
Net cash provided by investing activities	<u>36,973</u>	<u>4,391</u>

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

21 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	551,755	54,719	606,474

22 MEMBERS' LIABILITY

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

23 PENSION AND SIMILAR OBLIGATIONS

During the period, the Academy Trust's employees belonged to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS), which is managed by a number of local authorities across the academies in the Trust, for non-teaching staff employed prior to 1 September 2013 and the National Employment Savings Trust (NEST) for non-teaching staff employed on or after 1 September 2013. TPS and LGPS are defined-benefit schemes and NEST is a defined contribution scheme.

The pension costs of the TPS and LGPS are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2019. The pension costs of the NEST are based on actual contributions paid.

There were no outstanding or prepaid contributions for any of these schemes at the beginning or end of the financial year.

The balance sheet liability relates to these pension schemes as follows:

	2020 £	2019 £
TPS	-	-
LGPS	(2,394,000)	(1,374,158)
NEST	-	-
	<u>(2,394,000)</u>	<u>(1,374,158)</u>

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 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% employer administration charge;
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

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

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

Contributions and contribution rates

The total contribution made for the year ended 31 August 2020 was £1,212,297.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds.

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.

Hymans Robertson LLP and AON have undertaken pension expense calculations in respect of pension benefits provided by the LGPS to employees of the Academy Trust as of 31 August 2020. In completing their calculations, they have used the following data and assumptions (note that where single assumptions are provided, an average of those across the schemes have been used, which may not always represent an assumption on any single one of the schemes in question:

Data

All members of the scheme became employees of the Academy Trust on or after 3 September 2012. Membership data as of 31 March 2020 was:

	Numbers	Total salaries /pensions £'000	Average age
Actives	70	971	52
Deferred Pensioners	-		
Pensioners	-		

The service cost for the year ending 31 August 2020 is calculated assuming the payroll remains at this level.

Early Retirements

There were no early retirements over the period.

Investment returns

The return on the Fund in market value terms for the period to 31 August 2020 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

Assets

The estimated asset allocation for the Trust as of 31 August 2020 is as follows:

	On 31 August 2020		on 31 August 2019	
	£'000	%	£'000	%
Equities	1,155	57	718	60
Property	145	7	48	4
Bonds	510	25	308	25
Cash	79	4	36	3
Other	150	7	93	8
Total	2,039	100	1,203	100

Unfunded benefits

There are currently no unfunded benefits in payment.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Assumptions

Financial Assumptions

	On 31 August 2020	on 31 August 2019
	%pa	%pa
Rate of increase in salaries	3.1	2.9
Rate of increase for pensions	2.3	2.2
Discount rate	1.7	1.9

Mortality

Vita Curves with improvements in line with the CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectations on retirement age 65 are/were:

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.0	21.9
Females	24.2	24.2
<i>Retiring in 20 years</i>		
Males	23.0	23.2
Females	25.6	25.9

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 50% of the maximum tax-free cash for post-April 2008 service in Harrow, Barnet, and Hertfordshire, with 0% in Enfield.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions on 31 August 2020:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12.25%	501
0.5% increase in the Salary Increase Rate	1.00%	61
0.5% increase in the Pension Increase Rate	11.25%	434

Contributions and contribution rates

The total contribution made for the year ended 31 August 2020 was £338,567.

Parliament has agreed, at the request of the secretary of state for Education to guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Amount recognised in the Statement of Financial Activity:

	2020	2019
Current service cost	468,000	100,085
Past service cost	6,000	30,234
Net interest cost	35,000	15,638
	<hr/>	<hr/>
Total operating charge	509,000	145,957
	<hr/>	<hr/>

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

	2020	2019
Opening fair value of scheme assets	1,191,335	84,507
Transfers in	534,172	924,004
Return on assets excluding amounts included in net interest	-	-
Interest income on plan assets	35,000	14,542
Actuarial gain/loss	(28,000)	82,580
Contributions by employer (including unfunded)	262,000	70,025
Contributions by scheme participants	65,000	16,720
Benefits paid	(27,000)	(1,043)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,032,507	1,191,335
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations:

	2020	2019
Opening position at the beginning of the year	(2,565,494)	(104,087)
Transfers in	(1,052,013)	(1,972,716)
Current service cost	(468,000)	(100,085)
Interest cost on defined benefit obligation	(70,000)	(30,177)
Contributions by scheme participants	(65,000)	(16,720)
Changes in financial assumptions	(227,000)	(312,513)
Benefits paid	27,000	1,043
Past service cost	(6,000)	(30,238)
	<hr/>	<hr/>
Closing position at the end of the year	(4,426,507)	(2,565,494)
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Each of the fund valuations received have allowed for the estimated impact of the McCloud judgement as a past service cost. The estimated impact on the total liabilities as of 31 August 2020 is £12k.

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

Balance sheet liability

	As at 31 August 2020	As at 31 August 2019
Present value of funded obligation	(4,426,507)	(2,565,494)
Fair value of scheme assets	2,032,507	1,191,335
	<u> </u>	<u> </u>
Net liability	<u>(2,394,000)</u>	<u>(1,374,159)</u>

National Employment Savings Trust (NEST)

NEST is a defined contribution scheme run by the NEST Corporation, a non-departmental public body that operates at arm's length from the Government and is accountable to Parliament through the Department for Work and Pensions. Contributions are made by both the Academy Trust and the member and the contributions recognised as they are paid each year.

Contributions and contribution rates

The total contribution made for the year ended 31 August 2020 was £4,637

24 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from the local community and local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

The Academy Trust is founded by the Office of the Chief Rabbi and the United Synagogue and as such any Trustees/employees of these organisations are related parties. The following Trustees are Trustees/employees within these organisations - Dan Bacall (OCR) and Claudia Kitsberg (US). Michael Goldstein is President of the United Synagogue and Claire Lemer is also a Trustee of the United Synagogue.

Jeremy Newman, a former Trustee is the Chair of the Finchley Jewish Day School Trust which owns Sacks Morasha land and buildings and provides funds to Sacks Morasha Primary School monthly.

Joanne Greenaway, a former Trustee, is CEO of London School for Jewish Studies who manage the Jewish Teacher Training Partnership of which Wolfson Hillel Primary School lead one of the teacher training programmes.

The Governors are drawn from each schools the local community and it is therefore inevitable that transactions will take place with organisations with which a member of the board of Governors has a connection. All transactions involving such organisations are at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Details of any transactions occurring during the period are shown in the notes to the accounts.

25 EVENTS AFTER THE END OF THE REPORTING PERIOD

Jewish Community Academy Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020 (continued)

The impact of COVID-19 and lockdown has been significant on all schools. There has been a significant loss of income at Hertsmere and Wolfson Hillel relating to private Nursery provision – approx. 20k. All schools have lost lettings income which ranged from 3k-10k per school. There have been significantly increased cleaning costs which we have not been able to recoup from the government at Rimon and Wolfson Hillel, due to not being in deficit. Most significantly there has been an impact on voluntary contributions across all schools ranging from 10%-50% loss of usually expected donations based on prior years income. This resulted in the need to furlough staff usually funded from this income.

26 TRANSFERRED ACADEMIES

The following Academy was transferred from local authority-maintained control into the Trust on 1 October 2019. The table highlights the Trusts share of assets and liabilities that were transferred with the schools. There were no fair value adjustments made on transfer.

Hertsmere Jewish Primary School, Hertfordshire

	Transfer in recognised. £000
Tangible fixed assets	-
Cash and equivalent net liquid assets	65,000
Defined benefit liability (LGPS)	(46,712)
Total transferred asset / (Liability)	18,288

The total net impact of the transfer in of Hertsmere school to the Trust balance sheet is a net liability of £18,288.

The trust separately received £70,000 of conversion grants from the DfE as part of the transfer in of Hertsmere schools, not included in the above tables.