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Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2020  
for  
The Axholme Academy

Forrester Boyd  
Statutory Auditors  
Chartered Accountants  
66-68 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PG

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for the Year Ended 31 August 2020**

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The Axholme Academy  
Reference and Administrative Details  
for the Year Ended 31 August 2020

MEMBERS:	D Keogh (appointed 1.9.19) N Shaw D M A Da Costa
TRUSTEES	D M A Da Costa C Burke D A Southam N Shaw N Harrison (resigned 26.4.20) K Wallwork (resigned 3.5.20) S Spence-Hill I Hamilton K Reich D Keogh (appointed 1.9.19)
SENIOR MANAGEMENT TEAM	D Keogh (Principal) B Creasy (Vice Principal) J Bennett (Assistant Principal) L Kinroy (Assistant Principal)
COMPANY SECRETARY	S E Leggott
REGISTERED OFFICE	Wharf Road Crowle Scunthorpe North Lincolnshire DN17 4HU
REGISTERED COMPANY NUMBER	07840804 (England and Wales)
AUDITORS	Forrester Boyd Statutory Auditors Chartered Accountants 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG
SOLICITORS	Browne Jacobson Mowbray House Castle Meadow Road Nottingham, NG2 1BJ
BANKERS	Natwest 119 High Street Scunthorpe North Lincolnshire, DN15 6LT

**Report of the Trustees  
for the Year Ended 31 August 2020**

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

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The principal object and activity of the charitable company is the operation of The Axholme Academy to provide education for pupils of different abilities between the ages of 11 and 16.

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

The main objectives of the Academy during the year ended 31 August 2020 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**Significant activities**

The Academy's main strategy is encompassed in its Vision Statement, which is "At The Axholme Academy we aim to achieve excellence in all aspects of school life through high quality teaching and learning, a creative and challenging curriculum, and an ethos of support, in order to develop independent learners who are well prepared for the next stage of their lives."

For 2020-21 the means by which the academy will make progress towards fulfilling this vision are presented in the Academy Improvement Plan which contains actions and strategies relating to how we will -

Create a 5 year learning journey enabling all students to make excellent progress and develop as well rounded members of the Academy:

Enable students to retain knowledge, make at least good progress in all subjects and gain the qualifications and cultural capital to succeed in life by:

- Embedding a broad, well sequenced and structured curriculum
- Further improving the quality of teaching through the consistent use of high impact evidence based approaches
- Further improving student engagement and independence

This will be achieved by leadership at all levels:

- Working with clarity, cohesiveness and ambition to maximise impact
- Managing finances effectively to ensure value for money

**Public benefit**

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission in exercising their powers and duties.

**STRATEGIC REPORT**

**Achievement and performance**

**Charitable activities**

Due to the cancellation of GCSE examinations in 2020 there is no validated performance data to report.

**Report of the Trustees  
for the Year Ended 31 August 2020**

**STRATEGIC REPORT**

**Achievement and performance**

**Key financial performance indicators**

The Academy is in its ninth year of operation. The Academy has seen an increase in student numbers over recent years and this is now reaching a point whereby the Academy is at capacity. As at 17th November 2017 we had a total of 517 students on roll, as at 17th November 2018 we had 545 and as at 19th November 2019 we have 561 students on roll and in October 2020 we have 560 students. The Published Admission Number for 2020 is 115. The increase in student numbers suggests that the work done by our Primary Liaison Team both locally and further afield and the further extension of our transport provision, is proving a success, as we continue to attract an increasing number of students from beyond our traditional catchment area.

For many years students at the academy have achieved positive results which have prepared them well for the next stage in their lives and we are determined that this will be the case for our current Y11 students and all those that follow.

The Academy was subject to a one-day Ofsted inspection on July 5th 2017. This concluded that this remains a good school.

**Financial review**

**Financial position**

These financial statements reflect a 12 month accounting period from 1 September 2019 to 31 August 2020. The majority of income received is obtained from the Educational Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the ESFA are set out in the statement of financial activities.

During the period the Academy Trust received £3,708,161 of income, of which £2,828,019, was GAG funding. Other grants and income amounted to £880,142.

Expenditure for the period totalled £3,443,780 (excluding depreciation), including £2,625,466 of staff related costs supporting the day to day running of the Academy Trust.

There was an in year surplus on restricted and unrestricted funds of £234,123.

The Local Government Pension Scheme (LGPS) liability stands at £1,016,000 as at 31 August 2020. The actuarial deficit at 31 August 2020 had increased by £145,000. The calculation of the asset value is provisional, and will be reviewed as part of the 2019 actuarial valuation. This is detailed in note 20 to the financial statements.

As at 31 August 2020, the net book value of fixed assets after depreciation is £2,861,944 as shown in note 13 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

**Investment policy and objectives**

Surplus funds are held in a separate 'Reserve' account. The trustees have previously considered the need for an investment policy and explored the options available. It was resolved that such a policy is not required at this time, as the Academy will not be making any investments other than the Reserve account during the foreseeable future.

**Reserves policy**

The governors regularly review the reserve levels of the Academy. They also review the budgets and spend against them as part of the effective stewardship of the Academy.

The governors have determined that the appropriate level of free reserves should be reasonably high and therefore the academy has saved as much as possible year on year. Going forward, the governors agree that the level of reserves can be reduced slightly and spending on urgent premises repairs and replacement of old equipment and services that have been unaffordable in previous years due to the impact of the 'lagged funding' can be prioritised, as student numbers start to even out.

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. At the year end the Academy held £2,422,408 of total reserves, made up of fixed asset reserves of £3,116,302, unrestricted reserves of £6,620, restricted reserves of £315,486 and restricted pension reserves of deficit £1,016,000. Of the total restricted fixed asset fund, £2,861,944 can only be realised by disposing of tangible fixed assets.

Report of the Trustees  
for the Year Ended 31 August 2020

**STRATEGIC REPORT**

**Financial review**

**Going concern**

After making appropriate enquiries, the governing board has 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.

**Fundraising**

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**Principal risks and uncertainties**

The principal uncertainty for the Academy continues to be sustainability in terms of real terms shrinking budgets, increasing staff costs and the ongoing challenge to maximise intake and maintain standards across the board, whilst being funded on a 'tagged basis'. The number currently on roll is 560 (as at 6/10/20) and the fact that we are continually funded a year behind is a key issue. The Academy is also facing increased costs due to the Covid pandemic. We continue to enrol the vast majority of students from our traditional partner primary schools and also from primary schools in neighbouring authorities. This is evidence that the work being done by the Primary liaison team, coupled with the investment we have made in advertising and transport, is proving successful. The governors are aware of the need to promote the Academy and its achievements to the local and surrounding area and support the staff in the ongoing extensive work being done to facilitate this.

GCSE results in 2019 were disappointing and resulted in a Progress 8 figure of -0.28 (Provisional). There were a range of factors that contributed to this. These were comprehensively analysed and addressed through the School Improvement Plan for 19/20. We were confident that outcomes were going to improve in 2020 but due to the Covid pandemic students did not sit external examinations and therefore the Academy does not have validated data.

The viability of providing bus services to students from neighbouring authorities continues to prove worthwhile and we now bring in 41 students from the Goole area, 76 from the Doncaster area and 45 from out of catchment schools in North Lincolnshire. Promotion of the Academy for 2021/22 intake moved 'Virtual' due to the Covid pandemic with a range of online presentations with primary schools and comprehensive information materials being available for prospective students and parents via the Academy website.

**Financial and risk management objectives and policies**

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (SI 2008/410) Schedule 7 section 6(1) requires disclosure of the principal risks and uncertainties facing a company. The disclosure should deal with the academy trust's exposure to a number of financial risks including credit, cash flow and liquidity risks.

The top 8 risks identified by the Risk Committee in October 2020 are:

1. Staff Absence for Covid reasons result in insufficient staff available to fully maintain the safe opening of the Academy
2. Failure of key infrastructure components leading to unplanned closures
3. Mental health/Well-Being COVID-19 related, students and staff
4. Health and Safety of staff, pupils and visitors (especially during building works/Covid Pandemic) which could result in litigation and loss of reputation
5. Limited physical transition opportunities with a wide range of Primary School/Academies resulting in inconsistent starting points
6. Inconsistent support for SEN/Pupil Premium/Most Able students.
7. Success rates/ exam results drop which results in loss of reputation
8. Compliance with legal requirement to provide remote learning for Covid related absence

However given the nature of academies and that the 'financial instruments' that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors, it is likely that only minimal disclosure will be required. It is likely that such information will not be material to the assessment of the trust's assets, liabilities, financial position and its results and therefore detailed disclosure may not be required. Reference may be required to its defined benefit pension schemes, particularly where there is a deficit as this may be material.

Report of the Trustees  
for the Year Ended 31 August 2020

## STRATEGIC REPORT

### Future plans

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students continue in education, employment or training to get jobs when they leave at 16.

The key objectives for the future of the academy are represented by the Vision (see above) and the mission statement - To achieve our Vision we will:

- All share a relentless drive to improve the academy
- Have the highest expectations of all students and staff
- Ensure all students have high aspirations
- Recognise and reward success
- Deliver consistently high quality lessons which enable students to learn well
- Develop independent learning, communication, literacy and numeracy skills across all subject areas
- Provide a creative and challenging curriculum which is personalised to meet the needs of all students
- Create a variety of opportunities to promote students' spiritual, moral, social and cultural development
- Provide excellent information, advice and guidance to fully prepare students for their future education, employment and training

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Axholme Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Axholme Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

### Members' liability

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

### Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions.

The Academy, through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its trustees.

### Principal activities

The Axholme Academy's principal activities are to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To promote for the benefit of individuals living in Crowle and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of the life of the said individuals.



Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The Members may appoint up to 1 Trustee, save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Principal). The Principal shall be treated for all purposes as being an ex-officio Governor. The Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent or grandparent of a student at the Academy at the time when they are elected, or if not reasonably practicable, the Governing Board are able to appoint a person who is the parent of a child of compulsory school age. The Governing Board shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent or grandparent of a registered student at the Academy. Any election of Parent Trustees which is contested is held by secret ballot.

The arrangements made for the election of a Parent Trustee provide for every person who is entitled to vote in the election to have the opportunity to do so by post, or if preferred by returning their ballot paper to the Academy. Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Board take reasonably practicable steps to ensure that every person known to be a parent/carer of a registered pupil at the Academy is informed of the vacancy, that it is required to be filled by the election, informed that they are entitled to stand as a candidate, vote at the election and given the opportunity to do so. The number of Parent Trustees required are made up by Parent Trustees appointed by the Governing Board if the number of parents standing for election is less than the number of vacancies.

The Governing Board make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees. The Governing Board has made the decision not to have any Staff Trustees, ensuring staff are engaged through staff surveys, monitoring visits and regular communications.

Community Trustees may be appointed by the Governing Board, provided that the person appointed is a person who lives or works in the community served by the Academy, or a person who in their opinion is committed to the government and success of the Academy. An employee of the Academy may not be appointed if the number of Trustees employed by the Academy (including the Principal) would exceed one third of the total number of Trustees.

Up to 3 Co-opted Trustees may be appointed by Trustees who have not themselves been so appointed.

Additional Trustees can be appointed by the Secretary of State in certain circumstances.

The quorum for the appointment of a Parent Trustee is two-thirds of the Trustees at the time entitled to vote on such matters.



Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**  
**Organisation**

The Academy has defined the responsibilities of each person involved in the administration of Academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for trustees and staff. The financial reporting structure is illustrated below:

The Governing Board

The Governing Board has overall responsibility for the administration of the Academy's finances. The main responsibilities of The Governing Board are prescribed in the Funding Agreement between the academy and the DFE and in the Academy's scheme of government. The main responsibilities include:

- ensuring that grant from the DFE is used only for the purposes intended;
- ensuring that funds from sponsors are received according to the Academy's Funding Agreement, and are used only for the purposes intended;
- ensuring that the academy adheres to the School Teachers' Pay and Conditions Document (STPCD) and its appraisal and pay policies in setting the remuneration of all teaching staff (including the members of the Senior Leadership Team). These policies are reviewed annually by the Governing Board.
- the review and approval of the annual budget;
- the regular monitoring of actual expenditure and income against budget;
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DFE guidance issued to academies;
- authorising the expenditure over £15,000;
- authorising changes to the Academy personnel establishment;
- the annual review of the charges and concessions policy, in relation to setting charges for community use.
- annually reviewing the lettings policy outlining conditions for hiring the school premises.
- consideration on an annual basis to the provision of a Trustees' allowances policy-referring findings to the governing board.
- appointment of the Principal and
- appointment of the School Business Manager, in conjunction with the Principal.

The Governor Risk Committee

The Governor Risk Committee is a committee of The Governing Board and meets at least twice a year. The main responsibilities of the Risk Committee are detailed in written terms of reference which have been authorised by The Governing Board. The main responsibilities include:

- Critically reviewing the Academy's Risk Register, updating the risk ratings and mitigating actions, taking account of current and future challenges
- To present the top five risks to full Governing Board meeting, making the full risk register available to all Governors

The Governor Audit Committee (in conjunction with the Responsible Officer role)

The Governor Audit Committee is a committee of the Governing Board and meets at least twice a year. It does not include any staff members. The main responsibilities of The Audit Committee are detailed in the written terms of reference which have been authorised by the Governing Board. The main responsibilities include:

- Responsibility for monitoring the adequacy and effectiveness of the Academy's systems of internal control and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
- advising the Board on the appointment, re-appointment, dismissal and remuneration of the External Auditors
- setting the scope and objectives of the work of the Responsible Officer and monitor this activity
- monitoring the Academy's risk management plan and advising the Board on its adequacy and effectiveness
- monitoring and advising the Board on any alleged fraud and irregularity in the Academy's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up.

The Principal

Within the framework of the Academy development plan as approved by The Governing Board the Principal has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the School Business Manager but the Principal still retains responsibility for (and in their absence the Vice Principal):

- approving new staff appointments within the authorised establishment, except for any senior staff posts which The Governing Board have agreed should be approved by them;
- authorising expenditure up to £15,000 including VAT in conjunction with the School Business Manager.

Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

- signing cheques in conjunction with the School Business Manager (or other authorised signatories if the Principal were not to be available).

The School Business Manager

The School Business Manager works in close collaboration with the Principal through whom he or she is responsible to the trustees. The School Business Manager also had direct access to the trustees via The Governing Board. The main responsibilities of the School Business Manager are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
- the maintenance of effective systems of internal control;
- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Academy;
- the preparation of monthly management accounts;
- signing cheques in conjunction with the Principal (or other authorised signatories if the Principal were not to be available)
- ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance

The Responsible Officer

The Responsible Officer (RO) is appointed by The Governing Board and provides trustees with an independent oversight of the Academy's financial affairs, carrying out the internal audit function. The main duties of the RO are to provide The Governing Board with independent assurance that:

- the financial responsibilities of The Governing Board are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained and
- financial considerations are fully taken into account in reaching decisions.

The Responsible Officer undertakes a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by The Governing Board. A report of the findings from each visit is presented to the Full Governing Board. Detailed guidance of the internal scrutiny role is given in the Academies Financial Handbook and the scope and objectives of the RO's work for the coming year is set in conjunction with the Audit Committee at the start of each year.

Other Staff

Other members of staff, primarily the School Business Manager, the Finance Officer and budget holders, will have some financial responsibilities and these are detailed in the Academy Finance Procedures. All staff are responsible for the security of Academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the Academy's financial procedures.

Register of Interests

It is important for anyone involved in spending public money to demonstrate that they do not benefit personally from the decisions they make. To avoid any misunderstanding that might arise all Academy trustees and staff with significant financial or spending powers are required to declare any financial interests they have in companies or individuals from which the Academy may purchase goods or services. The register is open to public inspection.

The register should include all business interests such as directorships, share holdings or other appointments of influence within a business or organisation which may have dealings with the Academy. The disclosures should also include business interests of relatives such as a parent or spouse or business partner where influence could be exerted over a trustee or a member of staff by that person.

The existence of a register of business interests does not, of course, detract from the duties of trustees and staff to declare interests whenever they are relevant to matters being discussed by The Governing Board or a committee. Where an interest has been declared, trustees and staff should not attend that part of any committee or other meeting.

Risk Management

Report of the Trustees  
for the Year Ended 31 August 2020

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Academy has produced a Risk Register which is reviewed annually as a minimum by the Academy's Risk Committee, the members of which are The Principal, School Business Manager and two Trustees. The major risks identified by the committee are reviewed and systems/procedures put in place to minimize these. The top 5 risks are reported to the Governing Board and the full Risk Register is made available to all trustees. Where significant risk remains, adequate insurance cover is in place. The Academy has an effective system of internal financial controls and these are checked and reviewed four times during the year by the Responsible Officer.

**Induction and training of new trustees**

New Trustees are Inducted by the Chair and encouraged to access Governor training opportunities provided by North Lincolnshire Council through the purchase of a Service Level Agreement.

**Connected Organisations Including Related Party Relationships**

**1. NLEC (Northern Lincolnshire Education Consortium) (DSK)**

The NLEC comprises 4 secondary schools and 2 post 16 providers -  
The Axholme Academy

Frederick Gough School  
St Bede's Catholic Voluntary Academy  
Huntcliff School  
John Leggott 6th Form College  
North Lindsey College.

**2. Axholme North Collaborative Trust (DSK)**

The trust comprises -  
The Axholme Academy  
Crowle Primary Academy  
Althorpe & Keadby Primary School  
Eastoft C of E Primary School  
St Norbert's Catholic Primary Voluntary Academy  
Luddington & Garthorpe Primary School.

The Headteachers/Principals meet termly to plan collaborative activities such as Curriculum Development, a joint Newspaper, Sports events. This was limited from March 2020 onwards due to Covid 19 restrictions.

**3. Axholme Governor Network (DDC)**

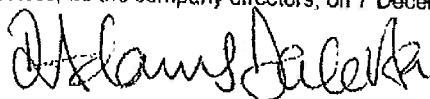
The Governing Body are key and active members of this network. Termly meetings are held where the key aim is to provide governor-led support to drive school improvement. Membership of this group has been widened this year to include schools on the south of the Isle of Axholme as well as the founder members of North Axholme. The network has been renamed to reflect this.

**AUDITORS**

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Report of the trustees, incorporating the directors' report and a strategic report, approved by order of the board of trustees, as the company directors, on 7 December 2020 and signed on its behalf by:



D M A Da Costa - Trustee

**The Axholme Academy**  
**Governance Statement**  
**for the Year Ended 31 August 2020**

**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D M A Da Costa (Chair of Trustees)	7	7
C Burke	0	0
N Harrison	2	3
I Hamilton	7	7
K Reich	3	3
D Keogh (Principal and Accounting Officer)	7	7
N Shaw	7	7
D Southam (RO)	0	0
S Spence-Hill	2	3
K Wallwork	0	3

C Burke and D Southam under the specific roles of Governor Behaviour Panel and Responsible Officer respectively, and are not required to attend the full Governing Board meetings.

The Governing Board met each half term with a strategic planning meeting in September through to February 2020. In response to the COVID-19 pandemic, the Board met monthly reducing the numbers of Governors attending the meetings to three; Dawn Da Costa, Nichola Shaw and Ian Hamilton. Meetings were held remotely using GoogleMeet. Remaining Governors were kept informed of developments and had the opportunity to put forward their questions based on the agenda and reporting documentation.

The Governing Board is composed of a diverse group of Governors who collectively have all the required skills and experience to effectively meet the strategic role and responsibilities of governance, as evidenced by the Skills Audit. The Board are active members of the National Governance Association and recognise the NGA's fourth core function of 'ensuring decisions take into account the views and experiences of stakeholders (pupils, parents, staff and the community).

A strategic planning cycle approach is adopted, based on the National Governance Association 'Being Strategic' and has contributed to a 'holding the Academy to account' culture. A strategic planning meeting takes place at the start of the year to review the vision and values and confirm the Academy Improvement Priorities. This meeting also includes a review of Governance using the '20 Questions' framework. Governors are allocated to improvement priorities (Link Governor Structure) and conduct termly school visits, feeding back to the Governing Board meetings using a visit report template. Allocations are based on Governor skills and preferences to ensure best use is made of this valuable volunteer resource.

Meeting agendas are aligned to the strategic planning cycle whereby an annual work plan at the start of the year and a calendar of key events/activities is maintained throughout the year.

The Governors' Behaviour Panel meets half termly as needed. Children and their parents are invited to discuss the behaviour issues and agree actions to be taken to address specific issues. Subsequent positive behaviours are acknowledged by the Governors. The Panel recognise the inclusive ethos of the Academy and the extensive support that is provided to support all the children.

Overall governance is strong however the Governing Board continues to review and improve through engagement in training/conference activities, being an active member of the Axholme Governor Network and identifying good practice from a range of external sources including the National Governance Association. The Chair is well regarded across the local authority and has taken part in peer review exercises and supported new and developing Chairs.



**The Axholme Academy**  
**Governance Statement**  
**for the Year Ended 31 August 2020**

**Review of Value for Money**

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

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

- By exercising extremely tight financial control this year, the academy carried forward a higher than forecast positive revenue balance for the 2019/20 year end, despite the negative impacts across the board of lagged funding.
- An additional Science lab was constructed and completed August 2020 funded by the local authority to accommodate additional student numbers.
- The Academy has completed two projects (Heating and Roofing) funded by the Condition Improvement Fund. The Accounting officer and Company Secretary have ensured all funds were spent appropriately.

**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 at The Axholme Academy Trust for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing 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 Governing Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing Board.

**The Risk and Control Framework**

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

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

The Governing Board appointed D Southam, a trustee, as responsible officer (RO) during 2014.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Mr Southam is confident and experienced in the requirements and responsibilities of the role. The RO visits were scheduled in the spring and summer term but did not take place due to COVID-19.

For 2020-21, we will be appointing an internal auditor in line with the guidance from the Department of Education and the ESFA.

The Axholme Academy  
Governance Statement  
for the Year Ended 31 August 2020

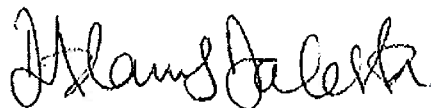
**Review of Effectiveness**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 7 December 2020 and signed on its behalf by:



D M A Da Costa - Trustee



D Keogh - Accounting Officer

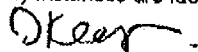
The Axholme Academy

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2020

As accounting officer of The Axholme Academy I have considered my responsibility to notify the academy trust Board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



D Keogh - Accounting Officer

7 December 2020



The Axholme Academy

Statement of Trustees' Responsibilities  
for the Year Ended 31 August 2020

The trustees (who act as governors of The Axholme Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2020 and signed on its behalf by:



D M A Da Costa - Trustee

Report of the Independent Auditors to the Members of  
The Axholme Academy

**Opinion**

We have audited the financial statements of The Axholme Academy (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, incorporating income and expenditure account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the charities SORP 2019 and Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. Other information includes the Trustees' Annual Report (incorporating the Strategic Report and Directors' Report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Report of the Trustees (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

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

**Report of the Independent Auditors to the Members of  
The Axholme Academy**

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the academy trusts' members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' 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 academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

*C Jensen*

Carrie Anne Jensen ACA (Senior Statutory Auditor)  
for and on behalf of Forrester Boyd  
Statutory Auditors  
Chartered Accountants  
66-68 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PG

7 December 2020

**Independent Reporting Accountant's Assurance Report on Regularity to  
The Axholme Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 12 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Axholme Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Axholme Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Axholme Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Axholme Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Axholme Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Axholme Academy's funding agreement with the Secretary of State for Education dated 21 December 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

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

*C Jensen*

Carrie Anne Jensen ACA, Reporting Accountant  
Forrester Boyd  
Chartered Accountants  
66-68 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PG

7 December 2020

The Axholme Academy  
Statement of Financial Activities  
for the Year Ended 31 August 2020

				2020	2019
		Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £
INCOME AND ENDOWMENTS FROM	Notes				Total funds £
Donations and capital grants	2	94,912	-	328,912	423,824
Charitable activities					505,867
Funding for the academy's educational operations	3	-	3,196,458	-	3,196,458
Other trading activities	4	61,982	-	-	61,982
Investment income	5	156	-	-	156
Other income		25,741	-	-	25,741
Total		182,791	3,196,458	328,912	3,708,161
EXPENDITURE ON					
Raising funds	7	17,867	-	-	17,867
Charitable activities					15,277
Academy's educational operations	3	193,683	3,060,576	246,927	3,500,186
Total	6	211,550	3,060,576	246,927	3,518,053
NET INCOME/(EXPENDITURE)		(28,759)	135,882	82,985	190,108
Other recognised gains/(losses)		-	(18,000)	-	(18,000)
Actuarial gains/(losses) on defined benefit schemes		-	(18,000)	-	(302,000)
Net movement in funds		(28,759)	117,882	82,985	(365,411)
RECONCILIATION OF FUNDS					
Total funds brought forward		36,379	(818,386)	3,033,317	2,250,300
TOTAL FUNDS CARRIED FORWARD		6,820	(700,514)	3,116,302	2,422,408
					2,250,300

The notes form part of these financial statements

Balance Sheet  
31 August 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	13	2,861,944	2,933,322
<b>CURRENT ASSETS</b>			
Debtors	14	233,840	525,654
Cash at bank and in hand		<u>600,808</u>	<u>210,265</u>
		734,448	735,919
<b>CREDITORS</b>			
Amounts falling due within one year	15	(187,984)	(547,941)
<b>NET CURRENT ASSETS</b>		<u>576,464</u>	<u>187,978</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,438,408	3,121,300
<b>PENSION LIABILITY</b>	20	(1,016,000)	(871,000)
<b>NET ASSETS</b>		<u>2,422,408</u>	<u>2,250,300</u>
<b>FUNDS</b>	19		
Unrestricted funds:			
Unrestricted General Fund		6,620	35,379
Restricted funds:			
General Annual Grant (GAG)		315,486	52,604
Restricted Fixed Asset Fund		<u>3,116,302</u>	<u>3,033,317</u>
Restricted Pension Fund		<u>(1,016,000)</u>	<u>(871,000)</u>
		2,415,788	2,214,921
<b>TOTAL FUNDS</b>		<u>2,422,408</u>	<u>2,250,300</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 7 December 2020 and were signed on its behalf by:



D M A Da Costa - Trustee

The Axholme Academy  
Cash Flow Statement  
for the Year Ended 31 August 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(35,830)</u>	<u>(436,130)</u>
Net cash used in operating activities		<u>(35,830)</u>	<u>(436,130)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,895)	(17,429)
Capital grants from DfE/EFA		328,912	505,447
Interest received		<u>166</u>	<u>192</u>
Net cash provided by investing activities		<u>326,173</u>	<u>488,210</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>290,343</u>	<u>52,080</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>210,265</u>	<u>158,185</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>500,608</u></u>	<u><u>210,265</u></u>

The notes form part of these financial statements



The Axholme Academy

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	190,108	(63,411)
Adjustments for:		
Depreciation charges	74,273	74,622
Capital grants from DfE/ESFA	(328,912)	(505,447)
Interest received	(156)	(192)
Decrease/(increase) in debtors	291,814	(471,587)
(Decrease)/increase in creditors	(389,957)	444,865
Difference between pension charge and cash contributions	127,000	85,000
Net cash used in operations	<u>(35,830)</u>	<u>(436,130)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	<u>210,265</u>	<u>290,343</u>	<u>500,608</u>
Total	<u>210,265</u>	<u>290,343</u>	<u>500,608</u>

The notes form part of these financial statements

The Axholme Academy  
Notes to the Financial Statements  
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

The Axholme Academy  
Wharf Road  
Crowle  
Scunthorpe  
North Lincolnshire  
DN17 4HU

These financial statements were authorised for issue by the Board on 7 December 2020.

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 Preparing the financial statements**

The financial statements of the Academy Trust, which is a public entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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 financial statements are prepared in sterling which is the functional currency of the academy and have been rounded to the nearest pound.

The Axholme Academy meets the definition of a public entity under FRS 102.

**Going concern**

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

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

**Sponsorship income**

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

The Axholme Academy

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

1. ACCOUNTING POLICIES - continued

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the trust/charity has provided the goods or services.

**Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

**Raising funds**

Raising funds 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**

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

**Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

**Tangible fixed assets**

Assets costing more than £1,000 capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets that are bought in bulk, particularly computers, tablets and their accessories, where individually they cost less than £1,000, are also capitalised.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Asset Class**

Leasehold land  
Leasehold buildings  
Motor vehicles  
Plant and machinery  
Computer equipment

**Amortisation method and rate**  
125 years straight line  
50 years straight line  
25% reducing balance  
15% reducing balance  
15% reducing balance

**Financial instruments**

The academy trust holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

The Axholme Academy

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

1. ACCOUNTING POLICIES - continued

**Financial Instruments**

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at transaction price less any provision for impairment. 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 transaction price. 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.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

The Axholme Academy

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

1. ACCOUNTING POLICIES - continued

**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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	44,644	-	44,644	420
Capital grants	-	328,912	328,912	505,447
Educational trips and visits	50,268	-	50,268	-
	<u>94,912</u>	<u>328,912</u>	<u>423,824</u>	<u>505,867</u>

All Capital grants were received through the Restricted Fixed Asset Fund.

Grants received, included in the above, are as follows.

	2020 £	2019 £
Devolved Capital Grant	12,961	37,650
Condition Improvement Fund	<u>315,951</u>	<u>467,797</u>
	<u>328,912</u>	<u>505,447</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant	-	-	-	-
General Annual Grant(GAG)	-	2,828,019	2,828,019	2,628,368
Pupil Premium	-	133,267	133,267	132,815
Other ESFA Grants	-	<u>164,677</u>	<u>164,677</u>	<u>26,756</u>
	-	3,125,953	3,125,953	2,787,739
Other government grant	-	-	-	-
Special Education Needs	-	47,282	47,282	22,920
Local authority grants	-	23,223	23,223	27,152
Axholme North Collaborative Trust	-	-	-	<u>1,069</u>
	-	<u>70,505</u>	<u>70,505</u>	<u>51,141</u>
	-	<u>3,196,458</u>	<u>3,196,458</u>	<u>2,838,880</u>

The Axholme Academy

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fundraising events	6,259	-	6,259	-
Transport Contributions	51,740	-	51,740	81,539
Hire of facilities	1,000	-	1,000	1,034
Music tuition	1,803	-	1,803	726
Hire of staff	1,180	-	1,180	9,220
	<u>61,982</u>	<u>-</u>	<u>61,982</u>	<u>92,519</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	<u>156</u>	<u>-</u>	<u>156</u>	<u>192</u>

6. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs			17,867	17,867	15,277
Charitable activities					
Academy's educational operations					
Direct costs	2,209,939		193,266	2,403,194	2,074,733
Allocated support costs	<u>415,527</u>	<u>403,861</u>	<u>277,814</u>	<u>1,096,992</u>	<u>1,432,373</u>
	<u>2,625,466</u>	<u>403,861</u>	<u>488,936</u>	<u>3,518,053</u>	<u>3,522,383</u>

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	5,500	5,000
Auditors' remuneration for non audit work	2,170	2,620
Depreciation - owned assets	74,273	74,622
Other operating leases	<u>8,497</u>	<u>7,983</u>

The Axholme Academy

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

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Hire of facilities	13,416	-	13,416	13,893
Music tuition	<u>4,451</u>	<u>-</u>	<u>4,451</u>	<u>1,584</u>
	<u>17,867</u>	<u>-</u>	<u>17,867</u>	<u>15,277</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Direct costs	81,859	2,321,335	2,403,194	2,074,733
Support costs	<u>111,824</u>	<u>985,168</u>	<u>1,096,992</u>	<u>1,432,373</u>
	<u>193,683</u>	<u>3,306,503</u>	<u>3,500,186</u>	<u>3,507,106</u>

	2020 Total £	2019 Total £
Analysis of support costs		
Support staff costs	415,827	421,541
Depreciation	11,817	11,966
Technology costs	26,393	29,721
Premises costs	403,651	691,437
Other support costs	206,760	244,344
Governance costs	<u>33,054</u>	<u>33,384</u>
Total support costs	<u>1,096,992</u>	<u>1,432,373</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their roles as trustees. The value of trustees' remuneration and other benefits was as follows:

D Keogh	(Headteacher and Trustee): Remuneration £75,000 - £80,000 (2019: £nil) Employer's pension contributions £15,000 - £20,000 (2019: £nil)
J Sellars	(Headteacher and Trustee): Remuneration £nil (2019: £80,000 - £85,000) Employer's pension contributions £nil (2019: £10,000 - £15,000)
G Dodge (Wright)	(Staff Trustee): Remuneration £nil (2019: £30,000 - £35,000) Employer's pension contributions £nil (2019: £5,000 - £10,000)



The Axholme Academy

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

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the period ended 31 August 2020 there was no trustee expenses reimbursed. (2019: travel and subsistence expenses totalling £222 was reimbursed directly to 1 trustee.)

Related party transactions involving the trustees are set out in note 21.

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,881,488	1,734,326
Social security costs	186,656	167,783
Operating costs of defined benefit pension schemes	534,708	374,759
	<u>2,602,830</u>	<u>2,276,867</u>
Supply teacher costs	22,636	71,325
	<u>2,625,466</u>	<u>2,348,192</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	32	30
Administration and support	25	24
Management	4	4
	<u>61</u>	<u>58</u>

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

	2020	2019
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
	<u>2</u>	<u>2</u>

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £398,805 (2019: £357,773).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

The Axholme Academy

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	420	-	505,447	505,867
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	2,838,880	-	2,838,880
Other trading activities	92,519	-	-	92,519
Investment income	192	-	-	192
Other income	21,514	-	-	21,514
<b>Total</b>	<b>114,645</b>	<b>2,838,880</b>	<b>505,447</b>	<b>3,458,972</b>
<b>EXPENDITURE ON</b>				
Raising funds	15,277	-	-	15,277
<b>Charitable activities</b>				
Academy's educational operations	91,486	2,926,714	488,896	3,507,106
<b>Total</b>	<b>106,773</b>	<b>2,926,714</b>	<b>488,896</b>	<b>3,522,383</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>7,872</b>	<b>(87,834)</b>	<b>16,551</b>	<b>(63,411)</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	-	(302,000)	-	(302,000)
<b>Net movement in funds</b>	<b>7,872</b>	<b>(389,834)</b>	<b>16,551</b>	<b>(365,411)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	27,507	(428,562)	3,016,786	2,615,711
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>35,379</b>	<b>(818,396)</b>	<b>3,033,317</b>	<b>2,250,300</b>

The Axholme Academy

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

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2019	3,291,897	128,338	40,438	3,460,673
Additions	-	-	2,895	2,895
At 31 August 2020	<u>3,291,897</u>	<u>128,338</u>	<u>43,333</u>	<u>3,463,568</u>
<b>DEPRECIATION</b>				
At 1 September 2019	434,104	75,129	18,118	527,351
Charge for year	62,656	7,981	3,636	74,273
At 31 August 2020	<u>496,760</u>	<u>83,110</u>	<u>21,754</u>	<u>601,624</u>
<b>NET BOOK VALUE</b>				
At 31 August 2020	<u>2,795,137</u>	<u>45,228</u>	<u>21,579</u>	<u>2,861,944</u>
At 31 August 2019	<u>2,857,793</u>	<u>53,209</u>	<u>22,320</u>	<u>2,933,322</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	6,366	2,893
VAT	8,458	24,680
Prepayments and accrued income	<u>219,016</u>	<u>498,081</u>
	<u>233,840</u>	<u>525,654</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	47,126	44,067
Social security and other taxes	95,556	84,647
Accruals and deferred income	-	390,937
Accrued expenses	<u>15,302</u>	<u>28,290</u>
	<u>157,984</u>	<u>547,941</u>
Deferred income	2020 £	2019 £
Opening	-	1,097
Amounts released from previous years	-	(1,097)
Resources deferred in the year	-	-
Deferred Income at 31 August	<u>-</u>	<u>-</u>

Deferred income represents monies collected that relate to activities due to take place in the next financial year.

The Axholme Academy

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

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	7,890	8,180
Between one and five years	<u>5,775</u>	<u>-</u>
	<u>13,665</u>	<u>8,180</u>

17. MEMBERS' LIABILITY

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	2020 Total funds £
Fixed assets	-	-	2,861,944	2,861,944
Current assets	6,620	473,470	264,388	734,448
Current liabilities	-	(157,984)	-	(157,984)
Pension liability	-	<u>(1,016,000)</u>	-	<u>(1,016,000)</u>
	<u>6,620</u>	<u>(700,514)</u>	<u>3,116,302</u>	<u>2,422,408</u>

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

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Fund £	2019 Total funds £
Fixed assets	-	-	2,933,322	2,933,322
Current assets	35,379	215,948	484,592	735,919
Current liabilities	-	(163,344)	(384,597)	(547,941)
Pension liability	-	<u>(871,000)</u>	-	<u>(871,000)</u>
	<u>35,379</u>	<u>(818,396)</u>	<u>3,033,317</u>	<u>2,250,300</u>

The Axholme Academy

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

19. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
<b>Unrestricted funds</b>			
Unrestricted General Fund	35,379	(28,769)	6,620
<b>Restricted funds</b>			
General Annual Grant (GAG)	52,604	262,882	315,486
Restricted Fixed Asset Fund	3,033,317	82,985	3,116,302
Restricted Pension Fund	(871,000)	(145,000)	(1,016,000)
	<u>2,214,921</u>	<u>200,867</u>	<u>2,415,788</u>
<b>TOTAL FUNDS</b>	<u>2,250,300</u>	<u>172,108</u>	<u>2,422,408</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted General Fund	182,791	(211,550)	-	(28,769)
<b>Restricted funds</b>				
General Annual Grant (GAG)	2,992,696	(2,729,814)	-	262,882
Restricted Fixed Asset Fund	328,912	(246,927)	-	82,985
Restricted Pension Fund	-	(127,000)	(18,000)	(145,000)
Pupil Premium	133,257	(133,257)	-	-
Other grants	70,506	(70,505)	-	-
	<u>3,526,370</u>	<u>(3,306,503)</u>	<u>(18,000)</u>	<u>200,867</u>
<b>TOTAL FUNDS</b>	<u>3,708,161</u>	<u>(3,518,053)</u>	<u>(18,000)</u>	<u>172,108</u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
<b>Unrestricted funds</b>			
Unrestricted General Fund	27,507	7,872	35,379
<b>Restricted funds</b>			
General Annual Grant (GAG)	55,438	(2,834)	52,604
Restricted Fixed Asset Fund	3,016,766	16,551	3,033,317
Restricted Pension Fund	(484,000)	(387,000)	(871,000)
	<u>2,588,204</u>	<u>(373,283)</u>	<u>2,214,921</u>
<b>TOTAL FUNDS</b>	<u>2,615,711</u>	<u>(365,411)</u>	<u>2,250,300</u>

The Axholme Academy

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

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted General Fund	114,645	(106,773)	-	7,872
<b>Restricted funds</b>				
General Annual Grant (GAG)	2,655,124	(2,657,958)	-	(2,834)
Restricted Fixed Asset Fund	505,447	(488,896)	-	16,551
Restricted Pension Fund	-	(85,000)	(302,000)	(387,000)
Pupil Premium	143,171	(143,171)	-	-
Other grants	40,585	(40,585)	-	-
	<u>3,344,327</u>	<u>(3,415,610)</u>	<u>(302,000)</u>	<u>(373,283)</u>
<b>TOTAL FUNDS</b>	<u>3,458,972</u>	<u>(3,522,383)</u>	<u>(302,000)</u>	<u>(365,411)</u>

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

Restricted general funds have been spent with the terms of the Master Funding Agreement.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The Axholme Academy.

The restricted pension fund is in deficit to the value of £1,016,000 as at 31 August 2020, which is in excess of the unrestricted funds. However this deficit had been inherited upon conversion to Academy status and is underwritten by DfE.

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs 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 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

Introduction

The Teachers' Pension Scheme is a statutory, contributory, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

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

The employer's pension costs paid to TPS in the period amounted to £414,827 (2019: £331,548)

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £109,000 (2019: £112,000) of which employer's contributions totalled £85,000 (2019: £89,000) and employees' contributions totalled £24,000 (2019: £23,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.5-6.5 per cent for employees.

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

**Local government pension scheme**

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(2,133,000)	(2,028,000)
Fair value of plan assets	<u>1,117,000</u>	<u>1,167,000</u>
	(1,016,000)	(871,000)
Present value of unfunded obligations	-	-
Deficit	<u>(1,016,000)</u>	<u>(871,000)</u>
Net liability	<u>(1,016,000)</u>	<u>(871,000)</u>



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

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	196,000	155,000
Net interest from net defined benefit asset/liability	38,000	14,000
Past service cost	-	5,000
	<u>234,000</u>	<u>174,000</u>
Actual return on plan assets	-	47,000

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	2,028,000	1,502,000
Current service cost	196,000	155,000
Past service cost	-	5,000
Contributions by scheme participants	24,000	23,000
Interest cost	38,000	44,000
Benefits paid	(16,000)	(20,000)
Oblig other remeasurement	(137,000)	319,000
	<u>2,133,000</u>	<u>2,028,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	1,157,000	998,000
Interest income	22,000	30,000
Contributions by employer	86,000	89,000
Contributions by scheme participants	24,000	23,000
Benefits paid	(16,000)	-
Assets other remeasurement	(155,000)	17,000
	<u>1,117,000</u>	<u>1,157,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Oblig other remeasurement	137,000	(319,000)
Assets other remeasurement	(155,000)	17,000
	<u>(18,000)</u>	<u>(302,000)</u>

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

20. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
Equities	68%	71%
Bonds	16%	15%
Property	12%	11%
Cash	6%	3%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.70%	1.80%
Future salary increases	3.10%	2.50%
Future pension increases	2.20%	2.30%

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Adjustment to discount rate	+0.5%	0.0%	-0.5%
	£	£	£
Present value of total obligation	-	-	291,000
Adjustment to rate of salary growth	+0.5%	0.0%	-0.5%
	£	£	£
Present value of total obligation	23,000	-	-
Adjustment to rate of pension growth	+1 year	None	-1 year
	£	£	£
Present value of total obligation	262,000	-	-

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

	31 August	
	2020	31 August 2019
Retiring today		
Males retiring today	20.90	20.80
Females retiring today	23.30	23.30
Retiring in 20 years		
Males retiring in 20 years	20.90	22.00
Females retiring in 20 years	21.80	24.90

**The Axholme Academy**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2020**

**21. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

No related party transactions took place in the period of account, other than certain trustee's remuneration already disclosed.