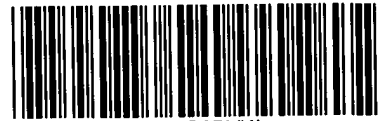


**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2015
for
The Axholme Academy**

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

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COMPANIES HOUSE

The Axholme Academy
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for the Year Ended 31 August 2015

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The Axholme Academy

**Reference and Administrative Details
for the Year Ended 31 August 2015**

TRUSTEES

R P Thorpe
G Wright
A Ingleton
D M A Da Costa
C Burke
C L Carter
J P Sellars
M Stokes
K Fowler
R A Bell (resigned 20.10.14)
L M Pearce
D A Southam
A Cvijetic (resigned 29.6.15)

COMPANY SECRETARY

J M Ball

SENIOR MANAGEMENT TEAM

J P Sellars
B Creasy
L Thirsk

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

The Axholme Academy

Report of the Trustees for the Year Ended 31 August 2015

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The academy trust is a company limited by guarantee and is 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 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 throughout the year except as noted 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 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.

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 of a pupil at the Academy at the time when they are elected, or if not reasonably practicable, the Governing Body are able to appoint a person who is the parent of a child of compulsory school age. The Governing Body 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 of a registered pupil 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 Body 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 Body if the number of parents standing for election is less than the number of vacancies.

The Governing Body make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Trustees.

Community Trustees may be appointed by the Governing Body, 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.

The Axholme Academy

**Report of the Trustees
for the Year Ended 31 August 2015**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

**Report of the Trustees
for the Year Ended 31 August 2015**

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 Board of Trustees

The Board of Trustees has overall responsibility for the administration of the Academy's finances. The main responsibilities of The Board of Trustees 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;
- approval of the annual budget;
- appointment of the Principal and
- appointment of the School Business Manager, in conjunction with the Principal.

The Resources Committee

The Resources Committee is a committee of The Board of Trustees, which meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of The Finance Committee are detailed in written terms of reference which have been authorised by The Board of Trustees. The main responsibilities include:

- the initial review and authorisation 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 1985 and the DFE guidance issued to academies;
- authorising the expenditure over £15,000 and up to £50,000.
- authorising changes to the Academy personnel establishment and
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.
- 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 governors' allowances policy-referring findings to the governing body.

The Principal

Within the framework of the Academy development plan as approved by The Board of Trustees 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 Board of Trustees have agreed should be approved by them;
- authorising expenditure up to £15,000 including VAT in conjunction with the School Business Manager.
- 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 has direct access to the trustees via The Resources Committee. 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 Axholme Academy

Report of the Trustees for the Year Ended 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Risk Committee

The Risk Committee is a committee of The Board of Trustees, which meets twice yearly to identify the Academy's exposure to risk including Internal Financial Control and reports to the Resources Committee. The main responsibilities of the Risk Committee are:

- identify solutions to addressing and reducing risks
- review and update the Academy's Risk Register

The Responsible Officer

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

- the financial responsibilities of The Board of Trustees 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 will undertake a quarterly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by The Board of Trustees. A report of the findings from each visit will be presented to The Resources Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the DFE Guidance. The RO and Vice RO have also undertaken training on the requirements of the role, which was delivered by our senior auditor at Forrester Boyd.

Other Staff

Other members of staff, primarily the School Business Manager, the Office Manager and budget holders, will have some financial responsibilities and these are detailed in the Academy Finance Manual. 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 Board of Trustees or a committee. Where an interest has been declared, trustees and staff should not attend that part of any committee or other meeting.

The Axholme Academy

Report of the Trustees for the Year Ended 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected Organisations including Related Party Relationships

1. NLEC (Northern Lincolnshire Education Consortium)

The NLEC comprises 7 secondary schools and 2 post 16 providers -

The Axholme Academy
Winterton Community Academy
Baysgarth School
Frederick Gough School
Sir John Nelthorpe School
St Bede's Catholic Voluntary Academy
Huntcliff School
John Leggott 6th Form College
North Lindsey College.

NLEC submitted a bid to the North Lincolnshire Learning Network to fund a coaching project for teachers. The academy held and are in the process of distributing the funding for this project that amounted to £9K.

2. Axholme North Collaborative Trust

The trust comprises -

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

The trust submitted a bid to the North Lincolnshire Learning Network to fund a project to improve academic transition between KS2 and KS3 and to raise standards in literacy in all schools. The academy held and then distributed the funding for this project that amounted to £7800K.

Risk 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 termly by the Academy's Risk Committee, the members of which are The Principal, School Business Manager and three Trustees. The major risks identified by the committee have been reviewed and systems/procedures put in place to minimise these. 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.

The Axholme Academy
Report of the Trustees
for the Year Ended 31 August 2015

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 with an emphasis on media arts and their practical applications.

The main objectives of the Academy during the year ended 31 August 2015 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 2015-16 the means by which the academy will make progress towards fulfilling this vision are presented in the School Improvement Plan which contains actions and strategies relating to how we will -

- 1) Secure outstanding teaching over time
- 2) Secure at least good achievement for significant groups of students at risk of underachieving
- 3) Remove barriers to learning by providing outstanding support, developing resilient learners and using highly effective alternative provision
- 4) Plan and implement new specification 1-9 GCSEs

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 4 of the Charities Act 2006 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

A number of performance indicators were used to monitor and evaluate the success of the academy during the 2014/15 academic year. At the beginning of the academic year an aspirational target was set for each performance indicator for the then Year 11 cohort of students. In September 2015, the performance of these students was compared against each target to evaluate how well they performed, as below:

Performance Indicator	Results	Target
% 5+ A*-C inc EM	64.4% (old measures 71%)	73%
% EBacc	40%	36%
% 5+ A*-C	70%	73%
En 3+ L of P	84%	84%
Ma 3+ L of P	73%	88%

Figures in brackets show results achieved using the previous way of calculating performance indicators. This enables us to make a more accurate comparison with targets which were also generated using the previous method.

The Axholme Academy
Report of the Trustees
for the Year Ended 31 August 2015

STRATEGIC REPORT

Achievement and performance

Going concern

After making appropriate enquiries, the governing body 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.

Key financial performance indicators

The academy is in its fourth year of operation. Student numbers are now higher than those forecast and this year our year 7 intake was 108 which is our PAN. As at 8th September 2014 we had a total of 397 students on roll, as at 15th October 2015 we have 426. Future forecasts for student numbers show a continued increase over the next 5 years, with evidence to suggest that the work done by our Primary Liaison Team both locally and further afield is proving a success, as we now attract an increasing number of students from beyond our traditional catchment area.

Examination results for 2015 were pleasing. 64% of our students left the academy with at least 5 GCSE grades at A* - C maintaining our strong track record. 79% gained an A* - C grade in maths and 76% in English. This places us in the top 15% of schools nationally. An excellent 36% of our students gained at least 3 A* or A grades.

The main headline figure, 5+A*-C inc En & Ma was in line with our performance last year and close to our aspirational target. The proportion of students achieving the English Baccalaureate was a significant improvement on 2014 and surpassed our target by 4%. Progress in English was yet again excellent. Progress in Maths was below our usual figure. This was largely due to inflated KS2 levels which gave an unreliable base line rather than a drop in standards.

Our analysis of performance across individual subject areas showed significant improvements in French, Textiles, Food and Resistant Materials. Achievement in PE, Science, Law and Sociology were disappointing for different reasons. Plans have been put in place to address these issues next year.

Overall, 2015 results were the best ever and continue our trajectory towards outstanding achievement in the near future.

Financial review

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 plan to build on this through saving as much as possible year on year. The reason for this is to support the GAG which, based on student numbers, affects us due to a small year group consisting of only 65 students in comparison to the other years consisting of an average of 90 students. The Academy intends to continue building up free reserves.

Principal funding sources

The academy continues to operate in the educational environment that the school operated in. As a result, the sources of income are not dissimilar; the expenditure is channeled in the same format.

The main source of funding is the General Annual Grant (GAG) which provides funding for pupils aged 11-16 and the LACSEG (Local Authority Central Spend Equivalent Grant) which is a grant allowing the academy to source educational services from bodies other than the Local Authority. In addition the Local Authority continues to manage the SEN (Special Educational Needs) funding and the EFA administers the Pupil Premium funding. Smaller ad hoc grants continue to be available, i.e. sports development.

A source of external income is the hire of sporting facilities.

Investment policy and objectives

Surplus funds are held in a separate 'Reserve' account. The trustees have 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.

Principal risks and uncertainties

The Axholme Academy

Report of the Trustees for the Year Ended 31 August 2015

STRATEGIC REPORT

Principal risks and uncertainties

The principal uncertainty for the Academy continues to be sustainability in terms of student numbers and the ongoing challenge to maximise intake. The number currently on roll is 397 (as at 8/9/14), which is close to the forecast of 400 however this is due to a number of students moving from the area during the summer. This number would have been higher as we continue to see an increase in the uptake of places from the local Catholic Primary school and also from Primary School's 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 is proving successful. The trustees are aware of the need to promote the Academy and its achievements to the local and surrounding area and support the staff in the extensive work being done to facilitate this.

The viability of providing a bus service to students from a neighbouring authority proved worthwhile and we now bring in a total of 14 students from the Goole area, with more indicating their preference to attend from September 2015. There has also been further interest in places for September 2015 from parents of students at other schools in another neighbouring authority and also schools not traditionally in our catchment area.

The trustees and staff are also fully committed to the Academy Vision, "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." By promoting the Academy and its achievements through the website, promotional DVD, local media, open evenings, taster days and road shows, the risk of a reduction in funding due to student numbers falling will be reduced.

Future developments

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 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Forrester Boyd Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30 November 2015 and signed on the board's behalf by:



D M A Da Costa - Trustee

The Axholme Academy
Governance Statement
for the Year Ended 31 August 2015

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 body 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 body 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 5 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)	5	5
M Stokes (Vice Chair)	4	5
J P Sellars (Principal)	5	5
A Ingleton (Vice RO)	5	5
C Burke	3	5
C L Carter (Staff Trustee)	2	5
A Cvijetic	2	4
R P Thorpe (Staff Trustee)	4	5
G Wright (Staff Trustee)	5	5
R A Bell	1	1
L M Pearce	4	5
D A Southam (RO)	2	5
K Fowler	2	5

The Governing Body is actively recruiting new members, taking an opportunity to bring in Governors with diverse experiences and skills following the resignation of other Governors. Governors engaged in a strategic planning process and are in the process of being aligned to improvement priorities, this includes the identification of appropriate governor monitoring activities. The committee structures (Children and Learning and Resources) maximise the skills and preferences of Governors however will be reviewed during the next 12 months in light of the strategic planning process to ensure best use is made of this volunteer resource.

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to:

- Ensure that the school is staffed sufficiently for the fulfilment of the school's development plan and the effective operation of the school.
- Inform the governing body of the issues which arise from the annual premises inspection and set out a proposed order of priorities for maintenance and development, for approval.
- to receive and review the draft annual budget, regularly review the financial performance of the Academy against the forecasts, influence and mitigate for risks identified by the Academy's Risk Committee.
- Fulfil the role of the Audit Committee, including receiving and acting on the reports of the Responsible Officer on the effectiveness of the financial procedures and controls, reporting to the Full Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D M A Da Costa	3	4
J P Sellars	4	4
G Wright	3	4
R P Thorpe	4	4
A Ingleton (Vice RO)	3	4
D A Southam (RO)	2	4

The Axholme Academy
Governance Statement
for the Year Ended 31 August 2015

C Burke	2	4
R A Bell	1	1
K Fowler	1	4

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: 3 focused examples

- Appointment of an additional English teacher to increase capacity in this subject area. This investment is designed to provide an important contribution to increasing the resilience of the department and to maintain and increase already very good results in English.

- Use of Catch up premium funding to part fund the employment of a maths teacher in order to contribute to the improved performance of students eligible for this funding as well as maintenance and improvement of already very good results in mathematics.

- Highly successful bid to the Academies Capital Improvement Fund secured more than £120K to replace a substantial area of flat roofing that was in a very poor state of repair and resulting in significant leaks into classrooms and communal areas. It would have been impossible for the academy to accrue the level of funding necessary from their annual DFC allocation and the money would therefore have had to come from the academy budget.

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 charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Axholme Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The governing body 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 body 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Axholme Academy
Governance Statement
for the Year Ended 31 August 2015

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 body;
- regular reviews by the Finance Committee 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 body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed D Southam, a trustee, as responsible officer (RO); and A Ingleton, a trustee, as vice responsible officer. The decision to appoint a vice RO, was made to prevent the issues we faced in 2013 recurring whereby the appointed RO did not carry out the required number of visits/reports (despite countless requests from the academy and the chair of governors).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Both trustees appointed are confident in the requirements and responsibilities of the role, following a briefing session with the academy's senior auditor from Forrester Boyd in 2014.

The RO has visited four times during the year and reported to the governing body, through the Resources Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular, checks carried out in the current period included:

- review of the fixed asset register
- review of petty cash systems
- testing of purchase systems

For 2015-16, the checks to be carried out by the RO have been expanded to include the testing of record keeping, banking and reconciliations of the school fund and journey accounts.

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:

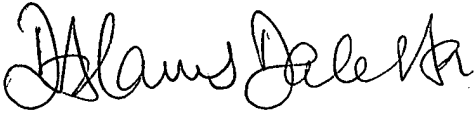
- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

The Axholme Academy

**Governance Statement
for the Year Ended 31 August 2015**

Approved by order of the members of the board of trustees on 30 November 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D M A Da Costa'.

D M A Da Costa - Trustee

A handwritten signature in black ink, appearing to read 'J P Sellars'.

J P Sellars - Trustee

The Axholme Academy

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2015**

As accounting officer of The Axholme Academy I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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.

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

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 EFA.

A handwritten signature in black ink, appearing to be 'J P Sellars', written in a cursive style.

J P Sellars - Accounting Officer

30 November 2015

The Axholme Academy

Statement of Trustees Responsibilities for the Year Ended 31 August 2015

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 Annual Accounts Direction issued by the Education 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 Charity SORP 2005;
- 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.

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 EFA/DfE have been applied for the purposes intended.

Approved by order of the board of trustees on 30 November 2015 and signed on it's behalf by:



D M A Da Costa - Trustee

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

We have audited the financial statements of The Axholme Academy for the year ended 31 August 2015 on pages nineteen to thirty six. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fifteen, the trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

NA Williams

Neil Williams BA FCA (Senior Statutory Auditor)
for and on behalf of Forrester Boyd
Statutory Auditors
Chartered Accountants
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

30 November 2015

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

In accordance with the terms of our engagement letter dated 2 September 2015 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA 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 EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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 charitable company's income and expenditure.

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

30 November 2015

The Axholme Academy

Statement of Financial Activities
for the Year Ended 31 August 2015

		Unrestricted fund £	Restricted funds £	2015 Total funds £	2014 Total funds £
Notes					
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	33,862	-	33,862	9,496
Activities for generating funds	3	5,386	-	5,386	15,377
Investment income	4	344	-	344	2,061
Incoming resources from charitable activities					
Academy's educational operations	5	-	2,367,587	2,367,587	2,324,287
Other incoming resources		11,884	-	11,884	24,241
Total incoming resources		51,476	2,367,587	2,419,063	2,375,462
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	30,023	-	30,023	11,019
Fundraising trading: cost of goods sold and other costs	8	1,512	-	1,512	7,763
Charitable activities					
Academy's educational operations	9	19,642	2,428,147	2,447,789	2,294,057
Governance costs	10	-	31,566	31,566	30,040
Other resources expended		-	796	796	541
Total resources expended	6	51,177	2,460,509	2,511,686	2,343,420
NET INCOMING/(OUTGOING) RESOURCES					
		299	(92,922)	(92,623)	32,042
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	(3,000)	(3,000)	(171,000)
Net movement in funds		299	(95,922)	(95,623)	(138,958)
RECONCILIATION OF FUNDS					
Total funds brought forward		157,215	2,733,519	2,890,734	3,029,692
TOTAL FUNDS CARRIED FORWARD		157,514	2,637,597	2,795,111	2,890,734

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

The Axholme Academy

Balance Sheet
At 31 August 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	14	3,204,523	3,270,302
CURRENT ASSETS			
Debtors	15	70,858	56,981
Cash at bank and in hand		204,095	231,192
		<u>274,953</u>	<u>288,173</u>
CREDITORS			
Amounts falling due within one year	16	(108,365)	(98,296)
NET CURRENT ASSETS		<u>166,588</u>	<u>189,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,371,111	3,460,179
CREDITORS			
Amounts falling due after more than one year	17	-	(8,445)
PENSION LIABILITY	22	(576,000)	(561,000)
NET ASSETS		<u>2,795,111</u>	<u>2,890,734</u>
FUNDS	21		
Unrestricted funds:			
Unrestricted General Fund		157,514	157,215
Restricted funds:			
Restricted General Fund		1,419	13,807
Restricted Fixed Asset Fund		3,212,178	3,280,712
Restricted Pension Fund		(576,000)	(561,000)
		<u>2,637,597</u>	<u>2,733,519</u>
TOTAL FUNDS		<u>2,795,111</u>	<u>2,890,734</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 30 November 2015 and were signed on its behalf by:



D M A Da Costa -Trustee

The notes form part of these financial statements

The Axholme Academy

**Cash Flow Statement
for the Year Ended 31 August 2015**

	Notes	2015 £	2014 £
Net cash (outflow)/inflow from operating activities	24	(13,599)	111,176
Returns on investments and servicing of finance	25	(452)	1,520
Capital expenditure and financial investment	25	(13,046)	(77,334)
(Decrease)/increase in cash in the period		<u>(27,097)</u>	<u>35,362</u>

Reconciliation of net cash flow to movement in net debt

26

(Decrease)/increase in cash in the period	(27,097)	35,362
Change in net debt resulting from cash flows	<u>(27,097)</u>	<u>35,362</u>
Movement in net debt in the period	(27,097)	35,362
Net debt at 1 September	<u>231,192</u>	<u>195,830</u>
Net debt at 31 August	<u>204,095</u>	<u>231,192</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 August 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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 entitlement of receipts, its recognition is deferred and included in the creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period which it is receivable, where there is certainty of receipt.

Donations

Donations are recognised on a receivable basis where there is a certainty of receipt and the amount can be reliably measured.

Other income

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

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between 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	Amortisation method and rate
Leasehold land	125 years straight line
Leasehold buildings	50 years straight line
Motor vehicles	25% reducing balance
Plant and machinery	15% reducing balance
Computer equipment	15% reducing balance

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 charity. 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.

The Axholme Academy

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trusts are provided by the Teacher's Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Donations	3,380	-	3,380	-
Educational trips and visits	30,482	-	30,482	9,496
	<u>33,862</u>	<u>-</u>	<u>33,862</u>	<u>9,496</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Hire of facilities	3,911	-	3,911	2,088
Music tuition	1,475	-	1,475	3,789
Hire of staff	-	-	-	9,500
	<u>5,386</u>	<u>-</u>	<u>5,386</u>	<u>15,377</u>

The Axholme Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Deposit account interest	344	-	344	2,061

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	2,071,608	2,071,608	2,126,958
DfE/EFA capital grant				
Devolved Capital Grant	-	10,750	10,750	10,784
Academies Capital Maintenance Fund	-	129,437	129,437	64,650
	-	140,187	140,187	75,434
Other government grant				
Special Education Needs	-	24,079	24,079	5,218
Pupil Premium	-	122,099	122,099	109,177
Special Education Projects	-	7,500	7,500	7,500
North Lincolnshire Education Consortium	-	1,000	1,000	-
Axholme North Collaborative Trust	-	1,114	1,114	-
	-	155,792	155,792	121,895
	-	2,367,587	2,367,587	2,324,287

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

6. RESOURCES EXPENDED

				2015	2014
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises £	Other costs £	£	£
Costs of generating funds					
Costs of generating voluntary income	-	-	30,023	30,023	11,019
Fundraising trading: cost of goods sold and other costs	-	-	1,512	1,512	7,763
Charitable activities					
Academies educational operations					
Direct costs	1,526,249	-	121,568	1,647,817	1,598,424
Allocated support costs	248,772	356,611	194,589	799,972	695,633
	<u>1,775,021</u>	<u>356,611</u>	<u>347,692</u>	<u>2,479,324</u>	<u>2,312,839</u>
Governance costs including allocated support costs	-	24,096	7,470	31,566	30,040
	<u>1,775,021</u>	<u>380,707</u>	<u>355,162</u>	<u>2,510,890</u>	<u>2,342,879</u>

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	5,300	5,145
Depreciation - owned assets	78,825	80,544
Other operating leases	<u>10,285</u>	<u>10,071</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Academy trips	30,023	-	30,023	7,531
Support costs	-	-	-	3,488
	<u>30,023</u>	<u>-</u>	<u>30,023</u>	<u>11,019</u>

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

8. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hire of facilities	-	-	-	360
Music tuition	1,512	-	1,512	7,403
	<u>1,512</u>	<u>-</u>	<u>1,512</u>	<u>7,763</u>

9. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Teaching and educational support staff	-	1,526,249	1,526,249	1,473,677
Educational supplies	6,165	53,079	59,244	57,169
Examination fees	-	38,076	38,076	42,845
Staff development	-	6,176	6,176	9,414
Educational consultancy	-	18,072	18,072	15,319
	<u>6,165</u>	<u>1,641,652</u>	<u>1,647,817</u>	<u>1,598,424</u>
Allocated support costs				
Support staff costs	-	248,772	248,772	237,616
Depreciation	-	78,825	78,825	80,544
Technology costs	-	24,009	24,009	25,755
Recruitment and support	-	49,031	49,031	61,635
Maintenance of premises and equipment	1,694	155,059	156,753	35,901
Cleaning	-	56,508	56,508	56,303
Rent and rates	-	16,462	16,462	15,887
Energy costs	-	40,766	40,766	42,849
Insurance	-	23,491	23,491	42,084
Security and transport	11,783	3,847	15,630	17,577
Catering	-	58,079	58,079	54,832
Other support costs	-	31,646	31,646	24,650
	<u>13,477</u>	<u>786,495</u>	<u>799,972</u>	<u>695,633</u>
	<u>19,642</u>	<u>2,428,147</u>	<u>2,447,789</u>	<u>2,294,057</u>

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

10. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Legal and professional fees	-	24,096	24,096	22,805
Auditors' remuneration	-	5,300	5,300	5,145
Auditors' remuneration for non-audit work	-	2,170	2,170	2,090
	-	31,566	31,566	30,040

11. 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:

	2015	2014
Remuneration	£	£
J Sellars	82,107	81,465
C L Carter	41,899	41,441
R P Thorpe	42,290	41,156
G Wright	26,885	26,606
Employer's pension contributions	£	£
J Sellars	11,539	11,428
C L Carter	5,904	5,706
R P Thorpe	5,954	5,796
G Wright	7,305	7,985

Trustees' expenses

During the period ended 31 August 2015, travel and subsistence expenses totalling were reimbursed as follows:

	£
J Sellars	245
C L Carter	25
R P Thorpe	61
G Wright	-

The Axholme Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

12. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	1,425,715	1,381,178
Social security costs	104,894	103,355
Other pension costs	243,358	224,899
	<u>1,773,967</u>	<u>1,709,432</u>
Supply teacher costs	1,054	1,861
	<u>1,775,021</u>	<u>1,711,293</u>

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

	2015	2014
Teachers	28	29
Administration and support	29	29
Management	2	2
	<u>59</u>	<u>60</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
	<u>2</u>	<u>1</u>

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy became a member of the Risk Protection Arrangement to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The arrangement provides cover up to £10,000,000 on any claim and the cost for the period ended 31 August 2015 was £6,641.

The cost of this arrangement is included in the total insurance cost.

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2014	3,290,629	99,552	15,000	20,032	3,425,213
Additions	-	13,046	-	-	13,046
At 31 August 2015	3,290,629	112,598	15,000	20,032	3,438,259
DEPRECIATION					
At 1 September 2014	120,874	20,653	7,969	5,415	154,911
Charge for year	62,631	12,242	1,758	2,194	78,825
At 31 August 2015	183,505	32,895	9,727	7,609	233,736
NET BOOK VALUE					
At 31 August 2015	3,107,124	79,703	5,273	12,423	3,204,523
At 31 August 2014	3,169,755	78,899	7,031	14,617	3,270,302

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	5,334	-
VAT	40,522	15,549
Accrued income	16,900	15,219
Prepayments	8,102	26,213
	<u>70,858</u>	<u>56,981</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Social security and other taxes	59,608	59,981
Other creditors	17,297	8,445
Accrued expenses	11,710	19,723
Deferred government grants	19,750	10,147
	<u>108,365</u>	<u>98,296</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Other creditors	-	8,445
	<u>-</u>	<u>8,445</u>

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

18. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	7,429	-
Between one and five years	15,986	8,027
	<u>23,415</u>	<u>8,027</u>

19. 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 £Nil for the debts and liabilities contracted before he/she ceases to be a member.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Fixed assets	-	3,204,523	3,204,523	3,270,302
Current assets	177,264	97,689	274,953	288,173
Current liabilities	(19,750)	(88,615)	(108,365)	(98,296)
Long term liabilities	-	-	-	(8,445)
Pension liability	-	(576,000)	(576,000)	(561,000)
	<u>157,514</u>	<u>2,637,597</u>	<u>2,795,111</u>	<u>2,890,734</u>

21. MOVEMENT IN FUNDS

	At 1.9.14	Net movement in funds	At 31.8.15
	£	£	£
Unrestricted funds			
Unrestricted General Fund	157,215	299	157,514
Restricted funds			
Restricted General Fund	13,807	(12,388)	1,419
Restricted Fixed Asset Fund	3,280,712	(68,534)	3,212,178
Restricted Pension Fund	(561,000)	(15,000)	(576,000)
	<u>2,733,519</u>	<u>(95,922)</u>	<u>2,637,597</u>
TOTAL FUNDS	<u>2,890,734</u>	<u>(95,623)</u>	<u>2,795,111</u>

The Axholme Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted General Fund	51,476	(51,177)	-	299
Restricted funds				
Restricted General Fund	2,227,400	(2,239,788)	-	(12,388)
Restricted Fixed Asset Fund	140,187	(208,721)	-	(68,534)
Restricted Pension Fund	-	(12,000)	(3,000)	(15,000)
	<u>2,367,587</u>	<u>(2,460,509)</u>	<u>(3,000)</u>	<u>(95,922)</u>
TOTAL FUNDS	<u><u>2,419,063</u></u>	<u><u>(2,511,686)</u></u>	<u><u>(3,000)</u></u>	<u><u>(95,623)</u></u>

22. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Local government pension scheme

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(1,022,000)	(911,000)
Fair value of plan assets	446,000	350,000
	<u>(576,000)</u>	<u>(561,000)</u>
Deficit	<u>(576,000)</u>	<u>(561,000)</u>
Liability	<u><u>(576,000)</u></u>	<u><u>(561,000)</u></u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	80,000	71,000
Interest cost	35,000	42,000
Expected return	(23,000)	(32,000)
	<u>92,000</u>	<u>81,000</u>
Actual return on plan assets	<u><u>2,000</u></u>	<u><u>(230,000)</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

22. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	2015	2014
	£	£
Defined benefit obligation	(911,000)	(875,000)
Current service cost	(80,000)	(71,000)
Contributions by scheme participants	(17,000)	(17,000)
Interest cost	(35,000)	(42,000)
Actuarial losses/(gains)	18,000	91,000
Benefits paid	3,000	3,000
	<u>(1,022,000)</u>	<u>(911,000)</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Fair value of scheme assets	350,000	473,000
Contributions by employer	80,000	93,000
Contributions by scheme participants	17,000	17,000
Expected return	23,000	32,000
Actuarial gains/(losses)	(21,000)	(262,000)
Benefits paid	(3,000)	(3,000)
	<u>446,000</u>	<u>350,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Equities	334,000	270,000
Bonds	45,000	35,000
Property	49,000	24,000
Cash	18,000	21,000
	<u>446,000</u>	<u>350,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2015	2014
Discount rate	3.8%	3.7%
Expected return on scheme assets	3.8%	5.7%
Future salary increases	4.1%	4%
Future pension increases	2.7%	2.7%

The Axholme Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

22. PENSION AND SIMILAR OBLIGATIONS
- continued

Amounts for the current and previous two periods are as follows:

	2015	2014	2013
	£	£	£
Defined benefit pension plans			
Defined benefit obligation	(1,022,000)	(911,000)	(875,000)
Fair value of scheme assets	446,000	350,000	473,000
Deficit	(576,000)	(561,000)	(402,000)

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	-	-	132,000
Adjustment to rate of salary growth	+0.5%	0.0%	-0.5%
	£	£	£
Present value of total obligation	54,000	-	-
Adjustment to mortality age rating assumption	+1 year	None	-1 year
	£	£	£
Present value of total obligation	31,000	-	-

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

	At 31 August 2015
Retiring today	
Males retiring today	21.90
Females retiring today	24.10
Retiring in 20 years	
Males retiring in 20 years	24.20
Females retiring in 20 years	26.70

The Axholme Academy

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

23. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and composition of the board of trustees being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

This year there were the following related party transactions in the period.

Crowle Primary Academy - an academy in which A Cvijetic (a trustee of The Axholme Academy) is the Headteacher:

- Crowle Primary Academy's share of £1,114.28 from North Lincolnshire Council for the Axholme North Collaboration Trust was received by The Axholme Academy. This was then paid to Crowle Primary Academy. A contribution of £458.55 was paid by Crowle Primary Academy to The Axholme Academy of which £417.83 was paid to the Axholme North Collaboration Trust. Crowle Primary Academy also paid The Axholme Academy £237.86 for their contribution towards 'Partner Primary Newspaper' production costs charged by Lincoln University.

The amount owed to Crowle Primary Academy as at 31 August 2015 was £40.72 (2014: £nil).

Fund Account - an account external to the financial statements for academy trips:

- The Axholme Academy invoiced the fund account a total amount of £22,380.31 in order to reimburse academy trip purchases they had made on behalf of the fund account.

The amount due from the fund account as at 31 August 2015 was £5,333.71 (2014: £nil).

In entering into the above transactions The Axholme Academy has complied with the requirements of EFA's Academies Financial Handbook.

24. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH (OUTFLOW)\INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net (outgoing)\incoming resources	(92,623)	32,042
Depreciation charges	78,825	80,544
Interest received	(344)	(2,061)
Interest paid	796	541
(Increase)/decrease in debtors	(13,877)	7,246
Increase in creditors	1,624	4,864
Difference between pension charge and cash contributions	12,000	(12,000)
Net cash (outflow)/inflow from operating activities	(13,599)	111,176

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	344	2,061
Interest paid	(796)	(541)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(452)	1,520

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(13,046)	(77,334)
Net cash outflow for capital expenditure and financial investment	<u>(13,046)</u>	<u>(77,334)</u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank and in hand	231,192	(27,097)	204,095
Total	<u>231,192</u>	<u>(27,097)</u>	<u>204,095</u>