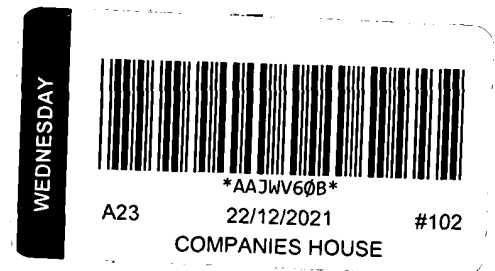


The Axholme Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021



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

The Axholme Academy

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The Axholme Academy

Reference and Administrative Details

Members	D Keogh (resigned 1 March 2021) D M A Da Costa N Shaw
Trustees (Directors)	A Rayment (appointed 19 November 2020 and resigned 10 May 2021) D M A Da Costa I Hamilton D Keogh K Reich N Shaw D Southam S Spence - Hill C Burke N Myers (appointed 23 November 2020) C Wilde (appointed 5 November 2020 and resigned 2 September 2021)
Company Secretary	S E Leggott
Senior Management Team	D Keogh (Principal) B Creasy (Vice Principal) J Bennett (Assistant Principal) L Kinroy (Assistant Principal)
Principal and Registered Office	Wharf Road Crowle Scunthorpe North Lincolnshire DN17 4HU
Company Registration Number	07840804
Auditors	Forrester Boyd Statutory Auditors Chartered Accountant 66-68 Oswald Road Scunthorpe North Lincolnshire DN15 7PG
Bankers	Natwest 119 High Street Scunthorpe North Lincolnshire DN15 6LT
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

The Axholme Academy

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in North Lincolnshire. It has a pupil capacity of 575 and had a roll of 556 in the school census on 07/10/2021.

Structure, governance and management

Constitution

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 company registration number is 07840804.

The governors act as the trustees for the charitable activities of The Axholme Academy and are also the directors of the charitable company for the purposes of company law.

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

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 trust 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.

The Axholme Academy

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

Method of recruitment and appointment or election of 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.

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.

Policies and procedures adopted for the induction and training of 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.

Organisational structure

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 Axholme Academy

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

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/ESFA 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
- 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 Axholme Academy

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

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.
- 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/ESFA in line with the timetable in the DfE/ESFA 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 an annual 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 on the transactions to be checked by the RO following best practice of the DfE Guidance 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, including 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.

The Axholme Academy

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

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

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.

Objectives and activities

Objects 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 2021 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.

The Axholme Academy

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

Objectives, strategies and 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 trust 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 setting objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

The Axholme Academy

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

Strategic Report

Achievements and performance

Due to the cancellation of GCSE examinations in 2020 and 2021 there is no validated performance data to report.

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 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 October 2019 we had 558 students on roll and as at October 2020 we had 559 students on roll and in October 2021 we had 556 students. The Published Admission Number for 2021 is 115. The work done by our Primary Liaison Team both locally and further afield and the further extension of our transport provision, is proving a continued success, as we continue to attract a large 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 1 day Ofsted inspection on July 5th 2017. This concluded that this remains a good school.

Financial review

These financial statements reflect a 12 month account period from 1 September 2020 to 31 August 2021. 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 £3,654,801 of income, of which £3,004,903 was GAG funding. Other grants and income amount to £649,898.

Expenditure for the period totalled £3,490,588 (excluding depreciation), including £2,719,477 of staff related costs supporting the day to day running of the Academy Trust.

There was an in year surplus on restricted general funds and unrestricted funds of £196,043.

The Local Government Pension Scheme (LGPS) liability stands at £1,469,000 as at 31 August 2021. The actuarial deficit at 31 August 2021 had increased by £453,000. The calculation of the asset value is provisional, and will be reviewed as part of the 2019 actuarial valuation. This is detailed in note 25 to the financial statements.

As at 31 August 2021, the net book value of fixed assets after depreciation is £3,113,469 as shown in note 12 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Axholme Academy

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

Strategic Report

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

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 £2,190,403 of total reserves, made up of fixed asset reserves of £3,141,254, unrestricted reserves of £Nil, restricted reserves of £518,149 and restricted pension reserves of deficit £1,469,000. Of the total restricted fixed asset fund, £3,113,469 can only be realised by disposing of tangible fixed assets.

Investment policy

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.

The Axholme Academy

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

Strategic Report

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. The number currently on roll is 556. 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. 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 and in 2021 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 34 students from the Goole area, 56 from the Doncaster area and 39 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.

Fundraising

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

Plans for future periods

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

The Axholme Academy

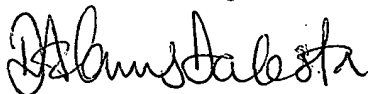
Trustees' Report for the Year Ended 31 August 2021 (continued)

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:



.....
D M A Da Costa
Trustee

The Axholme Academy

Governance Statement

Scope of responsibility

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

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

The Governing Body has delegated the day-to-day responsibility to D Keogh, 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 8 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
D M A Da Costa	8	8
C Burke	0	0
I Hamilton	6	6
K Reich	8	8
D Keogh	8	8
N Shaw	8	8
D Southam	0	0
S Spence - Hill	7	8
C Wilde (appointed 5 November 2020 and resigned 2 September 2021)	4	5
N Myers (appointed 23 November 2020)	4	5

During the year the academy appointed N Myers on the 23rd November 2020, A Rayment on the 19th November 2020 and C Wilde on the 5th November 2020. A Rayment later resigned on the 10th May 2021 as well as C Wilde on the 2nd September 2021.

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

Throughout the COVID-19 pandemic the Governing Board met monthly. The meetings were held remotely using GoogleMeet. Half termly face-to-face meetings resumed from September and will continue throughout the year, with flexibility shown subject to the status of the pandemic. Governor monitoring of the school improvement priorities continued with meetings held remotely. Monitoring recognised the impact of COVID on planned activities and reflected new requirements, e.g., remote teaching.

Governors supported the Academy in the roll-out of the COVID lateral flow tests, enabling students to return to school.

The Axholme Academy

Governance Statement (continued)

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. 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.

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.

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the 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 2020/21 year end, despite the negative impacts from the covid-19 pandemic.
- The Academy has completed its fire compliance project funded by the Condition Improvement Fund and was successful in an additional Condition Improvement fund bid in 2021 to improve safeguarding around the site. 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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Axholme Academy for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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;

The Axholme Academy

Governance Statement (continued)

- regular reviews by the Finance and General Purposes 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;
- identification and management of risks.

The Governing Board considered the need for a specific internal audit function and have appointed an internal auditor. For 2021-22, the checks to be carried out by the internal auditor will be agreed by the audit committee at the start of the academic year.

The Governing Body has decided:

The role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

- 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.

On a quarterly basis, the reports to the Governing Body, through the audit committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the Responsible Officer to date.

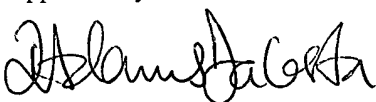
Review of effectiveness

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

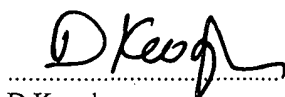
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:



.....
D M A Da Costa
Trustee



.....
D Keogh
Trustee

The Axholme Academy

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Axholme Academy I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



D Keogh
Accounting officer

6 December 2021

The Axholme Academy

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

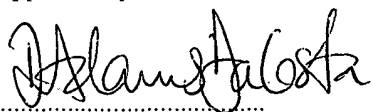
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 6 December 2021 and signed on its behalf by:



.....
D M A Da Costa
Trustee

The Axholme Academy

Independent Auditor's Report on the Financial Statements to the Members of The Axholme Academy

Opinion

We have audited the financial statements of The Axholme Academy (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the year ended 31 August 2021, Balance Sheet, as at 31 August 2021 Statement of Cash Flows, as at 31 August 2021 and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Axholme Academy

Independent Auditor's Report on the Financial Statements to the Members of The Axholme Academy (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and 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 the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 16], the Trustees (who are also directors of the Academy Trust for the purpose 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academy's operations and review of compliance with such laws including a review of the Academy Trust Handbook 2020 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

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

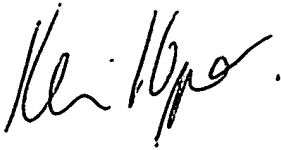
The Axholme Academy

Independent Auditor's Report on the Financial Statements to the Members of The Axholme Academy (continued)

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

Use of our report

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



.....
Kevin Hopper BFP FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd

Chartered Accountant
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

6 December 2021

The Axholme Academy

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 20 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Axholme Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 may 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment as well as 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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1: There are only two members appointed through the year.

The Axholme Academy

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



.....
Kevin Hopper BFP FCA, Reporting Accountant
For and on behalf of Forrester Boyd, Chartered Accountants

Statutory Auditors
Chartered Accountant
66-68 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PG

6 December 2021

The Axholme Academy

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total £
Income and endowments from:						
Donations and capital grants	2	4,184	-	74,822	79,006	423,824
Other trading activities	4	52,590	-	-	52,590	61,982
Investments	5	10	-	-	10	156
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	3,505,810	-	3,505,810	3,196,458
Other income	6	17,385	-	-	17,385	25,741
Total		74,169	3,505,810	74,822	3,654,801	3,708,161
Expenditure on:						
Raising funds	7	14,768	-	-	14,768	17,867
<i>Charitable activities:</i>						
Academy trust educational operations	8	66,021	3,409,799	78,218	3,554,038	3,500,186
Total		80,789	3,409,799	78,218	3,568,806	3,518,053
Net (expenditure)/income		(6,620)	96,011	(3,396)	85,995	190,108
Transfers between funds		-	(28,348)	28,348	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	25	-	(318,000)	-	(318,000)	(18,000)
Net movement in (deficit)/funds		(6,620)	(250,337)	24,952	(232,005)	172,108
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2020		6,620	(700,514)	3,116,302	2,422,408	2,250,300
Total (deficit)/funds carried forward at 31 August 2021		-	(950,851)	3,141,254	2,190,403	2,422,408

Comparative figures are stated on page 23.

The Axholme Academy

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	94,912	-	328,912	423,824
Other trading activities	4	61,982	-	-	61,982
Investments	5	156	-	-	156
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	3,196,458	-	3,196,458
Other income	6	25,741	-	-	25,741
Total		182,791	3,196,458	328,912	3,708,161
Expenditure on:					
Raising funds	7	17,867	-	-	17,867
<i>Charitable activities:</i>					
Academy trust educational operations	8	193,683	3,060,576	245,927	3,500,186
Total		211,550	3,060,576	245,927	3,518,053
Net (expenditure)/income		(28,759)	135,882	82,985	190,108
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	(18,000)	-	(18,000)
Net movement in (deficit)/funds		(28,759)	117,882	82,985	172,108
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		35,379	(818,396)	3,033,317	2,250,300
Total funds/(deficit) carried forward at 31 August 2020		6,620	(700,514)	3,116,302	2,422,408

The Axholme Academy
(Registration number: 07840804)
Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,113,469	2,861,944
Current assets			
Debtors	13	112,105	233,840
Cash at bank and in hand		<u>706,845</u>	<u>500,608</u>
		818,950	734,448
Creditors: Amounts falling due within one year	14	<u>(253,079)</u>	<u>(157,984)</u>
Net current assets		<u>565,871</u>	<u>576,464</u>
Total assets less current liabilities		3,679,340	3,438,408
Creditors: Amounts falling due after more than one year	15	<u>(19,937)</u>	-
Net assets excluding pension liability		3,659,403	3,438,408
Pension scheme liability	25	<u>(1,469,000)</u>	<u>(1,016,000)</u>
Net assets including pension liability		<u><u>2,190,403</u></u>	<u><u>2,422,408</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		518,149	315,486
Restricted fixed asset fund		3,141,254	3,116,302
Restricted pension fund		<u>(1,469,000)</u>	<u>(1,016,000)</u>
		2,190,403	2,415,788
Unrestricted funds			
Unrestricted general fund		<u>-</u>	<u>6,620</u>
Total funds		<u><u>2,190,403</u></u>	<u><u>2,422,408</u></u>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:



.....
D M A Da Costa
Trustee

The Axholme Academy

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	480,303	(35,830)
Cash flows from investing activities	21	(296,348)	326,173
Cash flows from financing activities	20	<u>22,282</u>	<u>-</u>
Change in cash and cash equivalents in the year		206,237	290,343
Cash and cash equivalents at 1 September		<u>500,608</u>	<u>210,265</u>
Cash and cash equivalents at 31 August	22	<u><u>706,845</u></u>	<u><u>500,608</u></u>

The Axholme Academy

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

1 Accounting policies

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 6 December 2021.

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 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 incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

The Axholme Academy

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

1 Accounting policies (continued)

Grants

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

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

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

Donations

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

Other income

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

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

The Axholme Academy

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

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. Assets that are bought in bulk, particularly computers, tablets and accessories, where individually they cost less than £1,000, are also capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

Asset class	Depreciation 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

Liabilities

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at transaction price less 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 Chapter 3 Part 11 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.

The Axholme Academy

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

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated 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 based on 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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31/08/2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 for the Year Ended 31 August 2021 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Educational trips and visits	3,042	-	3,042	50,268
Capital grants	-	36,081	36,081	328,912
Other donations	1,142	-	1,142	44,644
Donated fixed assets	-	38,741	38,741	-
	<u>4,184</u>	<u>74,822</u>	<u>79,006</u>	<u>423,824</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants			
Other ESFA Grants	8,600	8,600	19,092
General Annual Grant (GAG)	3,004,903	3,004,903	2,828,019
Pupil premium	139,966	139,966	133,257
Teachers Pay and Pension Grants	<u>147,858</u>	<u>147,858</u>	<u>145,585</u>
	<u>3,301,327</u>	<u>3,301,327</u>	<u>3,125,953</u>
Other government grants			
Special Education Needs	103,902	103,902	47,282
Local authority grants	<u>26,156</u>	<u>26,156</u>	<u>23,223</u>
	<u>130,058</u>	<u>130,058</u>	<u>70,505</u>
Covid-19 additional funding (DfE/ESFA)			
Covid 19 Catch Up Premium	<u>74,425</u>	<u>74,425</u>	<u>-</u>
Total grants	<u>3,505,810</u>	<u>3,505,810</u>	<u>3,196,458</u>

The academy received £74,425 (2020: £Nil) of funding for catch-up premium and costs incurred in respect of this funding totalled £65,638 (2020: £Nil).

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

The Axholme Academy

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

4 Other trading activities

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	-	-	1,000
Transport contributions	52,286	52,286	51,740
Income from other charitable activities	304	304	2,983
Fundraising	-	-	6,259
	<u>52,590</u>	<u>52,590</u>	<u>61,982</u>

5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	<u>10</u>	<u>10</u>	<u>156</u>

6 Other charitable activities

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Other income	<u>17,385</u>	<u>17,385</u>	<u>25,741</u>

7 Expenditure

	Non Pay Expenditure			2020/21 Total £	2019/20 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	-	-	14,768	14,768	17,867
Academy's educational operations					
Direct costs	2,289,978	-	131,172	2,421,150	2,403,194
Allocated support costs	<u>429,499</u>	<u>389,659</u>	<u>313,730</u>	<u>1,132,888</u>	<u>1,096,992</u>
	<u>2,719,477</u>	<u>389,659</u>	<u>459,670</u>	<u>3,568,806</u>	<u>3,518,053</u>

The Axholme Academy

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

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Operating lease rentals	5,522	6,497
Depreciation	78,218	74,273
Fees payable to auditor - audit	5,665	5,500
- other audit services	<u>2,170</u>	<u>2,170</u>

8 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	2,421,150	2,403,194
Support costs - educational operations	<u>1,132,888</u>	<u>1,096,992</u>
	<u>3,554,038</u>	<u>3,500,186</u>

	Educational operations £	2020/21 Total £	2019/20 Total £
Analysis of support costs			
Support staff costs	429,499	429,499	415,527
Depreciation	78,218	78,218	74,273
Technology costs	35,139	35,139	26,393
Premises costs	311,441	311,441	340,995
Other support costs	252,731	252,731	206,750
Governance costs	<u>25,860</u>	<u>25,860</u>	<u>33,054</u>
Total support costs	<u>1,132,888</u>	<u>1,132,888</u>	<u>1,096,992</u>

The Axholme Academy

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

9 Staff

Staff costs

	2020/21 £	2019/20 £
Staff costs during the year were:		
Wages and salaries	1,925,806	1,881,466
Social security costs	193,696	186,656
Operating costs of defined benefit pension schemes	554,824	534,708
	<u>2,674,326</u>	<u>2,602,830</u>
Supply staff costs	35,151	22,636
Staff restructuring costs	10,000	-
	<u>2,719,477</u>	<u>2,625,466</u>
		2021 £
Staff restructuring costs comprise:		
Severance payments		<u>10,000</u>

Staff numbers

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

	2020/21 No	2019/20 No
Teachers	34	32
Administration and support	24	25
Management	4	4
	<u>62</u>	<u>61</u>

Higher paid staff

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

	2021 No	2020 No
£70,001 - £80,000	1	2
£80,001 - £90,000	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £417,281 (2020: £398,805).

The Axholme Academy

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

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

D Keogh (Headteacher and Trustee):

Remuneration: £80,000 - £85,000 (2020 - £75,000 - £80,000)

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

Other related party transactions involving the trustees are set out in note 26.

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 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.

12 Tangible fixed assets

	Leasehold land and buildings £	Plant and Machinery £	Computer equipment £	Total £
Cost				
At 1 September 2020	3,291,898	128,338	43,332	3,463,568
Additions	287,273	10,559	34,607	332,439
Disposals	-	-	(10,346)	(10,346)
At 31 August 2021	3,579,171	138,897	67,593	3,785,661
Depreciation				
At 1 September 2020	496,760	83,110	21,754	601,624
Charge for the year	64,092	7,432	6,694	78,218
Eliminated on disposals	-	-	(7,650)	(7,650)
At 31 August 2021	560,852	90,542	20,798	672,192
Net book value				
At 31 August 2021	3,018,319	48,355	46,795	3,113,469
At 31 August 2020	2,795,138	45,228	21,578	2,861,944

The Axholme Academy

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

13 Debtors

	2021 £	2020 £
Trade debtors	-	6,366
VAT recoverable	77,947	8,458
Prepayments and accrued income	<u>34,158</u>	<u>219,016</u>
	<u>112,105</u>	<u>233,840</u>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	134,033	47,126
Other taxation and social security	103,927	95,556
Concessionary loans	2,345	-
Other creditors	2,395	-
Accruals	<u>10,379</u>	<u>15,302</u>
	<u>253,079</u>	<u>157,984</u>

Included within concessionary loans is the portion of the long term CIF loan which fall due within the following year. The terms of the loan have been discussed in more detail in note 15.

15 Creditors: amounts falling due after one year

	2021 £
Concessionary loans	<u>19,937</u>

Included within Concessionary loans is the loan received as part of the Condition Improvement Funding grant. The interest rate on the loan is 2.29% and commenced in March 2021. Repayments of £195.43 will be made monthly for 10 years until the loan is fully repaid.

The Axholme Academy

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

16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant	315,486	3,013,503	(2,791,279)	(28,348)	509,362
Pupil Premium	-	139,966	(139,966)	-	-
Other grants	-	277,916	(277,916)	-	-
COVID-19	-	74,425	(65,638)	-	8,787
	<u>315,486</u>	<u>3,505,810</u>	<u>(3,274,799)</u>	<u>(28,348)</u>	<u>518,149</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	3,116,302	74,822	(78,218)	28,348	3,141,254
Restricted pension funds					
Restricted Pension Fund	<u>(1,016,000)</u>	<u>-</u>	<u>(135,000)</u>	<u>(318,000)</u>	<u>(1,469,000)</u>
Total restricted funds	2,415,788	3,580,632	(3,488,017)	(318,000)	2,190,403
Unrestricted funds					
Unrestricted general funds	<u>6,620</u>	<u>74,169</u>	<u>(80,789)</u>	<u>-</u>	<u>-</u>
Total funds	<u><u>2,422,408</u></u>	<u><u>3,654,801</u></u>	<u><u>(3,568,806)</u></u>	<u><u>(318,000)</u></u>	<u><u>2,190,403</u></u>

The Axholme Academy

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

16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant	52,604	2,992,696	(2,729,814)	-	315,486
Pupil Premium	-	133,257	(133,257)	-	-
Other grants	-	70,505	(70,505)	-	-
	<u>52,604</u>	<u>3,196,458</u>	<u>(2,933,576)</u>	<u>-</u>	<u>315,486</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	3,033,317	328,912	(245,927)	-	3,116,302
Restricted pension funds					
Restricted Pension Fund	<u>(871,000)</u>	<u>-</u>	<u>(127,000)</u>	<u>(18,000)</u>	<u>(1,016,000)</u>
Total restricted funds	2,214,921	3,525,370	(3,306,503)	(18,000)	2,415,788
Unrestricted funds					
Unrestricted general funds	<u>35,379</u>	<u>182,791</u>	<u>(211,550)</u>	<u>-</u>	<u>6,620</u>
Total funds	<u>2,250,300</u>	<u>3,708,161</u>	<u>(3,518,053)</u>	<u>(18,000)</u>	<u>2,422,408</u>

The specific purposes for which the funds are to be applied for 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 £1,469,000 as at 31 August 2021, which is in excess of the unrestricted funds. However, this deficit had been inherited upon conversion to Academy status and is underwritten by the 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 2021.

The Axholme Academy

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

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	3,113,469	3,113,469
Current assets	768,883	50,067	818,950
Current liabilities	(250,734)	(2,345)	(253,079)
Creditors over 1 year	-	(19,937)	(19,937)
Pension scheme liability	(1,469,000)	-	(1,469,000)
Total net assets	<u>(950,851)</u>	<u>3,141,254</u>	<u>2,190,403</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,861,944	2,861,944
Current assets	6,620	473,470	254,358	734,448
Current liabilities	-	(157,984)	-	(157,984)
Pension scheme liability	-	(1,016,000)	-	(1,016,000)
Total net assets	<u>6,620</u>	<u>(700,514)</u>	<u>3,116,302</u>	<u>2,422,408</u>

18 Long-term commitments, including operating leases

Operating leases

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

	2021 £	2020 £
Amounts due within one year	12,819	14,934
Amounts due between one and five years	<u>31,332</u>	<u>41,583</u>
	<u>44,151</u>	<u>56,517</u>

The Axholme Academy

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

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2020/21 £	2019/20 £
Net income	85,995	190,108
Depreciation	78,218	74,273
Capital grants from DfE and other capital income	(36,081)	(328,912)
Interest receivable	(10)	(156)
Defined benefit pension scheme obligation inherited	117,000	111,000
Decrease in debtors	121,735	291,814
Increase/(decrease) in creditors	92,750	(389,957)
Defined benefit pension scheme finance cost	18,000	16,000
Loss on disposal	2,696	-
Net cash provided by/(used in) Operating Activities	<u>480,303</u>	<u>(35,830)</u>

20 Cash flows from financing activities

	2020/21 £
Cash inflows from new borrowing	23,455
Repayments of borrowing	<u>(1,173)</u>
Net cash provided by financing activities	<u>22,282</u>

21 Cash flows from investing activities

	2020/21 £	2019/20 £
Dividends, interest and rents from investments	10	156
Purchase of tangible fixed assets	(332,439)	(2,895)
Capital funding received from sponsors and others	<u>36,081</u>	<u>328,912</u>
Net cash (used in)/provided by investing activities	<u>(296,348)</u>	<u>326,173</u>

22 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	<u>706,845</u>	<u>500,608</u>
Total cash and cash equivalents	<u>706,845</u>	<u>500,608</u>

The Axholme Academy

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

23 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	500,608	206,237	706,845
Loans falling due within one year	-	(2,345)	(2,345)
Loans falling due after more than one year	-	(19,937)	(19,937)
	<u>-</u>	<u>(22,282)</u>	<u>(22,282)</u>
Total	<u>500,608</u>	<u>183,955</u>	<u>684,563</u>

24 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.

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

There were contributions outstanding at 31 August 2021 totalling £53,581 (2020: £48,672).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Axholme Academy

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

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £365,051 (2020: £340,119).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £109,000 (2020 - £109,000), of which employer's contributions totalled £84,000 (2020 - £85,000) and employees' contributions totalled £25,000 (2020 - £24,000). The agreed contribution rates for future years are 18.3% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.80	3.10
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.90</u>	<u>2.20</u>

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

	2021	2020
Retiring today		
Males retiring today	21.00	20.90
Females retiring today	23.70	23.30
Retiring in 20 years		
Males retiring in 20 years	22.20	21.80
Females retiring in 20 years	<u>25.50</u>	<u>24.80</u>

The Axholme Academy

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

25 Pension and similar obligations (continued)

Sensitivity analysis

	2021 £	2020 £
Discount rate -0.1%	76,000.00	58,000.00
Mortality assumption – 1 year increase	115,000.00	87,000.00
CPI rate +0.1%	69,000.00	52,000.00
Salary rate +0.1%	<u>6,000.00</u>	<u>5,000.00</u>

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

	2021 £	2020 £
Equities	978,000	737,000
Gilts	255,000	179,000
Property	157,000	134,000
Cash and other liquid assets	<u>28,000</u>	<u>67,000</u>
Total market value of assets	<u>1,418,000</u>	<u>1,117,000</u>

The actual return on scheme assets was £206,000 (2020 - (£133,000)).

Amounts recognised in the statement of financial activities

	2020/21 £	2019/20 £
Current service cost	201,000	196,000
Interest income	(20,000)	(22,000)
Interest cost	<u>38,000</u>	<u>38,000</u>
Total amount recognised in the SOFA	<u>219,000</u>	<u>212,000</u>

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

	2020/21 £	2019/20 £
At start of period	2,133,000	2,028,000
Current service cost	201,000	196,000
Interest cost	38,000	38,000
Employee contributions	25,000	24,000
Actuarial (gain)/loss	504,000	(137,000)
Benefits paid	<u>(14,000)</u>	<u>(16,000)</u>
At 31 August	<u>2,887,000</u>	<u>2,133,000</u>

The Axholme Academy

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

25 Pension and similar obligations (continued)

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

	2020/21 £	2019/20 £
At start of period	1,117,000	1,157,000
Interest income	20,000	22,000
Actuarial gain/(loss)	186,000	(155,000)
Employer contributions	84,000	85,000
Employee contributions	25,000	24,000
Benefits paid	<u>(14,000)</u>	<u>(16,000)</u>
At 31 August	<u><u>1,418,000</u></u>	<u><u>1,117,000</u></u>

26 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.