

Registered number: 08173271

George Dixon Academy

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021



George Dixon Academy
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 16
Governance Statement	17 - 25
Statement on Regularity, Propriety and Compliance	26
Statement of Trustees' Responsibilities	27
Independent Auditors' Report on the Financial Statements	28 - 31
Independent Reporting Accountant's Report on Regularity	32 - 33
Statement of Financial Activities Incorporating Income and Expenditure Account	34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements	37 - 65

George Dixon Academy
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Sir R Dowling Mr B Kicks Mr M Proctor
Trustees	Sir R Dowling, Chair of Trustees ¹ Mr B Kicks, Vice Chair of Trustees ¹ Mrs S Akhtar Mrs G Bashir Ms J Burke-Hetherington, Staff Trustee (resigned 31 December 2020) Mr A Hamilton, Headmaster and Accounting Officer (resigned 30 September 2021) ¹ Dr E Insch (appointed 1 September 2020) Mr T Mann, Headteacher Pro Tem and Accounting Officer (appointed 1 October 2021) Mr M Proctor, Chair of Finance & Audit Committee ¹ Mr D Tunney, Staff Trustee (resigned 4 December 2020) ¹ Member of Finance and Audit Committee
Company registered number	08173271
Company name	George Dixon Academy
Principal and registered office	Portland Road Birmingham B16 9GD
Senior management team	Mr A Hamilton, Headmaster (until 30 September 2021) Mr T Mann, Deputy Headmaster (until 30 September 2021), Headteacher Pro Tem (from 1 October 2021) Mr D Horner, Acting Deputy Head (from 28 May 2021) Mr T Lowe, Acting Deputy Head (from 28 May 2021) Ms C Bernard, Assistant Head Mr M Else, Assistant Head (until 19 April 2021) Mrs K Hull, Assistant Head Miss K Jordan, Assistant Head Mr T Lewis, Finance Director
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Irwin Mitchell LLP 31 Temple Street Birmingham B2 5DB

George Dixon Academy
(A Company Limited by Guarantee)

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

Internal auditors	RSM Risk Assurance Services LLP St Phillips Point Temple Row Birmingham B2 5AF
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George Dixon Academy
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

George Dixon Academy is an average-sized secondary school with a smaller than average sixth form with a total of 1002 students on-roll. It is located in the Ladywood Ward of Birmingham, an area that experiences **significantly high levels of socio-economic disadvantage**. The proportion of students eligible for free school meals is almost **three times** the national average and the proportion of students with special educational needs and/or disabilities is slightly above average, with four students on an educational health and care plan (EHC). Students and staff come from an exceptionally diverse range of cultural backgrounds; a very large majority of students are from minority ethnic groups; **two thirds of students speak English as an additional language (66%)**. **Student mobility is also extremely high**.

The average points score (APS)/average standardised score (ASS) upon entry is significantly negative in all year groups. The very low attainment on entry is further compounded by:

- **The percentage eligible for free school meals in the past six years is in the top quintile.**
- **The percentage of pupils first language believed not to be English is in the top quintile.**

The safety and wellbeing of students are paramount in the everyday work of the academy, and **social cohesion** is at the heart of our endeavors'. A **full-time School-based social worker and full-time School Nurse** are employed to work in a multi-agency approach so that our vulnerable students are properly supported inside and outside the academy. The academy draws upon its remarkable diversity to create a community where students and adults show tolerance, consideration and respect for one another. There is a safe, calm and positive climate, in which students are given the self-belief and motivation to succeed.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of George Dixon Academy are also directors of the charitable company for the purposes of company law. The charitable company operates as George Dixon Academy. The Academy is constituted under a Memorandum of Association dated 8 August 2012. The date Incorporated under the Companies Act 2006 as a private company, that the company is limited by guarantee is 9 August 2012. George Dixon Academy converted to academy status with effect from 1 September 2012.

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

b. Members' liability

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

Structure, governance and management (continued)

c. Trustees' indemnities

Since 1st September 2012 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in note 13 to the financial statements the limit of this indemnity is £5,000,000 with a retroactive date of 1st September 2012.

d. Method of recruitment and appointment or election of Trustees

George Dixon Academy operates open and transparent recruitment processes ensuring that vacancies are filled as soon as possible. Attention is also given to any identified skills gaps during the recruitment process to ensure the board has a good balance of the necessary skills to ensure the board remains effective in the execution of its duties also taking into account the succession plan and strategy in place.

The process for appointing or electing the various types of Governor at George Dixon Academy are as follows.

The Articles of Association requires that the number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

1) Co-opted Governors – The Governors may appoint up to three Co-Opted Governors

A Co-opted Governor means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves who have not themselves been so appointed.

The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Headmaster) would thereby exceed one third of the total number of Governors.

2) Parent Governors – The Articles of Association of provide for up to two Parent Governors.

Parent Governors are elected by parents of registered students at the Academy. A Parent Governor must be a parent of a student at the Academy at the time he/she is elected. Parent Governor vacancies are filled by an election process.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

3) Appointment of Additional Governors

The Secretary of State may give a warning notice to the Governors where he is satisfied:-

- i. That the standards of performance of pupils at the Academy are unacceptably low, or
- ii. That there has been a serious breakdown in the way the Academy is managed or governed, or
- iii. That the safety of pupils or staff of the academy is threatened (whether by a breakdown of discipline or otherwise).

For this purpose a "warning notice" is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office Setting out-

- a) The matters referred;
- b) The action which he requires the Governors to take in order to remedy those matters; and
- c) The period within which that action is to be taken by the Governors ("the compliance period").

The Secretary of State may appoint such Additional Governors as he thinks fit if the Secretary of State has:

George Dixon Academy
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

- a) Given the Governors a warning notice in accordance with the Articles of Association; and
- b) The Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction with the compliance period.

The Secretary of State may also appoint such Additional Governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification if that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades.

The Secretary of State may also appoint such further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with the Articles of Association, any Trust Governors holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under the Articles of Association shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

e. Policies adopted for the induction and training of Trustees

There is a Recruitment, Induction and Training Policy in place which outline's the Academy's approach in this area.

All Governors and Members receive details of training offered by School and Governor Support. These details are circulated by email and where Governors do attend training, they are encouraged to give verbal feedback at the next Governing Body meeting. The Governing Body of the Academy remains committed to providing adequate opportunities for Governors as and when possible and strongly encourages Governors to undertake independent training considered necessary as part of their continuing professional development. The Academy receives additional support through its subscription to School & Governor Support, which is a traded service of Birmingham City Council.

The induction pack was updated and will be put to use during the next period as new Governors are appointed to the Governing Body. Induction documents include but are not limited to: background of the Academy, principles of good governance, roles and responsibilities of a director is provided by the Clerk and/or Chair, Governor's Code of Conduct and key documentation to be completed is also provided, including a letter of appointment outlining role descriptions and expectations to be agreed to. There is an opportunity for new Governors to tour the school (learning walk) and meet the members of the Senior Leadership Team. Policies related to recruitment and induction are included as part of an on-going review schedule to ensure they are updated and reviewed at appropriate intervals and remain in line with statutory and other regulatory guidance as well as being relevant to the changing needs of the Academy. A learning walk was conducted by the last Governors to be appointed. The process of induction and training also includes completion of DBS checks for all governors in line with the DfE Governance Handbook.

The Academy, from September 2021 has subscribed to National Online Safety provided by National Education Group Ltd that will further support Governor Training and Governor Induction.

Governors are issued with role descriptions as part of the induction process to ensure they are aware of what is required of them in their role. They also receive specific training on governance and are introduced to the code of conduct for governors.

The Academy Trust is a member of the National Governors' Association and complies with the relevant requirements to maintain its membership.

Structure, governance and management (continued)

f. Organisational structure

Before conversion to academy status on 1st September 2012, George Dixon Academy was a Foundation School, as defined in the Schools Standards and Framework Act 1998. The additional responsibilities of the Governing Body of the Academy Trust have been recognised and the structure amended accordingly.

The majority of the roles and responsibility have been delegated to a committee, as defined by the Governing Body's Terms of Reference. Responsibilities for which the full Governing Body has retained responsibility are defined in the Governing Body's Terms of Reference.

Members of the Leadership Team, in addition to the Headmaster, attend the Governing Body and Finance and Audit Committee meetings as appropriate. The Governors are responsible for the strategic management of the Academy; deciding and setting key aspects of the Academy, including strategic direction, annual budgets, senior staff appointments and policy changes. Strategic and operational leadership is the responsibility of the Headmaster and the Leadership Team.

Academy policies are developed by senior members of the Academy's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body or Committee and implemented with appropriate procedures by the Leadership Team and other designated staff.

The Governing Body and the Finance & Audit Committee met three times in the last year. This is currently under review to increase oversight with additional meetings in line with the Academy Trust Handbook 2021.

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

The Headmaster's pay is directly linked to Academy performance. The Academy Trust, will, in consultation with an independent educational consultant set performance targets which are measurable, time limited and meet the needs and the priorities for further improvement. Outcomes in examinations for both disadvantaged and non-disadvantaged students will always play a pivotal role in the determination of pay. A formal performance review will be conducted by the independent educational consultant who will present his findings to the Academy Trust. The Academy Trust will decide whether remuneration is warranted.

George Dixon Academy
(A Company Limited by Guarantee)

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year -
Full-time equivalent employee number -

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	6,468,290	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time - %
hours

Objectives and activities

a. Objects and aims

"A Posse ad Esse" - From Possibility to Reality.

George Dixon Academy is an 11-19 fully inclusive Academy which aims to achieve excellence for all, positively promoting all aspects of education. We are dedicated to ensuring that students enjoy their education; reach their full potential and go on to have successful and fulfilling lives. Trustees, Staff, Students and families share a common vision.

As a "good" school we aim to broaden our horizons and develop our practice so we can become outstanding. We strive for success by embracing opportunities and developing our students in readiness for further education and work.

Objectives and activities (continued)

b. Public benefit

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by George Dixon Academy is the maintenance and the development of high quality education. It is the Trustees' aim to deliver outstanding learning to all its students and it is a priority to ensure the public benefit for all inhabitants Edgbaston and surrounding area.

In doing this, the George Dixon Academy not only offers a broad based academic education but aims to educate the whole individual. A very-wide of extra-curricular activities and educational trips and visits are offered to students.

Strategic report

Achievements and performance

a. Review of activities

Students enter the Academy at age eleven and at other times of the year with prior attainment which is **significantly lower than the national average in all year groups**. The reading ages for the majority of children are far below their chronological ages. On average, they are 2 years behind their chronological reading age.

In 2015, 2016, 2017, 2018 and 2019, students made consistently good progress as evidenced by positive Progress8 scores as follows: **(+0.15 in 2015; +0.22 in 2016; +0.11 in 2017; +0.22 in 2018; and, +0.51 in 2019)**.

Although national data has not been produced for 2020 and 2021, notional progress figures for the CAG's awarded in 2020 and the TAG's awarded in 2021 have been applied using 2019 national progress data. While this data has not been validated, it **suggests a continued positive trajectory** as follows: 2020 CAG's +0.51 and 2021 TAG's +0.89.

Our Attainment8 score has improved from 38.77 in 2017 to 41.33 in 2018 to 43.7 in 2019. In 2020, our CAG calculated Attainment8 score was 41.8 which was adjusted to 43.2 following the abandonment of the national algorithm.

All things being equal, we would have expected to maintain our "well above average status" in the DfE "Compare School Performance Service" rankings, if examinations would have taken place in 2020 and 2021.

The information below demonstrates that GCSE progress has been sustained over a five-year period:

Strategic report (continued)

Achievements and performance (continued)

All Students	2015 Opt-in	2016	2017	2018	2019
Overall Progress8	+0.18	+0.22	+0.11	+0.22	+0.51
Maths	+0.12	+0.30	+0.20	+0.04	+0.55
English	-0.16	-0.23	+0.15	+0.00	+0.28
Ebacc	+0.91	+0.72	+0.43	+0.37	+0.97
Open	-0.29	-0.02	-0.29	+0.36	+0.19

The information below demonstrates the anticipated trajectory of GCSE progress during the Covid-19 pandemic period with associated CAG's (2020) and TAG's (2021). These are, however, unvalidated and should be viewed with appropriate caution:

All Students	2019	2020 (CAG)*	2021 (TAG)*
Overall Progress8	+0.51	+0.51	+0.89
Maths	+0.55	+0.44	+0.81
English	+0.28	+0.23	+0.68
Ebacc	+0.97	+0.64	+1.11
Open	+0.19	+0.61	+0.85

*2020 (CAG) and 2021 (TAG) progress figures are based on our academy attainment value of 41.8 using 2019 national progress data.

Disadvantaged students continue to achieve a top quintile ranking.

Disadvantaged students continue to make good progress at KS4. The Progress8 figure for this group in 2019 was +0.44, surpassing the positive trend set in previous years (+0.20 in 2016, +0.22 in 2017 and +0.21 in 2018). Our 2020 CAG's P8 score of +0.36 and 2021 TAG's P8 score of +0.72 replicates our established histology.

The information below demonstrates that GCSE progress for our disadvantaged pupils has been sustained over a five-year period:

Strategic report (continued)

Achievements and performance (continued)

Disadvantaged	2015 Opt-in	2016	2017	2018	2019
Overall Progress 8	+0.23	+0.20	+0.22	+0.21	+0.44
Maths	+0.16	+0.23	+0.25	+0.00	+0.54
English	-0.07	-0.22	+0.27	-0.10	+0.13
Ebacc	+0.96	+0.70	+0.57	+0.32	+0.88
Open	-0.26	-0.03	-0.19	+0.45	+0.15

The information below demonstrates the anticipated trajectory of GCSE progress for our disadvantaged pupils during the Covid-19 pandemic period with associated CAG's (2020) and TAG's (2021). These are, as per the aforementioned, unvalidated and should be viewed with appropriate caution:

Disadvantaged	2019	2020 (CAG)*	2021 (TAG)*
Overall Progress 8	+0.44	+0.36	+0.72
Maths	+0.54	+0.17	+0.48
English	+0.13	+0.19	+0.55
Ebacc	+0.88	+0.35	+1.02
Open	+0.15	+0.60	+0.70

*2020 (CAG) and 2021 (TAG) progress figures are based on our academy attainment value of 41.8 using 2019 national progress data.

Outcomes at GCE

The 2019 GCE results were the best that the academy has ever achieved at A-Level. The highly positive overall Value-Added score of +0.54 ensures that **George Dixon Academy Sixth Form remained in the top 10% nationally for progress** for a second consecutive year. Progress and attainment have significantly improved across almost all subjects.

George Dixon Academy finished at the top of the value-added performance table for all Birmingham Sixth Form Schools and Colleges in 2019.

Strategic report (continued)

Achievements and performance (continued)

Overall attainment has improved from a D grade in 2016 to a C+ in 2019.

Headline measures included in the table below represent the performance of different groups.

	2018	2019	Trend
Overall Value-added Score	+0.3	+0.54	↑
Disadvantaged Value-added Score	+0.3	+0.41	↑
C at KS4 Value-added Score	+0.7	+1.26	↑
B at KS4 Value-added Score	+0.1	+0.48	↑
A and above at KS4 Value-added Score	-0.3	+0.32	↑
Average Point Score	26.4	31.83	↑
Average Point Score represented as a grade	C-	C+	↑

As a result of the cancellation of exams in 2020 and 2021, leaders at the Academy took the necessary steps to ensure that Centre Assessed Grades (CAG's) in 2020 and Teacher Assessed Grades (TAG's) were accurately collected.

Using the information that was available to us, i.e. internal assessments, mock examinations and completed non-examination assessments, teachers provided the 'most likely' grade for the students. Formal standardisation and moderation procedures ensured high levels of accuracy.

Where concerns about overzealous grading arose, further scrutiny and moderation took place.

Once all leaders were confident that the grades were fair, accurate and beyond reproach, teachers met 'face-to-face' to rank order students who had been awarded the same grade. The evolutionary and collaborative work, in relation to CAG's and TAG's, by leaders throughout 2020 and 2021 ensured the Academy completed this process correctly.

Attainment

Attainment at A-Level has improved year-on-year since 2016. Between 2017 and 2019, there was a significant increase in attainment across almost all A-Level subjects with APS increasing from D+ in 2017 to C+ in 2019. Despite no validated examinations in 2020 and 2021, our expectations were high for the respective Year 13 cohorts.

Progress in the sixth form has also improved greatly. The table below illustrates the progress of students at the academy between 2017 to 2019:

Strategic report (continued)

Achievements and performance (continued)

Value Added Scores 2017 - 2019

	2017	2018	2019
A-Levels (VA)	0.00	+0.3	+0.54
Number of entries	47	104	107
Applied General (VA)	n/a	1.0	1.6
Number of entries	n/a	4	4

b. Key performance indicators

The Governors of the Academy Trust agreed the key financial performance indicators for 2021-2022

- To approve the achievement of balanced budget for the financial year, that can draw on unspent funds brought forward from previous years
- To receive, monitor and scrutinise a monthly financial flash result followed by a detailed monthly finance report, prepared on an accruals basis to understand and address variances between the budget forecast and actual income and expenditure. The monthly finance report includes cash reporting, cash flow and cash days reporting. The monthly finance report will continue to include additional KPI reporting.
- Monitor the utilisation of Designated Funds through Capital Expenditure. The Governors receive a Monthly Finance Report that included details of the capital expenditure approved and assigned against each designated fund.
- Achieving value for money through effective financial procedures. The Academy in addition to its own Financial Regulations Manual produces an Academy Staff Finance Handbook including Guidance Notes for Budget Holders as well as a separate Business Charge Card Policy & Procedures for Internet Ordering.
- The Academy will benchmark, including utilising the View my financial insights (VFMI) tool and seek to use procurement channels, including the Government Guidance for buying goods and services and finding DfE recommended suppliers.
- The Governors on a Monthly and Year to Date basis monitors individual Key Performance indicators against those budgeted.

Additional KPI's including, attendance, punctuality, student recruitment are also monitored and benchmarked.

Strategic report (continued)

Achievements and performance (continued)

c. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

a. Review

Most of the Academy's Income is obtained from the Department of Education via the Education and Skills Funding Agency in the form of its General Annual Grant (GAG) the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during this period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also benefits from Pupil Premium funding provided to the Academy which is in addition to its GAG Funding. This additional funding is used to support pupils from low-income families to raise educational attainment.

The Academy was successful in a Condition Improvement Funding Bids in the year to 31st August 2020 and again in the year to 31st August 2021, for the prevention of water ingress at the Academy. Works have commenced on this roofing project where the Academy has committed to making a contribution from its reserves as part of both the successful bids. Practical Completion on Phase 1 was achieved in July 2021.

On conversion on 1st September 2012, all of the fixed assets of the former Foundation school were transferred to the new Academy Trust and were shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG and other income and investment income.

The combined General Restricted Fund and Unrestricted Fund show an operating deficit (excluding the defined pension scheme liability), of £236,249.

b. Reserves policy

The Governors review the reserves levels of the Academy at least annually. The Governors have a Capital and Revenue Reserves Policy.

The Governors have reviewed again the level of funds designated after expenditure in 2021-2022 to address matters identified as Building Condition Risk and for use in upcoming projects and have determined a Capital Reserve of £1,370,972

The Purpose of the Capital Reserve is to address the Health and Safety Building Condition Risk and is therefore for works outside the scope of the completed construction works associated with Building Schools for the Future Funding. This reserve will continue to fund the lifecycle aspect of the Buildings the Assets and Equipment within it, including elements if the Academy is unlikely or unable to secure funding via The Condition Improvement Fund (CIF).

The Trust has determined the following designations of the Capital Reserve: for 2020/21

George Dixon Academy
(A Company Limited by Guarantee)

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

Roof Repairs £350,000. The purpose of this designation is to replace and repair the roof where the Academy in many areas suffers from water ingress. The Academy was successful in a bid for Condition Improvement Funding during the year ended 31st August 2020. This was for the phase 1 repair and replacement to roofs, with practical completion achieved in year ending 31st August 2021. The Academy's Contribution to Phase 1 of £150,000 has been already accounted for in the year ending 31st August 2021 and is the reason for a reduced designation of funds. The reserve now includes for a committed contribution of £150,000 in 2021/22 for the successful phase 2 Condition Improvement Funded roof project. This contribution is part of the terms and conditions of the Condition Improvement Funding with the Education and Skills Funding Agency. The Academy will submit a third Condition Improvement Funding Bid for Phase 3 of the roof with an associated contribution from this reserve at a future date.

The reserve includes for any additional works and further improvements identified while contractors are on site which will reduce the costs of prelim related items to the Academy for these works.

Plant and Other Premises Expenditure £650,000. This reserve is for Plant, Premises and other Assets that will require repair or replacement. This reserve is expended on a monthly basis with a wide range of life cycling and individual projects having been completed in the year to 31st August 2021

ICT Refreshment £220,972. The Academy with effect from 31st August 2019 early terminated the Building Schools for the Future, ICT Management Contract. ICT refreshments and upgrades are no longer be funded from a Building for the Future Local Choice Fund, the effect of which was that the Academy is having to fund these from its own resources.

Fire Compliance £150,000. The Academy has committed to a project to address outcomes from the latest Fire Risk Assessment. This project is concerned with Fire Doors and Fire Stopping.

The Governors have also determined that it will carry a Revenue Reserve at a prudent level of resource designed to meet the long-term cyclical needs of renewal of items and any other unforeseen contingencies.

c. Investment policy

The Academy has an Investment & Treasury Management Policy. The Academy's risk appetite is low and it will focus on security ahead of liquidity and yield.

Investments only in 32 Day Notice and High Interest Deposit Accounts with Lloyds Bank were made in the period to 31st August 2021. All funds held by the Academy as at 31st August 2021 were in interest bearing accounts with Lloyds Bank.

d. Principal risks and uncertainties

The Academy's Risk Management Strategy aims to ensure that the Academy complies with risk management and with the requirements of the Turnbull guidance.

The Academy uses a 3x3 matrix to assess impact and probability as high, medium or low. The Academy's risk threshold is represented by scores of 6 and above in the risk matrix. Above this threshold, the Academy will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

The Key Risks identified are:

COVID-19 Risks – The Academy has in place and published a comprehensive COVID-19 Risk Assessment that has been regularly reviewed and shared with the Local Authority. The Government guidance issued to Academies & schools continually evolved throughout the pandemic that the Academy has implement to mitigate the risk from COVID-19. The Headmaster throughout the year ended 31st August 2021 wrote to staff and

George Dixon Academy
(A Company Limited by Guarantee)

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

families informing them of on the changing situations.

Health and Safety Risk – Building Condition. The Academy despite being one of the last Building Schools for the Future Projects has areas outside the scope of works for example Roofing and Roof Guttering that present a Health & Safety risk. In mitigation the Academy has commenced and will continue a programme of work utilising its own reserves as well as to submit Condition Funding Bids (CIF) to the Educational Funding Agency.

The Academy continues to suffer water increase in many areas of the school and in mitigation successfully worked with an external organisation on a second condition improvement fund bid (CIF) for replacement and repair of the roofs.

The Academy's Fire Risk assessment has highlighted that capital expenditure is needed to meet fire compliance.

Operational Risk – Information Security Risk. The Academy continues to hold training sessions on the UK General Data Protection Regulation (UK GDPR) with new and existing staff. The Academy has deployed Microsoft Bit locker to all computers within the Academy to encrypt all USB connected devices. All staff laptops are encrypted. In addition, staff are advised to ensure UK GDPR compliance when working from home or remotely. In mitigation the academy continues to follow its policy and procedures on paper-based records. The Academy has engaged an external organisation to support its ongoing UK GDPR compliance journey

Finance Risk – Education and Skills Funding Agency (ESFA) Funding. The Academy is reliant on the funding it receives from the ESFA. This funding is pupil led. The Academy will continue to actively recruit in all areas of the Academy but especially through its transitional arrangements into Year 7 and Sixth Form to mitigate the risk of loss of funding. The Academy has modelled changes in the in the amount of Pupil Led Funding as a result of changes in funding rates and is aware of a change in the profile of pupils eligible for FSM at the Academy and the impact for 2021/22 and likely impacts on various funding streams in future. The Academy is reliant on the continuation of the Pupil Premium Grant and not being negatively impacted by funding formula. The Academy produces and submits a 3 year forecast to the ESFA.

Finance Risk – Staffing Related Costs. From April 2016 with the introduction of the new flat rate State pension, the State second pension ceased and the ability for employers to contract out of the State second pension and receive a national insurance rebate of 3.4% ended. This effective 3.4% increase in National Insurance (between the lower earnings limit and upper accrual point for National Insurance) continues apply to all staff who are members of one of these contracted out schemes. Teachers' Pension costs for the Academy increased from the 14.1% employer contribution rate to 16.48% with effect from September 2015 to 23.68% in September 2019. The triennial valuation of the West Midland Pension Fund scheme at 31 March 2016 resulted in a future service employer contribution rate of 16.7% from 1 April 2017 plus an increase past service lump sum advised, this has further increased staffing costs. A further triennial valuation of the West Midlands Pension Fund is took effect from 1 April 2020 and led to an increase in the employer contribution rate to 21% and an increase in the past service lump sum.

The Academy will face an unfunded 1.25% additional National Insurance change from April 2022. The known changes and funding have been modelled through the Academy's Budget & Forecasting Software, however It is uncertain the extent of funding that will be made for pay related factors within the 3 year forecasting time frame.

Regular monthly monitoring of staff cost related KPI's, together with more detailed analysis of staffing costs is undertaken with the Headmaster to mitigate these risks. The Academy Trust Board receive a detailed Monthly Finance Report that exceeds the requirements of the current Academies Trust Handbook 2021.

The principal risks to the Academy all have a financial impact. In addition to short notice to budgetary allocations and funding formulae from the Education and Skills Funding Agency (ESFA) may have on financial planning. There are the usual risks associated with potential fraud, damage to reputation and failure to maintain and improve academic standards but control measures have been put in place to mitigate these risks.

Under Financial Reporting Standard Number 102, it is necessary to change projected deficits on the Local Government Pension Scheme, which provided for support staff, to the restricted general fund. This results in

George Dixon Academy
(A Company Limited by Guarantee)

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

reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The Academy is currently paying an increased employer contribution rate to reduce this deficit.

Fundraising

The academy trust carries out a limited amount of fundraising and only for named charities, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The academy's fundraising in the year to 31st August 2021 has been reduced as a result of COVID-19. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints would be handled and monitored through the Trust's complaints procedure.

Plans for future periods

George Dixon Academy will continue to work to improve the achievements for all students both academically and in its role to prepare them to make a positive contribution to society.

We aim to become an "outstanding academy" without losing our identity and multinational inclusive intake. We will continue to build upon successes and serve our community well.

Since conversion to an Academy, the governors have demonstrated good financial management which has allowed them to invest and improve significantly the quality of the school. Future plans are being considered to further enhance the environment at the Academy.

Funds held as custodian on behalf of others

During the period ending 31st August 2021 George Dixon Academy did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2021 and signed on its behalf by:



Sir Robert Dowling
Chair of Trustees

George Dixon Academy
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that George Dixon 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 Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headmaster, 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 George Dixon Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Sir R Dowling, Chair of Trustees	3	3
Mr B Kicks, Vice Chair of Trustees	3	3
Mrs S Akhtar	0	3
Mrs G Bashir	0	3
Ms J Burke-Hetherington, Staff Trustee	0	1
Mr A Hamilton, Headmaster and Accounting Officer	3	3
Dr E Insch	3	3
Mr M Proctor, Chair of Finance & Audit Committee	3	3
Mr D Tunney, Staff Trustee	0	0

Governance reviews:

This year, the Academy has undertaken robust governance assessments in order to ensure that the governance systems and processes that are in place and are helping to promote the long-term success of the Academy, that strategic planning is being undertaken and that there is a plan in place to monitor the governance activity.

The Academy's appointed Internal Auditors, RSM Risk Assurance Services LLP have undertaken an audit of the Academy's Governance Framework 2020. In the year ended 31st August 2021 RSM carried out a "Key Operational Controls" audit. This audit covered both Governance and Finance. The academy is working to address the management action recommendations including its own internal self-evaluation.

The Academy subscribes to Birmingham's School and Governor Support Service ensuring that professional advice is always accessible.

Training opportunities are regularly circulated to Governors making certain that they are able to update their skills, understand the education sector and raise their awareness of statutory requirements.

The Academy, from September 2021 has subscribed to National Online Safety provided by National Education Group Ltd that will further support Governor Training and Governor Induction.

Governance Statement (continued)

Governance (continued)

During the year ending 31st August 2021 both the elected staff trustees resigned and both are no longer employed by the Academy. The Academy did not replace the staff trustees in line with the Academies Financial Handbook 2020 stated preference.

Having due regard to the Covid 19 pandemic the Academy recognises that it needs to engage with the parent trustees who have not attended a meeting in the last 12 months.

Governors and Members continue to receive adequate and appropriate data from the Headmaster and other Members of the Senior Leadership Team. Data is openly challenged in Governing Body and Committee meetings and further clarification requested when necessary.

Work continues on developing the risk management processes across the Academy. This process is being overseen by the Governing Body. The Academy Trust is a member of the National Governors' Association.

The Academy distributes by email a monthly Financial Flash Result, immediately on closure of the ledgers followed by a detailed Monthly Finance Report distributed to the full Governing Body. This is beyond the compliance requirements of the Academy Trust Handbook 2021. The Chair of the Trust is in regular contact with the Headmaster (Accounting Officer) on at least a weekly basis. The Chair attends the Academy on a regular basis, including to discuss major expenditure and also speaks to Senior Leaders and other staff during his visits.

The **Finance & Audit Committee** is a sub-committee of the main board of trustees. Its purpose is to assist in the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of academy's finance and resources, including proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the main board of trustees on a regular basis.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sir R Dowling	3	3
Mr B Kicks	3	3
Mr A Hamilton	3	3
Mr M Proctor	3	3

Review of value for money

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

The accounting officer considers how the Academy'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 has delivered improved value for money during the year by:

1. Improving Educational Outcomes

Students enter the Academy at age eleven and at other times of the year with prior attainment which is **significantly lower than the national average in all year groups**. The reading ages for the majority of children are far below their chronological ages. On average, they are 2 years behind their chronological reading age.

In 2015, 2016, 2017, 2018 and 2019, students made consistently good progress as evidenced by positive Progress8 scores as follows: (+0.15 in 2015; +0.22 in 2016; +0.11 in 2017; +0.22 in 2018; and, +0.51 in 2019).

Governance Statement (continued)

Review of value for money (continued)

Although national data has not been produced for 2020 and 2021, notional progress figures for the CAG's awarded in 2020 and the TAG's awarded in 2021 have been applied using 2019 national progress data. While this data has not been validated, it **suggests a continued positive trajectory** as follows: 2020 CAG's +0.51 and 2021 TAG's +0.89.

Our Attainment8 score has improved from 38.77 in 2017 to 41.33 in 2018 to 43.7 in 2019. In 2020, our CAG calculated Attainment8 score was 41.8 which was adjusted to 43.2 following the abandonment of the national algorithm.

All things being equal, we would have expected to maintain our "well above average status" in the DfE "Compare School Performance Service" rankings, if examinations would have taken place in 2020 and 2021.

The information below demonstrates that GCSE progress has been sustained over a five-year period:

All Students	2015 Opt-in	2016	2017	2018	2019
Overall Progress8	+0.18	+0.22	+0.11	+0.22	+0.51
Maths	+0.12	+0.30	+0.20	+0.04	+0.55
English	-0.16	-0.23	+0.15	+0.00	+0.28
Ebacc	+0.91	+0.72	+0.43	+0.37	+0.97
Open	-0.29	-0.02	-0.29	+0.36	+0.19

The information below demonstrates the anticipated trajectory of GCSE progress during the Covid-19 pandemic period with associated CAG's (2020) and TAG's (2021). These are, however, unvalidated and should be viewed with appropriate caution:

Review of value for money (continued)

All Students	2019	2020 (CAG)*	2021 (TAG)*
Overall Progress8	+0.51	+0.51	+0.89
Maths	+0.55	+0.44	+0.81
English	+0.28	+0.23	+0.68
Ebacc	+0.97	+0.64	+1.11
Open	+0.19	+0.61	+0.85

*2020 (CAG) and 2021 (TAG) progress figures are based on our academy attainment value of 41.8 using 2019 national progress data.

Disadvantaged students continue to achieve a top quintile ranking.

Disadvantaged students continue to make good progress at KS4. The Progress8 figure for this group in 2019 was +0.44, surpassing the positive trend set in previous years (+0.20 in 2016, +0.22 in 2017 and +0.21 in 2018). Our 2020 CAG's P8 score of +0.36 and 2021 TAG's P8 score of +0.72 replicates our established histology.

The information below demonstrates that GCSE progress for our disadvantaged pupils has been sustained over a five-year period:

Disadvantaged	2015 Opt-in	2016	2017	2018	2019
Overall Progress 8	+0.23	+0.20	+0.22	+0.21	+0.44
Maths	+0.16	+0.23	+0.25	+0.00	+0.54
English	-0.07	-0.22	+0.27	-0.10	+0.13
Ebacc	+0.96	+0.70	+0.57	+0.32	+0.88
Open	-0.26	-0.03	-0.19	+0.45	+0.15

The information below demonstrates the anticipated trajectory of GCSE progress for our disadvantaged pupils during the Covid-19 pandemic period with associated CAG's (2020) and TAG's (2021). These are, as per the aforementioned, unvalidated and should be viewed with appropriate caution:

Review of value for money (continued)

Disadvantaged	2019	2020 (CAG)*	2021 (TAG)*
Overall Progress 8	+0.44	+0.36	+0.72
Maths	+0.54	+0.17	+0.48
English	+0.13	+0.19	+0.55
Ebacc	+0.88	+0.35	+1.02
Open	+0.15	+0.60	+0.70

*2020 (CAG) and 2021 (TAG) progress figures are based on our academy attainment value of 41.3 using 2019 national progress data.

Outcomes at GCE

The 2019 GCE results were the best that the academy has ever achieved at A-Level. The highly positive overall Value-Added score of +0.54 ensures that **George Dixon Academy Sixth Form remained in the top 10% nationally for progress** for a second consecutive year. Progress and attainment have significantly improved across almost all subjects.

George Dixon Academy finished at the top of the value-added performance table for all Birmingham Sixth Form Schools and Colleges in 2019.

Overall attainment has improved from a D grade in 2016 to a C+ in 2019.

Headline measures included in the table below represent the performance of different groups.

	2018	2019	Trend
Overall Value-added Score	+0.3	+0.54	↑
Disadvantaged Value-added Score	+0.3	+0.41	↑
C at KS4 Value-added Score	+0.7	+1.26	↑
B at KS4 Value-added Score	+0.1	+0.48	↑
A and above at KS4 Value-added Score	-0.3	+0.32	↑
Average Point Score	26.4	31.83	↑
Average Point Score represented as a grade	C-	C+	↑

As a result of the cancellation of exams in 2020 and 2021, leaders at the Academy took the necessary steps to ensure that Centre Assessed Grades (CAG's) in 2020 and Teacher Assessed Grades (TAG's) were accurately collected.

Using the information that was available to us, i.e. internal assessments, mock examinations and completed

Governance Statement (continued)

Review of value for money (continued)

non-examination assessments, teachers provided the 'most likely' grade for the students. Formal standardisation and moderation procedures ensured high levels of accuracy.

Where concerns about overzealous grading arose, further scrutiny and moderation took place.

Once all leaders were confident that the grades were fair, accurate and beyond reproach, teachers met 'face-to-face' to rank order students who had been awarded the same grade. The evolutionary and collaborative work, in relation to CAG's and TAG's, by leaders throughout 2020 and 2021 ensured the Academy completed this process correctly.

Attainment

Attainment at A-Level has improved year-on-year since 2016. Between 2017 and 2019, there was a significant increase in attainment across almost all A-Level subjects with APS increasing from D+ in 2017 to C+ in 2019. Despite no validated examinations in 2020 and 2021, our expectations were high for the respective Year 13 cohorts.

Progress in the sixth form has also improved greatly. The table below illustrates the progress of students at the academy between 2017 to 2019:

Value Added Scores 2017 - 2019

	2017	2018	2019
A-Levels (VA)	0.00	+0.3	+0.54
Number of entries	47	104	107
Applied General (VA)	n/a	1.0	1.6
Number of entries	n/a	4	4

2. Financial Governance and Oversight

The Academy benefits from the provision of Internal Audit Services provided by RSM. The Scope of the Internal Audit for the Governance Framework audit included for 5 Days Fieldwork in 2020 and 5 days of Fieldwork on Key Operational Controls audit encompassing Governance and Finance in 2021. This work was agreed with the Finance & Audit Committee on a Risk Based and Core Assurance Programme.

The effectiveness of the system of Internal Controls is also informed by the work of the Academy's External Auditors, Dains LLP.

The Finance & Audit Committee and Governing Body receives monthly Finance Reports in line with the Academy's Financial Regulations.

The Academy operations are within approved Accounting Policies and Scheme of Delegation.

Governance Statement (continued)

Review of value for money (continued)

3. Demonstrating Good Value for Money and Efficient and Effective Use of Resources

The Academy continues to apply the four principles of Best Value: To Challenge, To Compare, To Consult and To Compete.

In doing this the Academy takes advantage of Framework Agreements and a number of Purchasing Consortia of which it is a member or customer. The Academy is aware of a range of support tools provided by the DfE, including Government Guidance for buying goods and services and finding DfE recommended suppliers to utilise. The Academy is aware of and participated in webinars organised by the DfE's School Commercial Team.

The Academy, in addition to its own Financial Regulations Manual produces an Academy Staff Finance Handbook including guidance notes for budget holders as well as a separate Business Charge Card Policy & Procedure for Internet Ordering. The Academy has in place a Procurement and Tendering Policy.

The Academy holds autumn briefing session with budget holders on the Academy Staff Finance Handbook, Business Charge Card & internet ordering procedures. A section on Anti-Fraud & Corruption is included in the briefing session.

The Academy's Financial Regulations and Scheme of Delegation details the authorisation limits for both procurement and for sale and disposal of assets.

A file is maintained of services and contracts. The Academy retains quotations for goods, works and services. Some examples of where quotations and tenders have been obtained that vary widely in value, and include:

- The Academy in the year upgraded its IT Network and via DfE Approved frameworks utilising the Crescent Purchasing consortium Quotation Tool.
- The Academy procured 400 Chromebooks in the year, having concluded a best value exercise in the previous academic year, again via Crescent Purchasing Consortium.
- From the outcomes of the most recent Fire Risk Assessment the academy engaged the same external professionals, that assisted with two successful condition improvement bids, to undertake a Fire Door and Fire Stopping Tender. These same professionals will project manage the works.
- The Academy utilised the Crown Commercial Service and Department for Education School Switch Site for its Gas and Electricity Supplies for a 12 month contract.
- The Academy with regard to the management of its estate commissioned Drainage Survey Quotations.

The Academy maintains a permanent and continuous register of all items of furniture, equipment, including IT vehicles and other assets.

Three year contracts have been entered to achieve reduced cost where it would benefit the trust.

4. Maximising Income generation

The academy continues to explore opportunities for income generation through its catering operation and the use of its property and facilities. These are not always restricted to cash income but also whether the Academy can gain a benefit for services, for example coaching expertise from sporting clubs for the benefit of our students. The Academy wishes to expand its community use programme and is keen that our students can access clubs that they would not perhaps otherwise be aware of or be able to access or have considered.

The Academy reduces the cost of its catering facilities through shared use by the adjacent local authority controlled primary school. Additionally, the Academy's Site Manager and caretaking team are shared by the adjacent local authority controlled primary school.

Governance Statement (continued)

Review of value for money (continued)

5. Summary

We will continue as a priority our relentless pursuit of students reaching their full potential. The Academy's will continue to self-evaluate with rigour and focus on how we best resource our development plan. The Academy will continue to work to improve the achievements for all students both academically and its role to prepare them to make a positive contribution to society. We aim to become an "outstanding academy" without losing our identity and multinational inclusive intake. We will continue to build upon successes and serve our community well.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 George Dixon Academy for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and Audit 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 Board of Trustees has decided to employ RSM Risk Assurance Services LLP as internal auditor.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The Auditor reports to the board of trustees on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

On an annual basis, the internal auditor reports to the board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During the year to 31st August 2021 the internal audit function (RSM) has delivered work on the Academy's Key Operational Controls. This audit has encompassed both Governance and Finance.

Governance Statement (continued)

The risk and control framework (continued)

- Follow up of the Governance Framework Audit – completed in the year to 31st August 2020
- Previous Audits undertaken by RSM have included Key Financial Controls, Framework for Compliance with Legal Requirements- Fraud, Whistleblowing, Bribery; Student Funding Records; Governance: Core Processes; Human Resources: Recruitment, Selection and Appraisals; Framework for Compliance with Legal Requirements: Data Protection and Records Retention.

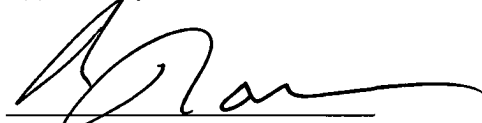
Review of effectiveness

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

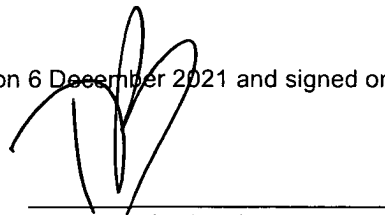
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process or the school management self -assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance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

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

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



Sir Robert Dowling
Chair of Trustees



Mr Tutvinder Mann
Headmaster and Accounting Officer

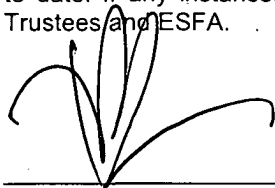
George Dixon Academy
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of George Dixon Academy I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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



Mr T Mann
Headmaster and Accounting Officer
Date: 6 December 2021

George Dixon Academy
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2021

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

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

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

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

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

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

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



Sir Robert Dowling
Chair of Trustees

Independent Auditors' Report on the financial statements to the Members of George Dixon Academy

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

George Dixon Academy
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of George Dixon Academy
(continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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.

Independent Auditors' Report on the financial statements to the Members of George Dixon Academy
(continued)

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

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

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in [Note 3] were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

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

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

George Dixon Academy
(A Company Limited by Guarantee)

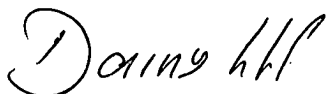
Independent Auditors' Report on the financial statements to the Members of George Dixon Academy
(continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

6 December 2021

George Dixon Academy
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to George Dixon Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 October 2018 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 George Dixon Academy during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of George Dixon Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of George Dixon Academy's funding agreement with the Secretary of State for Education dated 1 September 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the 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's income and expenditure.

George Dixon Academy
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

Date: 6 December 2021

George Dixon Academy
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	58,129	10,902	708,500	777,531	649,423
Other trading activities		8,400	-	-	8,400	8,400
Investments	7	2,035	-	-	2,035	12,061
Charitable activities:						
Funding for the academy trust's educational operations		-	7,483,890	-	7,483,890	7,156,646
Total income		68,564	7,494,792	708,500	8,271,856	7,826,530
Expenditure on:						
Charitable activities:						
Academy trust educational operations		54,125	7,677,243	487,965	8,219,333	7,788,010
Total expenditure		86,309	7,645,059	487,965	8,219,333	7,788,010
Net income/(expenditure) before transfers		(17,745)	(150,267)	220,535	52,523	38,520
Transfers between funds	17	(112,524)	(275,713)	388,237	-	-
Net movement in funds before other recognised gains/(losses)		(130,269)	(425,980)	608,772	52,523	38,520
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(477,000)	-	(477,000)	(952,000)
Net movement in funds		(130,269)	(902,980)	608,772	(424,477)	(913,480)
Reconciliation of funds:						
Total funds brought forward		2,104,479	(3,649,769)	18,207,056	16,661,766	17,575,246
Net movement in funds		(130,269)	(902,980)	608,772	(424,477)	(913,480)
Total funds carried forward		1,974,210	(4,552,749)	18,815,828	16,237,289	16,661,766

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

The notes on pages 37 to 65 form part of these financial statements.

George Dixon Academy
(A Company Limited by Guarantee)
Registered number: 08173271

Balance Sheet
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	18,261,999	17,671,942
Current assets			
Debtors	15	961,727	740,263
Cash at bank and in hand		2,386,557	2,840,176
		<u>3,348,284</u>	<u>3,580,439</u>
Creditors: amounts falling due within one year	16	(806,994)	(821,615)
Net current assets		<u>2,541,290</u>	<u>2,758,824</u>
Total assets less current liabilities		<u>20,803,289</u>	<u>20,430,766</u>
Defined benefit pension scheme liability	25	(4,566,000)	(3,769,000)
Total net assets		<u><u>16,237,289</u></u>	<u><u>16,661,766</u></u>
Funds of the Academy			
Restricted funds:			
Restricted fixed asset funds	17	18,815,828	18,207,056
Restricted income funds	17	13,251	119,231
		<u>18,829,079</u>	<u>18,326,287</u>
Restricted funds excluding pension liability	17	18,829,079	18,326,287
Pension reserve	17	(4,566,000)	(3,769,000)
Total restricted funds	17	<u>14,263,079</u>	<u>14,557,287</u>
Unrestricted income funds	17	<u>1,974,210</u>	<u>2,104,479</u>
Total funds		<u><u>16,237,289</u></u>	<u><u>16,661,766</u></u>

The financial statements on pages 34 to 65 were approved by the Trustees, and authorised for issue on 06 December 2021 and are signed on their behalf, by:



Sir R Dowling
Chair of Trustees

The notes on pages 37 to 65 form part of these financial statements.

George Dixon Academy
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	19	(121,396)	(168,942)
Cash flows from investing activities	20	(332,223)	344,990
Change in cash and cash equivalents in the year		(453,619)	176,048
Cash and cash equivalents at the beginning of the year		2,840,176	2,664,128
Cash and cash equivalents at the end of the year	21, 22	<u>2,386,557</u>	<u>2,840,176</u>

The notes on pages 37 to 65 form part of these financial statements

1. General information

George Dixon Academy is a company limited by guarantee incorporated in England and Wales. The registered number is 08173271 and its registered office is Portland Road, Birmingham, B16 9GD. The principal activity of the academy is given in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

2.2 Going concern

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

2.3 Income

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

• **Grants**

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

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

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

2. Accounting policies (continued)

2.3 Income (continued)

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2. Accounting policies (continued)

2.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight-line basis
Furniture and equipment	- 20% straight-line basis
Plant and machinery	- 20% straight-line basis
Computer equipment	- 33.3% straight-line basis
Motor vehicles	- 25% straight-line basis

Freehold land is not depreciated.

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.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

2.9 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 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.

2. Accounting policies (continued)

2.10 Provisions

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

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

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

2.12 Operating leases

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

2.13 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.14 Pensions

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

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

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

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

2.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

3. 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 or 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 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

George Dixon Academy
(A Company Limited by Guarantee)

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

4. Donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	2,389	8,000	127,958	138,347
Capital Grants	-	-	580,542	580,542
Other incoming resources	55,740	2,902	-	58,642
Insurance income	-	-	-	-
	<u>58,129</u>	<u>10,902</u>	<u>708,500</u>	<u>777,531</u>

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	3,577	-	3,577
Capital Grants	-	568,766	568,766
Other incoming resources	73,184	-	73,184
Insurance income	3,896	-	3,896
	<u>80,657</u>	<u>568,766</u>	<u>649,423</u>

George Dixon Academy
(A Company Limited by Guarantee)

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

5. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	6,418,095	6,418,095
Other DfE/ESFA grants		
Pupil Premium	550,042	550,042
Teachers' Pension grant	213,874	213,874
Teachers' Pay grant	66,995	66,995
Others	108,534	108,534
	<hr/> 7,357,540	<hr/> 7,357,540
Other Government grants		
Other Local Authority income	6,032	6,032
	<hr/> 6,032	<hr/> 6,032
Other income from the Academy's educational operations	13,908	13,908
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	71,800	71,800
Other DfE/ESFA COVID-19 funding	34,610	34,610
	<hr/> 106,410	<hr/> 106,410
	<hr/> 7,483,890	<hr/> 7,483,890

The Academy Trust received and spent £71.8k of funding in respect of COVID-19 Catch-up Premium funding.

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

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	6,266,527	6,266,527
Other DfE/ESFA grants		
Pupil Premium	528,877	528,877
Teachers' Pension grant	209,077	209,077
Teachers' Pay grant	65,298	65,298
Others	51,671	51,671
	<u>7,121,450</u>	<u>7,121,450</u>
Other Government grants		
Other Local Authority income	15,050	15,050
	<u>15,050</u>	<u>15,050</u>
Other income from the Academy's educational operations	<u>20,146</u>	<u>20,146</u>
	<u><u>7,156,646</u></u>	<u><u>7,156,646</u></u>

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

6. Other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings income	<u>8,400</u>	<u>8,400</u>
	<u><u>8,400</u></u>	<u><u>8,400</u></u>

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	<u>8,400</u>	<u>8,400</u>
	<u><u>8,400</u></u>	<u><u>8,400</u></u>

George Dixon Academy
(A Company Limited by Guarantee)

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

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	2,035	2,035

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Bank interest received	11,875	186	12,061

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational operations:				
Direct costs	5,402,570	367,971	465,006	6,235,547
Support costs	1,181,491	330,937	471,358	1,983,786
	<u>6,584,061</u>	<u>698,908</u>	<u>936,364</u>	<u>8,219,333</u>

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational operations:				
Direct costs	5,103,096	345,273	456,623	5,904,992
Support costs	1,125,984	348,833	408,200	1,883,017
	<u>6,229,080</u>	<u>694,106</u>	<u>864,823</u>	<u>7,788,009</u>

George Dixon Academy
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	6,235,547	1,983,786	8,219,333

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	5,904,992	1,883,017	7,788,009

George Dixon Academy
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	5,402,570	5,103,096
Depreciation	487,965	421,712
Educational supplies	73,814	62,895
Examination fees	61,920	72,376
Staff development and other staff costs	12,932	17,362
Technology costs	103,636	135,297
Consultancy	11,886	25,461
Other costs	24,918	21,543
Recruitment and other staff expenses	55,906	45,250
	<u>6,235,547</u>	<u>5,904,992</u>

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
LGPS finance costs	58,000	46,000
Staff costs	1,181,491	1,125,983
Catering	152,195	176,957
Travel, subsistence and expenses	2,359	2,210
Other costs	197,475	122,851
Maintenance of premises and special facilities	75,677	86,001
Cleaning and caretaking	18,425	17,068
Rates	18,716	19,551
Security	-	377
Energy	153,798	146,006
Legal and professional	55,386	56,135
Transport	5,942	4,048
Other premises costs	64,322	79,830
	<u>1,983,786</u>	<u>1,883,017</u>

George Dixon Academy
(A Company Limited by Guarantee)

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

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021	2020
	£	£
Operating lease rentals	6,869	6,220
Depreciation of tangible fixed assets	487,964	421,712
Fees paid to auditors for:		
- audit	7,325	7,325
- other services	725	725
	<u>725</u>	<u>725</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	4,680,189	4,357,895
Social security costs	487,995	458,768
Pension costs	1,300,106	1,177,845
	<u>6,468,290</u>	<u>5,994,508</u>
Agency staff costs	115,771	234,572
	<u>6,584,061</u>	<u>6,229,080</u>

b. Staff numbers

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

	2021	2020
	No.	No.
Teaching staff	82	81
Support staff	38	38
Administrative staff	11	11
	<u>131</u>	<u>130</u>

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

11. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teaching staff	80	79
Support staff	23	23
Administrative staff	10	10
	<u>113</u>	<u>112</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £210,180 (2020 - £256,280).

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

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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. The value of Trustees' remuneration and other benefits was as follows:

		2021 £000	2020 £000
Mr A Hamilton, Headmaster and Accounting Officer	Remuneration	135 - 140	125 - 130
	Pension contributions paid	30 - 35	30 - 35
Mrs J Burke-Hetherington, Staff Trustee	Remuneration	10 - 15	30 - 35
	Pension contributions paid	0 - 5	5 - 10
Mr D Tunney, Staff Trustee	Remuneration	5 - 10	25 - 30
	Pension contributions paid	0 - 5	5 - 10

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £152 (2020 - £152). The cost of this insurance is included in the total insurance cost.

George Dixon Academy
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2020	20,179,941	542,297	75,164	753,816	28,500	21,579,718
Additions	693,860	20,186	44,981	318,995	-	1,078,022
Disposals	-	-	-	(95,107)	-	(95,107)
At 31 August 2021	<u>20,873,801</u>	<u>562,483</u>	<u>120,145</u>	<u>977,704</u>	<u>28,500</u>	<u>22,562,633</u>
Depreciation						
At 1 September 2020	2,663,780	530,573	23,715	683,770	5,938	3,907,776
Charge for the year	349,056	4,494	18,915	108,375	7,125	487,965
On disposals	-	-	-	(95,107)	-	(95,107)
At 31 August 2021	<u>3,012,836</u>	<u>535,067</u>	<u>42,630</u>	<u>697,038</u>	<u>13,063</u>	<u>4,300,634</u>
Net book value						
At 31 August 2021	<u>17,860,965</u>	<u>27,416</u>	<u>77,515</u>	<u>280,666</u>	<u>15,437</u>	<u>18,261,999</u>
At 31 August 2020	<u>17,516,161</u>	<u>11,724</u>	<u>51,449</u>	<u>70,046</u>	<u>22,562</u>	<u>17,671,942</u>

Included in land and buildings is freehold land at cost of £2,829,050 (2020 - £2,829,050) which is not depreciated.

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	15,742	12,500
VAT repayable	48,225	63,533
Prepayments and accrued income	897,760	664,230
	<u>961,727</u>	<u>740,263</u>

George Dixon Academy
(A Company Limited by Guarantee)

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

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	554,471	607,846
Accruals and deferred income	252,523	213,769
	806,994	821,615
	2021	2020
	£	£
Deferred income at 1 September 2020	23,581	23,983
Resources deferred during the year	11,332	23,581
Amounts released from previous periods	(23,581)	(23,983)
	11,332	23,581

At the balance sheet date the academy was holding funds of £11,332 received in advance for rates relief funding and lettings.

George Dixon Academy
(A Company Limited by Guarantee)

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Roof repairs	500,000	-	-	(150,000)	-	350,000
Plant and other expenditure relating to premises	699,287	-	-	(49,287)	-	650,000
ICT refreshment	440,426	-	-	(219,454)	-	220,972
Fire compliance	-	-	-	150,000	-	150,000
	<u>1,639,713</u>	<u>-</u>	<u>-</u>	<u>(268,741)</u>	<u>-</u>	<u>1,370,972</u>
General funds						
Unrestricted funds	<u>464,766</u>	<u>68,564</u>	<u>(86,309)</u>	<u>156,217</u>	<u>-</u>	<u>603,238</u>
Total Unrestricted funds	<u>2,104,479</u>	<u>68,564</u>	<u>(86,309)</u>	<u>(112,524)</u>	<u>-</u>	<u>1,974,210</u>
Restricted general funds						
General Annual Grant (GAG)	83,187	6,418,095	(6,225,569)	(275,713)	-	-
Pupil Premium	-	550,042	(550,042)	-	-	-
Teachers' Pension grant	-	213,874	(213,874)	-	-	-
Teachers' Pay grant	-	66,995	(66,995)	-	-	-
Other DfE/ESFA grants	-	108,534	(108,534)	-	-	-
Other Local Authority income	-	6,032	(6,032)	-	-	-
George Dixon scholarship	36,044	13,908	(36,701)	-	-	13,251
COVID-19 catch-up premium	-	71,800	(71,800)	-	-	-
Other DfE/ESFA COVID-19 funding	-	34,610	(34,610)	-	-	-

George Dixon Academy
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Other funding	-	10,902	(10,902)	-	-	-
Pension reserve	(3,769,000)	-	(320,000)	-	(477,000)	(4,566,000)
	<u>(3,649,769)</u>	<u>7,494,792</u>	<u>(7,645,059)</u>	<u>(275,713)</u>	<u>(477,000)</u>	<u>(4,552,749)</u>
Restricted fixed asset funds						
Transfer on conversion	16,620,728	-	(320,737)	-	-	16,299,991
DfE / ESFA capital grants	1,586,328	580,542	(152,298)	388,237	-	2,402,809
Gifted assets	-	127,958	(14,930)	-	-	113,028
	<u>18,207,056</u>	<u>708,500</u>	<u>(487,965)</u>	<u>388,237</u>	<u>-</u>	<u>18,815,828</u>
Total Restricted funds	<u>14,557,287</u>	<u>8,203,292</u>	<u>(8,133,024)</u>	<u>112,524</u>	<u>(477,000)</u>	<u>14,263,079</u>
Total funds	<u>16,661,766</u>	<u>8,271,856</u>	<u>(8,219,333)</u>	<u>-</u>	<u>(477,000)</u>	<u>16,237,289</u>

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

Roof repairs

To repair the roof where the Academy suffers from water ingress in many areas. This was not in the scope of the final Building Schools for the Future (BSF) cost plan. The fund is based on a 10+ year building programme. This fund includes the Academy Trust's contribution to Condition Improvement Funded (CIF) Phase 2 Roof Project and the contribution to the Phase 3 Bid.

Plant and other expenditure relating to premises

This reserve is for Plant, Premises and other Assets that will require repair or replacement.

ICT refreshment

The Academy with effect from 31st August 2019 early terminated the Building Schools for the Future, ICT Management Contract. ICT refreshments and upgrades will no longer be funded from a Building for the Future Local Choice Fund, the effect of which was that the Academy is having to fund these from its own resources.

Fire compliance

This reserve is for fire compliance works that are required following the fire risk assessment.

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development.

17. Statement of funds (continued)

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Roof repairs	500,000	-	-	-	-	500,000
Plant and other expenditure relating to premises	585,000	-	-	114,287	-	699,287
ICT refreshment	371,847	-	-	68,579	-	440,426
Minibus replacement	35,000	-	-	(35,000)	-	-
Gable end	100,000	-	-	(100,000)	-	-
	<u>1,591,847</u>	<u>-</u>	<u>-</u>	<u>47,866</u>	<u>-</u>	<u>1,639,713</u>
General funds						
Unrestricted funds	<u>488,867</u>	<u>100,932</u>	<u>(77,167)</u>	<u>(47,866)</u>	<u>-</u>	<u>464,766</u>
Total Unrestricted funds	<u>2,080,714</u>	<u>100,932</u>	<u>(77,167)</u>	<u>-</u>	<u>-</u>	<u>2,104,479</u>
Restricted general funds						
General Annual Grant (GAG)	93,505	6,266,527	(6,074,660)	(202,185)	-	83,187
Pupil Premium	-	491,620	(491,620)	-	-	-
Other DfE/ESFA grants	-	363,303	(363,303)	-	-	-

George Dixon Academy
(A Company Limited by Guarantee)

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

17. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Teachers' Pension grant	-	15,050	(15,050)	-	-	-
Teachers' Pay grant	61,208	853	(26,017)	-	-	36,044
Other DfE/ESFA grants	-	19,480	(19,480)	-	-	-
Pension reserve	(2,518,000)	-	(299,000)	-	(952,000)	(3,769,000)
	<u>(2,363,287)</u>	<u>7,156,833</u>	<u>(7,289,130)</u>	<u>(202,185)</u>	<u>(952,000)</u>	<u>(3,649,769)</u>
Restricted fixed asset funds						
Transfer on conversion	16,941,465	-	(320,737)	-	-	16,620,728
DfE / ESFA capital grants	916,353	568,766	(100,976)	202,185	-	1,586,328
	<u>17,857,818</u>	<u>568,766</u>	<u>(421,713)</u>	<u>202,185</u>	<u>-</u>	<u>18,207,056</u>
Total Restricted funds	<u>15,494,531</u>	<u>7,725,599</u>	<u>(7,710,843)</u>	<u>-</u>	<u>(952,000)</u>	<u>14,557,287</u>
Total funds	<u><u>17,575,245</u></u>	<u><u>7,826,531</u></u>	<u><u>(7,788,010)</u></u>	<u><u>-</u></u>	<u><u>(952,000)</u></u>	<u><u>16,661,766</u></u>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	18,261,999	18,261,999
Current assets	1,974,210	784,981	589,093	3,348,284
Creditors due within one year	-	(771,730)	(35,264)	(806,994)
Provisions for liabilities and charges	-	(4,566,000)	-	(4,566,000)
Total	1,974,210	(4,552,749)	18,815,828	16,237,289

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	17,671,942	17,671,942
Current assets	2,104,479	929,085	546,875	3,580,439
Creditors due within one year	-	(809,854)	(11,761)	(821,615)
Provisions for liabilities and charges	-	(3,769,000)	-	(3,769,000)
Total	2,104,479	(3,649,769)	18,207,056	16,661,766

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

19. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	52,523	38,520
Adjustments for:		
Depreciation charges	487,965	421,712
Bank interest received	(2,035)	(12,061)
Defined benefit pension scheme cost less contributions payable	262,000	253,000
Defined benefit pension scheme finance cost	58,000	46,000
Decrease/(increase) in debtors	(221,464)	(329,170)
(Decrease)/increase in creditors	(49,885)	(18,177)
Capital grants from DfE and other capital income	(708,500)	(568,766)
Net cash used in operating activities	(121,396)	(168,942)

20. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	2,035	12,061
Purchase of tangible fixed assets	(934,800)	(235,837)
Capital grants from DfE Group	580,542	568,766
Capital funding received from sponsors and others	20,000	-
Net cash (used in)/provided by investing activities	(332,223)	344,990

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,386,557	2,840,176
Total cash and cash equivalents	2,386,557	2,840,176

George Dixon Academy
(A Company Limited by Guarantee)

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

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,840,176	(453,619)	2,386,557
	<u>2,840,176</u>	<u>(453,619)</u>	<u>2,386,557</u>

23. Members' liability

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

24. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>168,238</u>	<u>176,479</u>

25. Pension commitments

The Academy'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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Teachers' Pension Budgeting and Valuation Account

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

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

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

The employer's pension costs paid to TPS in the year amounted to £747,000 (2020 - £698,000).

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

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

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £359,000 (2020 - £267,000), of which employer's contributions totalled £289,000 (2020 - £208,000) and employees' contributions totalled £ 70,000 (2020 - £59,000). The agreed contribution rates for future years are 16.7% per cent for employers and 5.5% to 12.5% per cent for employees.

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

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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

	2021	2020
	Years	Years
Retiring today		
Males	21.6	21.9
Females	24.0	24.1
Retiring in 20 years		
Males	23.4	23.8
Females	25.8	26.0

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

25. Pension commitments (continued)

Sensitivity analysis - present value of total obligation

	2021 £000	2020 £000
Discount rate +0.1%	(220)	(176)
Discount rate -0.1%	226	181
Mortality assumption - 1 year increase	372	275
Mortality assumption - 1 year decrease	(355)	(254)
CPI rate +0.1%	197	158
CPI rate -0.1%	(192)	(153)

Share of scheme assets

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

	2021 £	2020 £
Equities	2,323,000	1,651,000
Gilts	315,000	319,000
Other bonds	233,000	114,000
Property	268,000	222,000
Cash and other liquid assets	140,000	195,000
Other	534,000	439,000
Total market value of assets	3,813,000	2,940,000

The actual return on scheme assets was £547,000 (2020 - £251,000).

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

	2021 £	2020 £
Current service cost	(551,000)	(364,000)
Past service cost	-	(95,000)
Interest income	50,000	50,000
Interest cost	(108,000)	(96,000)
Administrative expenses	-	2,000
Total amount recognised in the Statement of Financial Activities	(609,000)	(503,000)

George Dixon Academy
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	6,709,000	5,022,000
Current service cost	551,000	364,000
Interest cost	108,000	96,000
Employee contributions	70,000	59,000
Actuarial losses	974,000	1,098,000
Benefits paid	(33,000)	(25,000)
Past service costs	-	95,000
At 31 August	8,379,000	6,709,000

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

	2021 £	2020 £
At 1 September	2,940,000	2,504,000
Interest income	50,000	50,000
Actuarial gains	497,000	146,000
Employer contributions	289,000	208,000
Employee contributions	70,000	59,000
Benefits paid	(33,000)	(25,000)
Administrative expenses	-	(2,000)
At 31 August	3,813,000	2,940,000

26. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	11,683	5,054
Later than 1 year and not later than 5 years	8,406	11,228
	20,089	16,282

27. Related party transactions

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