
CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

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CAISTOR YARBOROUGH ACADEMY LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Rushby Z Hyams S Johnson (appointed 10 May 2022) T Wray (resigned 29 September 2022) I Dawson (appointed 9 December 2022)
Trustees	S Cairns S Claybourn (appointed 5 July 2022) A Cook (appointed 18 October 2021, resigned 30 November 2022) B Francis (appointed 5 July 2022, resigned 30 November 2022) C Hanson-Church (appointed 5 July 2022, resigned 30 November 2022) Z L Humberstone (appointed 5 July 2022) S Johnson (resigned 10 May 2022) P Kennedy M Midgley, Head Teacher and Accounting Officer L Mackenzie (appointed 24 June 2022) K Milner S Penney (resigned 7 July 2022) H Redmond (resigned 22 June 2022) M Rushby, Chair of Trustees R Spencer (resigned 7 July 2022) T Wray (resigned 8 December 2021) V Piper (appointed 5 July 2022, resigned 16 September 2022) S Shields (appointed 5 July 2022, resigned 16 September 2022)
Company Registered Number	07680513
Company Name	Caistor Yarborough Academy Limited
Principal and Registered Office	Grimsby Road Caistor Market Rasen Lincolnshire LN7 6QZ
Senior Management Team	Mr M Midgley, Headteacher Mrs J Biglands, Deputy Headteacher Mr S Chadwick, Assistant Headteacher Mrs R Edlin, Behaviour and Pastoral Leader Ms C Poprawski, Chief Financial Officer Mrs A Spalding, Head of English and SENCO
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Lloyds Bank plc 202 High Street Lincoln LN5 7AP
Solicitors	Wilkin Chapman LLP Cartergate House 26 Chantry Lane Grimsby DN31 2LJ

CAISTOR YARBOROUGH ACADEMY LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' annual report, incorporating the strategic report, and a directors' report under company law.

The trust operated an academy for pupils aged 11 to 16 serving a catchment in Lincolnshire. It has a pupil capacity of 580 and had a roll of 408 in the school census on 1st October, 2021.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07680513.

The Trustees act as the trustees for the charitable activities of Caistor Yarborough Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Caistor Yarborough Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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 cease to be a member..

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to 13 Trustees. The Headteacher shall be treated as being an ex officio Trustee. A minimum of 2 Parent Trustees may be appointed. Elections for Parent Trustees allow one ballot paper for each parent to complete irrespective of the number of children they have attending the school. The Trustees may appoint up to 3 co-opted Trustees.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction for Trustees is personalised and dependent on their existing experience. The Academy has a service level agreement with the local authority for training for Trustees.

All Trustees involved in the appointment of staff attend training on safer recruitment and the Trustees responsible for the performance management of the Headteacher attend specific training on this before they take up this duty.

Organisational Structure

The Academy Trust now consists of 3 members and a Board of Trustees who lead on the strategic direction of the school and then there is a senior leadership team who manages the day-to-day running of the school and reports to the Board of Trustees.

The Trustees are responsible for setting the general policy, adopting the annual school improvement plan and budget, monitoring the Academy by use of the budgets and making decisions about the strategic direction of the

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Academy and teaching staff appointments.

The senior leadership group consists of the Headteacher, a Deputy Headteacher and three Assistant Headteachers and a Business Manager. This group lead the Academy at an executive level implementing policies laid down by the Trustees and reporting back to them. As a group they are responsible for the monitoring of the spending within agreed budgets, designing and implementing the school improvement plan, ensuring that all pupils enjoy and achieve their personal best.

Resources and Audit Committee (included Personnel and H&S) have delegated powers to:
Exercise the powers and duties of the Board of Trustees in respect of the financial administration of the Academy, except for those items delegated to the Headteacher and other staff. Keep under view the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most efficient and effective manner.

To consider issues relating to health and safety including regular monitoring of risk assessments for school visits and to review health and safety manuals and undertake regular inspections of the school premises.

Complaints committee have delegated powers to:
Hear any complaints with the exception of curriculum issues in line with the school's complaints procedure.

Quality of education and Behaviour committee have delegated powers to:
Set targets and monitor performance against these, to consider all curriculum issues and review teaching, learning and curriculum policies. To deal with pay-grading, redeployment and redundancy, disciplinary issues, and consider all personnel issues.

Appeals committee have delegated powers to:
Deal with any appeal on a range of issues

Performance Management committee have delegated powers to:
Deal with the Headteachers Performance Management

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The pay and remuneration of key management personnel is set according to the Teachers' pay and conditions document which is reviewed annually. The academy's appraisal policy is used to determine any pay increase within the parameters set for members of the senior leadership team.

Trade Union Facility Time

There was no trade union facility time.

Risk Management

The Academy has a system of internal control including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Each year members of the audit committee undertake a comprehensive review of risks to which the Academy may be exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented.

A risk register is maintained by the Academy which is reviewed every year by the resources and audit committee.

Connected organisations, including related party relationships

Caistor Yarborough Academy Trust is an independent academy. There are no connected organisations.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities

Objects and Aims

Caistor Yarborough Academy Trust's principal object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice, establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To this end it now runs an academy aspiring towards the highest standards for pupils between the ages of 11-16.

Objectives, Strategies and Activities

The overriding object of Caistor Yarborough Academy Trust is to provide first class education to pupils of all abilities in the 11-16 age range. Obviously linked to this purpose is the aim that the Academy contributes to the public good through the provision of educational activities and extra-curricular activities and aims to be of considerable benefit to the local community.

Caistor Yarborough Academy Trust is a community where we all aspire to be successful to improve on our personal best and to strive for excellence in all that we do.

Our staff, Trustees and parents have high expectations of ourselves and our children. We want them to be given the opportunities to succeed and to challenge them to greater heights.

With this in mind, we have dedicated, talented, enthusiastic staff who work together to ensure that the teaching and quality of provision, is organised to meet the need of each individual pupil.

We are very proud of our achievements and we are keen to celebrate success at all levels. We place high standards of discipline within the context of care, warmth and good humour. It is important to us that all members of the school community are treated with respect and are allowed to thrive as individuals.

We are committed to providing the highest quality of education for all of our pupils to prepare them for life in the world of work as active, healthy, caring and well-skilled members of the global community.

The main strategies for improvement for academic year 2022/2023 are:

- Developing effective leadership at all levels.
- Developing the curriculum through effective teaching and learning.
- Developing and improving behaviour and attitudes of students across the Academy
- Improving community involvement.
- Improve the transitional working with our feeder primary schools..

Public Benefit

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

Strategic Report

Achievements and Performance

Key non-financial performance indicators

Overall progress 8 = -0.11

Students Achieving 9-5 in English and Maths: 43% Students Achieving 9-4 in English and Maths: 59%

The Academy was inspected by Ofsted in July 2021 and was judged as "Good" in all areas

YAttendance data in all groups is improving across the school and is well above the national average.

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FOR THE YEAR ENDED 31 AUGUST 2022

Pupil numbers rose steadily from September 2017 to September 2019 but this number fell to 69 in 2020 and has maintained at 110 for 2021 and 2022. This is due to the fact that a number of local residents are choosing to send their child to Brigg. Intake The school has prioritised the improvement of links with local feeder schools in an attempt to further increase the first-choice preference for Caistor Yarborough. The school continues to admit above average numbers of in-year admissions. Currently whole school pupil number stands at 557.

All safe-guarding procedures are in place and fit for purpose.

Going Concern

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

Fundraising

A small level of fundraising is carried out at the Academy. It is not carried out by a commercial participator or professional fundraiser. No complaints have been received about the fundraising carried out at the Academy.

The Academy does not heavily promote fundraising activities and there is no undue pressure placed on a person to give money or other property. The fundraising activities are not formally monitored due to the small scale of activities carried out.

Financial Review

Review of Financial Performance

The Academy held fund balances at 31 August 2022 of £7,160,369 (2021: £6,344,568) comprising £353,500 (2021: £322,866) of restricted funds, restricted fixed asset funds of £6,708,659 (2021: £7,321,061), a pension reserve of £Nil (2021: £1,378,000 deficit) and £98,310 (2021: £78,641) of unrestricted general funds.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the year ended 31 August 2022, total expenditure of £3,819,201 (2021: £3,253,113), which includes LGPS valuation adjustments, was less than recurrent grant funding from the ESFA together with other incoming resources. The academy income over expenditure for the year excluding actuarial losses resulted in a deficit of £898,199 (2021: £87,395 surplus).

Reserves Policy

Subject to ESFA's constraints on permitted balances, the Academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under review. The reserves of the Academy are reviewed regularly and are considered to be sufficient for the Academy's requirements.

The level of free reserves (unrestricted funds) was £98,310. The Academy also had restricted funds excluding pension reserve and fixed assets of £353,400. The total of restricted general funds (excluding pension reserve) plus unrestricted funds is therefore £451,710

Of the total restricted fixed asset fund balance of £6,708,659, £6,699,805 represents amounts that can only be realised by disposing of tangible fixed assets and £8,854 are remaining capital grant funds for use on restricted projects.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Investment Policy

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit.

Principal Risks and Uncertainties

The Academy has an effective system of internal financial controls.

The Members and Trustees have reviewed current examples of best practice and have set policies on internal controls which cover the following:

- funding per pupil will alter as the National Funding formula is gradually implemented. Staff costs, (pension, NI and salary) plus Alternative provision, Supply cost have increased as the policy in North Lincolnshire, and this has impacted on overall spend. Supporting parents with travelling to school has increased as the school tries to support families in financial difficulty;
- increased competition from local schools;
- changes to the funding formula;
- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Senior Leadership Team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

Plans for future periods

Caistor Yarborough Academy Trust will continue to strive to improve further the educational achievement and attainment of all pupils and to offer an enriched educational experience preparing pupils for post 16 learning.

Our key targets for 2022 - 2023 are:

- Developing effective leadership at all levels.
- Developing the curriculum through effective teaching and learning.
- Improve the behaviour and ethos of all the members of the school community
- Improving community involvement.
- Improve the transitional working with our feeder primary schools.

The academy continues to review options to become a Multi Academy Trust.

Auditor

Insofar as the Trustees are aware:

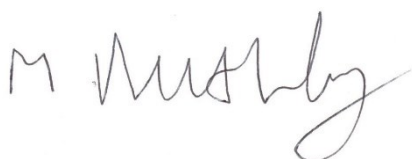
- there is no relevant audit information of which the charitable company's auditor is unaware; and

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 12 December 2022 and signed on its behalf by:



Mr M Rushby
Chair of the Governors



Mr M Midgley
Trustee and Accounting Officer

CAISTOR YARBOROUGH ACADEMY LIMITED
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Caistor Yarborough Academy Limited 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 Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
S Cairns	3	4
S Claybourn	1	1
A Cook	3	3
B Francis	1	1
C Hanson-Church	1	1
Z L Humberstone	1	1
S Johnson	1	1
P Kennedy	3	4
M Midgley, Head Teacher and Accounting Officer	4	4
L Mackenzie	0	1
K Milner	4	4
S Penney	0	1
H Redmond	0	3
M Rushby, Chair of Trustees	4	4
R Spencer	1	1
T Wray	0	1
V Piper	1	1
S Shields	1	1

The Governing Body experienced some changes during the year with 2 resignations and 5 appointments in the year.

During the year, the Governing Body only met 4 times. However, key aspects of those meetings were matters of a financial nature with specific elements covering the increase in teachers pay, the year end financial statements and the budget forecasts plus the financial impact of Covid 19. There were also various sub committee meetings during the year, including 3 Finance and 1 Quality of Education meeting.

There has been support to the Academy by the Government, the DfE and the ESFA during the COVID-19 pandemic. The Academy continued to operate with strong governance and leadership at its core. All trustees support senior leaders, while continuing to challenge and maintain oversight of the academy. The Governance over the last year has focused on the critical business and operational issues at all times, understanding the challenges and uncertainty facing the academy.

During the year, a meeting was held which was attended by the extended leadership team. This has increased Governors' knowledge and understanding of key areas and has enabled greater confidence in the accuracy of information and data they receive. In addition, a skills matrix was issued to the Governors for completion with a view to looking at committee membership in the next financial year.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Principal 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 Governors 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:

- Continuing to review the staffing structure to ensure the ongoing needs of the Academy are met as efficiently as possible.
- Ensuring that all parties to the procurement process follow the Academy Finance Policy and Value for Money Statement to achieve best value in all purchases.
- The existence of a clear scheme of delegation requiring 3 competitive and comparative quotations for all purchases over £5,000. All purchases over £5,000 are reported back to the Finance Committee. Purchases over £20,000 must have the approval of the Finance Committee before proceeding.
- Undertaking comparative checks on the purchase of furniture, equipment, books, stationery and paper, resulting in savings on the procurement of Academy and faculty resources.
- The Academy has been moving from strength to strength over the past 3 years on all fronts in terms of its financial situation, learning environments, grounds and system lead leadership. These developments have given us a strong and sustainable platform to securely deliver and exceptional learning experience to both our learning community but also the wider community.

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 Caistor Yarborough Academy Limited for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors 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 Governors 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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GOVERNANCE STATEMENT (CONTINUED)

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 Governors.
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Identification and management of risks.

The Board of Governors has decided to employ Assurance Lincolnshire as internal auditor.

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

- Budget setting procedure.
- Reports to the financial committee.
- Review of controls surrounding the payroll, purchasing, and sales systems.

On an annual basis, the internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. The report issued has been reviewed by the finance team with appropriate actions being implemented to address the issues raised.

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GOVERNANCE STATEMENT (CONTINUED)

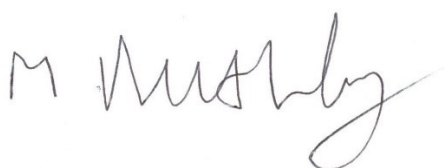
Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 Governors on 12 December 2022 and signed on their behalf by:



Mr M Rushby
Chair of Trustees



Mr M Midgley
Trustee and Accounting Officer

CAISTOR YARBOROUGH ACADEMY LIMITED
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Caistor Yarborough Academy Limited I have considered my responsibility to notify the Academy board of Governors 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 2021.

I confirm that I and the Academy board of Governors 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 2021.

The academy has not always made the required filings to Companies House and GIAS, or updated the academy website, to reflect changes to governance arrangements during the year ended 31 August 2022 and therefore did not comply with the Academies Financial Handbook in this regard. The academy trust has however maintained a central list of governance appointments and worked with the external auditors to establish the filings required to correct publicly available information at Companies House, GIAS and the academy website. I am therefore satisfied that the academy trust has now put in place procedures to rectify this after the year end and I can confirm that I do not believe this to be a material weakness in the academy practices.

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 Governors and ESFA.



Mr M Midgley
Accounting Officer
Date: 12 December 2022

CAISTOR YARBOROUGH ACADEMY LIMITED
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

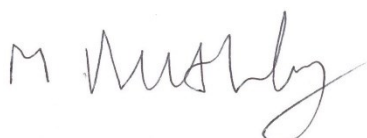
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 Governors 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 Governors on 12 December 2022 and signed on its behalf by:



Mr M Rushby
Chair of Trustees



Mr M Midgley
Trustee and Accounting Officer

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAISTOR YARBOROUGH ACADEMY LIMITED**

Opinion

We have audited the financial statements of Caistor Yarborough Academy Limited (the 'academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 Governors' 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 Governors with respect to going concern are described in the relevant sections of this report.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAISTOR YARBOROUGH ACADEMY LIMITED (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 Governors 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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAISTOR YARBOROUGH ACADEMY LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Statement of Governors' Responsibilities, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAISTOR YARBOROUGH ACADEMY LIMITED (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 engagement partner 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 academy through discussions with management, and from our knowledge and experience of the sector in which it operates;
- 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 academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, 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 academy'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 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; and
- enquiring of management as to actual and potential litigation and claims.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAISTOR YARBOROUGH ACADEMY LIMITED (CONTINUED)**

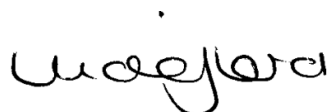
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.



Linda Lord BSc BFP FCA TEP (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: **22 December 2022**

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAISTOR YARBOROUGH ACADEMY LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Caistor Yarborough Academy Limited during the year 1 September 2021 to 31 August 2022 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 Caistor Yarborough Academy Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Caistor Yarborough Academy Limited 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 Caistor Yarborough Academy Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Caistor Yarborough Academy Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Caistor Yarborough Academy Limited's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

The work undertaken to draw to our conclusion includes:

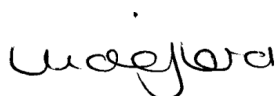
- A review of the Academy's systems and controls and confirmation of the operation and effectiveness during the year.
- A review of expenditure to confirm the appropriateness and value for money and to ensure tendering / quotations were obtained in line with the Academy's finance policy.
- A review of connected party arrangements, transactions and balances.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CAISTOR
YARBOROUGH ACADEMY LIMITED 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Linda Lord BSc BFP FCA TEP
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: **22 December 2022**

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022	Total funds 2021
	Note	£	£	£	£	£
Income from:						
Donations and capital grants:						
	3					
Derecognition of pension surplus		-	(72,000)	-	(72,000)	-
Other donations and capital grants		249	808	10,784	11,841	673,267
Other trading activities		1,885	2,528	-	4,413	3,955
Investments	6	63	-	-	63	41
Charitable activities		113,312	2,863,373	-	2,976,685	2,663,245
Total income		115,509	2,794,709	10,784	2,921,002	3,340,508
Expenditure on:						
Charitable activities		95,840	2,981,322	742,039	3,819,201	3,253,113
Total expenditure		95,840	2,981,322	742,039	3,819,201	3,253,113
Net income/(expenditure)		19,669	(186,613)	(731,255)	(898,199)	87,395
Transfers between funds	16	-	(118,853)	118,853	-	-
Net movement in funds before other recognised gains/(losses)		19,669	(305,466)	(612,402)	(898,199)	87,395
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,714,000	-	1,714,000	(183,000)
Net movement in funds		19,669	1,408,534	(612,402)	815,801	(95,605)

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022	Restricted funds 2022	Restricted fixed asset funds 2022	Total funds 2022	<i>Total funds 2021</i>
Note	£	£	£	£	£
Reconciliation of funds:					
Total funds brought forward	78,641	(1,055,134)	7,321,061	6,344,568	6,440,173
Net movement in funds	19,669	1,408,534	(612,402)	815,801	(95,605)
Total funds carried forward	<u>98,310</u>	<u>353,400</u>	<u>6,708,659</u>	<u>7,160,369</u>	<u>6,344,568</u>

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

The notes on pages 28 to 55 form part of these financial statements.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07680513

BALANCE SHEET
AS AT 31 AUGUST 2022

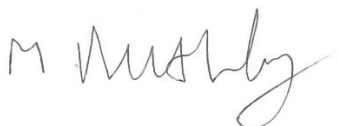
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	6,699,806	6,693,495
		<u>6,699,806</u>	<u>6,693,495</u>
Current assets			
Debtors	14	344,766	723,390
Cash at bank and in hand		408,806	467,674
		<u>753,572</u>	<u>1,191,064</u>
Creditors: amounts falling due within one year	15	(293,009)	(161,991)
Net current assets		<u>460,563</u>	<u>1,029,073</u>
Total assets less current liabilities		<u>7,160,369</u>	<u>7,722,568</u>
Net assets excluding pension asset / liability		<u>7,160,369</u>	<u>7,722,568</u>
Defined benefit pension scheme asset / liability	23	-	(1,378,000)
Total net assets		<u><u>7,160,369</u></u>	<u><u>6,344,568</u></u>

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07680513


BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	6,708,659	7,321,061
Restricted income funds	16	353,400	322,866
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	7,062,059	7,643,927
Pension reserve	16	-	(1,378,000)
		<hr/>	<hr/>
Total restricted funds	16	7,062,059	6,265,927
Unrestricted income funds	16	98,310	78,641
		<hr/>	<hr/>
Total funds		7,160,369	6,344,568
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 23 to 55 were approved by the Governors, and authorised for issue on 12 December 2022 and are signed on their behalf, by:



Mr M Rushby
Chair of the Governors



Mr M Midgley
Trustee and Accounting Officer

The notes on pages 28 to 55 form part of these financial statements.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	18	(51,078)	(445,365)
Cash flows from investing activities	19	(7,790)	653,715
Change in cash and cash equivalents in the year		(58,868)	208,350
Cash and cash equivalents at the beginning of the year		467,674	259,324
Cash and cash equivalents at the end of the year	20, 21	<u>408,806</u>	<u>467,674</u>

The notes on pages 28 to 55 form part of these financial statements

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Governors 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 Governors 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.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 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.

- **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.

1.4 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.

- **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.

1.5 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.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 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.

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with 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:

Long-term leasehold property	- No Depreciation (See Below)
Furniture and equipment	- Straight Line over 3 years
Computer equipment	- Straight Line over 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. 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.

The Academy incurs significant repair and replacement costs such that the Governors believe residual value of the property is not materially different to valuation. The property is considered to have long useful economic life. Accordingly no depreciation is charged on the grounds of immateriality.

1.8 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.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.12 Operating leases

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

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.13 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.

1.14 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 Governors.

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.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	249	808	-	1,057	8,445
Capital Grants	-	-	10,784	10,784	664,822
Derecognition of pension surplus	-	(72,000)	-	(72,000)	-
Total 2022	<u>249</u>	<u>(71,192)</u>	<u>10,784</u>	<u>(60,159)</u>	<u>673,267</u>
<i>Total 2021</i>	<u>280</u>	<u>8,165</u>	<u>664,822</u>	<u>673,267</u>	

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4. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,399,734	2,399,734	2,087,981
Other DfE/ESFA grants				
Pupil Premium	-	124,925	124,925	125,035
Teachers pay grants	-	-	-	101,069
Supplementary grants	-	31,807	31,807	-
Other DFE/ESFA grants	-	4,897	4,897	7,930
	-	2,561,363	2,561,363	2,322,015
Other Government grants				
SEN Funding	-	91,767	91,767	166,621
Other Government Grants	-	109,496	109,496	43,036
	-	201,263	201,263	209,657
Other income from the Academy's educational operations	113,312	51,886	165,198	63,479
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	17,436	17,436	44,920
Other Covid Funding	-	31,425	31,425	23,174
	-	48,861	48,861	68,094
Total Educational Operations	113,312	2,863,373	2,976,685	2,663,245
Total 2022	113,312	2,863,373	2,976,685	2,663,245
<i>Total 2021</i>	55,355	2,607,890	2,663,245	

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5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	1,885	-	1,885	150
Insurance Claims	-	2,528	2,528	3,805
Total 2022	1,885	2,528	4,413	3,955
<i>Total 2021</i>	<i>150</i>	<i>3,805</i>	<i>3,955</i>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank Interest Received	63	63	41
<i>Total 2021</i>	<i>41</i>	<i>41</i>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Educational Operations:					
Direct Costs	1,650,601	-	429,346	2,079,947	1,802,146
Support Costs	712,136	1,014,402	12,716	1,739,254	1,450,967
Total 2022	2,362,737	1,014,402	442,062	3,819,201	3,253,113
<i>Total 2021</i>	<i>2,029,533</i>	<i>840,599</i>	<i>382,981</i>	<i>3,253,113</i>	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational Operations	2,079,947	1,739,254	3,819,201	3,253,113
<i>Total 2021</i>	<i>1,802,146</i>	<i>1,450,967</i>	<i>3,253,113</i>	

Analysis of direct costs

	Total funds 2022 £	As restated Total funds 2021 £
Staff Costs	1,897,317	1,636,735
Depreciation	12,327	9,201
Educational Supplies	32,613	41,568
Examination Costs	31,355	25,654
Other Staff Costs	12,338	8,817
Other Direct Costs	82,457	37,875
Technology Costs	11,540	42,296
Total 2022	2,079,947	1,802,146

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
Pension Finance Cost	23,000	17,000
Staff Costs	471,136	392,798
Maintenance	801,149	655,603
Cleaning	63,031	66,749
Utilities	71,257	72,326
Rates	30,119	32,553
Insurance	12,041	13,369
ICT Costs	53,326	45,458
Security and Transport	4,134	10,881
Catering	118,287	65,149
Other Support Costs	58,361	55,463
Governance Costs	25,948	23,618
Bad Debt Write Off	7,465	-
Total 2022	1,739,254	1,450,967

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>2021 £</i>
Operating lease rentals	7,024	8,892
Depreciation of tangible fixed assets	12,327	9,201
Fees paid to auditors for:		
- audit	4,500	4,500
- other services	1,500	1,625

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	1,621,553	1,435,110
Social security costs	141,713	132,624
Pension costs	596,228	448,443
	2,359,494	2,016,177
Agency staff costs	8,959	13,356
	2,368,453	2,029,533

b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	20	18
Administration and support	35	32
Management	4	4
	59	54

The average headcount expressed as full-time equivalents was:

	2022	2021
	No.	No.
Teachers	18	18
Administration and Support	30	26
Management	4	4
	52	48

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FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

d. Key management personnel

The key management personnel of the Academy comprise the Governors 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 £424,000 (2021 - £468,000).

11. Governors' remuneration and expenses

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

		2022 £	2021 £
Mr M Midgley, Headteacher and Accounting Officer	Remuneration	120,000 -	105,000 -
		125,000	110,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
Mrs R Spencer, Staff Governor (resigned 7 July 2022)	Remuneration	35,000 -	40,000 -
		40,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to Governor (2021 - £3,978 to 2 Governors). Expenses were re-imbursed in respect of mileage claims in performance of their employed roles.

12. Governors' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	6,677,036	68,845	107,219	6,853,100
Additions	-	-	18,637	18,637
At 31 August 2022	6,677,036	68,845	125,856	6,871,737
Depreciation				
At 1 September 2021	-	64,534	95,071	159,605
Charge for the year	-	2,155	10,171	12,326
At 31 August 2022	-	66,689	105,242	171,931
Net book value				
At 31 August 2022	6,677,036	2,156	20,614	6,699,806
At 31 August 2021	6,677,036	4,311	12,148	6,693,495

Leasehold Property is subject to a 125 year lease from Lincolnshire County Council and is stated at the valuation for the building element provided to the Academy by the ESFA on conversion.

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	31,020	28,779
Other debtors	144,885	15,487
Prepayments and accrued income	168,861	679,124
	344,766	723,390

Other debtors includes £84,584 (2021 - £14,971) of VAT recoverable.

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	61,780	23,607
Other taxation and social security	36,529	33,674
Other creditors	43,551	38,209
Accruals and deferred income	151,149	66,501
	<u>293,009</u>	<u>161,991</u>
	2022 £	2021 £
Deferred income:		
Deferred income at 1 September	6,200	4,500
Resources deferred during the year	-	6,200
Amounts released from previous periods	(6,200)	(4,500)
Deferred income at 31 August	<u>-</u>	<u>6,200</u>

At the year-end, the Academy has received trip income in advance which makes up the entirety of the deferred income.

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16. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	78,641	115,509	(95,840)	-	-	98,310
Restricted general funds						
General Annual Grant (GAG)	315,489	2,399,734	(2,245,322)	(118,853)	-	351,048
Other ESFA Grants	5,025	210,490	(215,515)	-	-	-
Other Government Grants	-	201,263	(201,263)	-	-	-
School Fund	2,352	-	-	-	-	2,352
Other Income	-	55,222	(55,222)	-	-	-
Pension Reserve	(1,378,000)	(72,000)	(264,000)	-	1,714,000	-
	<u>(1,055,134)</u>	<u>2,794,709</u>	<u>(2,981,322)</u>	<u>(118,853)</u>	<u>1,714,000</u>	<u>353,400</u>
Restricted fixed asset funds						
NBV of Fixed Assets	6,693,495	-	(12,327)	18,637	-	6,699,805
DFC Capital Grant	-	10,784	-	(10,784)	-	-
CIF Capital Grants	627,566	-	(729,712)	111,000	-	8,854
	<u>7,321,061</u>	<u>10,784</u>	<u>(742,039)</u>	<u>118,853</u>	<u>-</u>	<u>6,708,659</u>
Total Restricted funds	<u>6,265,927</u>	<u>2,805,493</u>	<u>(3,723,361)</u>	<u>-</u>	<u>1,714,000</u>	<u>7,062,059</u>
Total funds	<u><u>6,344,568</u></u>	<u><u>2,921,002</u></u>	<u><u>(3,819,201)</u></u>	<u><u>-</u></u>	<u><u>1,714,000</u></u>	<u><u>7,160,369</u></u>

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16. Statement of funds (continued)

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

Unrestricted Funds:

General Funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. The balance at the year-end has been ring-fenced to build sustainability leadership capacity at the Academy.

Surplus Transferred upon Conversion represents funds transferred to the Academy from the Local Authority on conversion. These funds may be used towards meeting any of the objects of the Academy at the discretion of the Governors and are currently not designated for any particular purposes.

Restricted Funds:

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are to be used to cover the running costs of the Academy.

Other ESFA Grants represents funding received from the ESFA, including Pupil Premium, with a requirement to be spent on specific purposes.

Other Government Income represents funding received from other Government sources with a requirement to be spent on specific purposes.

Other Income and School Fund represents all other restricted funds received which must be used for the purpose intended.

Pension Reserve represents the current balance of the Local Government Pension Scheme (LGPS) after derecognition of the pension surplus.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Restricted Fixed Asset Funds:

NBV of Fixed Assets represents the net book value of assets transferred to the Academy on conversion and those acquired subsequently.

Capital Grants represent resources which have been applied to specific capital purposes imposed by the funder with any balance representing the amount unspent at the year-end.

The unspent CIF Capital Grants relate to two CIF projects. One grant was provided for the purpose of replacing and upgrading the Academy's boilers and heating system. Income for this grant was fully recognised in 2019/20 due to the conditions of entitlement being met, however expenditure did not begin until 2020/21. Another grant was provided for the purpose of upgrading the Academy's electrics in order to improve fire safety. Limited expenditure has been incurred on this grant at the year-end, however due to the conditions of entitlement being met, income has been fully recognised in 2020/21.

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 2022.

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General Funds	-	55,826	(55,826)	-	-	-
General funds	78,641	-	-	-	-	78,641
	<u>78,641</u>	<u>55,826</u>	<u>(55,826)</u>	<u>-</u>	<u>-</u>	<u>78,641</u>

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16. Statement of funds (continued)

**Restricted
general funds**

General Annual Grant (GAG)	184,946	2,087,981	(1,904,171)	(53,267)	-	315,489
Other ESFA Grants	9,000	302,128	(306,103)	-	-	5,025
Other Government Grants	-	209,657	(209,657)	-	-	-
School Fund	2,165	8,124	(7,937)	-	-	2,352
Other Income	-	11,970	(11,970)	-	-	-
Pension Reserve	(1,040,000)	-	(155,000)	-	(183,000)	(1,378,000)
	<u>(843,889)</u>	<u>2,619,860</u>	<u>(2,594,838)</u>	<u>(53,267)</u>	<u>(183,000)</u>	<u>(1,055,134)</u>

**Restricted
fixed asset
funds**

NBV of Fixed Assets	6,691,548	-	(9,201)	11,148	-	6,693,495
DFC Capital Grant	-	10,278	(10,278)	-	-	-
CIF Capital Grants	513,873	654,544	(582,970)	42,119	-	627,566
	<u>7,205,421</u>	<u>664,822</u>	<u>(602,449)</u>	<u>53,267</u>	<u>-</u>	<u>7,321,061</u>

**Total
Restricted
funds**

	<u>6,361,532</u>	<u>3,284,682</u>	<u>(3,197,287)</u>	<u>-</u>	<u>(183,000)</u>	<u>6,265,927</u>
Total funds	<u><u>6,440,173</u></u>	<u><u>3,340,508</u></u>	<u><u>(3,253,113)</u></u>	<u><u>-</u></u>	<u><u>(183,000)</u></u>	<u><u>6,344,568</u></u>

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	6,699,806	6,699,806
Current assets	97,826	646,893	8,853	753,572
Creditors due within one year	484	(293,493)	-	(293,009)
Total	<u>98,310</u>	<u>353,400</u>	<u>6,708,659</u>	<u>7,160,369</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	6,693,495	6,693,495
Current assets	78,641	484,857	627,566	1,191,064
Creditors due within one year	-	(161,991)	-	(161,991)
Provisions for liabilities and charges	-	(1,378,000)	-	(1,378,000)
Total	<u>78,641</u>	<u>(1,055,134)</u>	<u>7,321,061</u>	<u>6,344,568</u>

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18. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(898,199)	87,395
Adjustments for:		
Depreciation	12,327	9,201
Capital grants from ESFA	(10,784)	(664,822)
Interest receivable	(63)	(41)
Defined benefit pension scheme surplus derecognised	72,000	-
Defined benefit pension scheme cost less contributions payable	241,000	138,000
Defined benefit pension scheme finance cost	23,000	17,000
Decrease/(increase) in debtors	378,624	(56,493)
Increase in creditors	131,017	24,395
Net cash used in operating activities	(51,078)	(445,365)

19. Cash flows from investing activities

	2022 £	2021 £
Bank interest received	63	41
Purchase of tangible fixed assets	(18,637)	(11,148)
Capital grants from ESFA	10,784	664,822
Net cash (used in)/provided by investing activities	(7,790)	653,715

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	408,806	467,674
Total cash and cash equivalents	408,806	467,674

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	467,674	(58,868)	408,806
	<u>467,674</u>	<u>(58,868)</u>	<u>408,806</u>

22. Contingent liabilities

In the event of Caistor Yarborough Academy Limited ceasing to operate as an academy provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Academy.

23. 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 Lincolnshire County Council. 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.

Contributions amounting to £41,493 were payable to the schemes at 31 August 2022 (2021 - £36,084) and are included within creditors.

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.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £230,000 (2021 - £208,000).

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.

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 2022 was £163,000 (2021 - £133,000), of which employer's contributions totalled £127,000 (2021 - £103,000) and employees' contributions totalled £ 36,000 (2021 - £30,000). The agreed contribution rates for future years are 20% per cent for employers and a maximum of 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.

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23. Pension commitments (continued)

Principal actuarial assumptions

Lincolnshire Pension Fund

	2022	<i>2021</i>
	%	%
Pension Increase Rate	2.95	2.9
Salary Increase Rate	3.25	3.2
Discount Rate	4.25	1.65

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.5
Females	23.9	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	25.3	25.3

Sensitivity analysis

Lincolnshire Pension Fund

	2022	<i>2021</i>
	£000	£000
0.5% Decrease in Real Discount Rate	245,000	450,000
0.5% Increase in Salary increase Rate	25,000	50,000
0.5% Increase in Pension Increase Rate	230,000	395,000

Share of scheme assets

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23. Pension commitments (continued)

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

	At 31 August 2022 £	<i>At 31 August 2021 £</i>
Equities	1,506,000	1,493,000
Bonds	244,000	296,000
Property	261,000	215,000
Cash	49,000	79,000
Total market value of assets	2,060,000	2,083,000

The actual return on scheme assets was £4,000 (2021 - £350,000).

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

	2022 £	<i>2021 £</i>
Current service cost	(368,000)	(240,000)
Interest income	33,000	28,000
Interest cost	(56,000)	(45,000)
Derecognition of surplus	72,000	-
Total amount recognised in the Statement of Financial Activities	(319,000)	(257,000)

At 31 August 2022, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. On the basis that the separate triennial valuation is used to calculate future contribution rates on a different valuation basis there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements. The asset and liability movements as included in the FRS 102 valuation report has been disclosed below for transparency.

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23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	3,461,000	2,654,000
Current service cost	368,000	240,000
Interest cost	56,000	45,000
Employee contributions	36,000	30,000
Changes in assumptions	(1,744,000)	505,000
Benefits paid	(189,000)	(13,000)
At 31 August	1,988,000	3,461,000

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

	2022 £	2021 £
At 1 September	2,083,000	1,614,000
Interest income	34,000	28,000
Return on assets excluding amounts included in net interest	(30,000)	322,000
Employer contributions	127,000	103,000
Employee contributions	36,000	30,000
Benefits paid	(189,000)	(13,000)
Administration expenses	(1,000)	(1,000)
At 31 August	2,060,000	2,083,000

The pension scheme surplus is based on the actuarial assumptions used as at the 31 August 2022. These can and do change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by next year end. Post year end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

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24. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Amounts payable:		
Not later than 1 year	1,868	7,024
Later than 1 year and not later than 5 years	-	1,868
	1,868	8,892

25. 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.

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26. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust 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.

Keelby Primary Academy – an academy in which Mr S Claybourn is an employee.

- During the year the academy provided sports coaching on two separate occasions to Keelby Primary Academy for a total of £7,600.
- The academy trust made the sale at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Claybourn neither participated in, nor influenced.
- In entering the transaction, the academy complied with the requirements of the Academy Trust Handbook.

Franklin College – a college in which Peter Kennedy is principal and Mark Midgley is a trustee.

- During the year the academy made a sale of learning materials for the CCF project for a total of £2,070.17.
- The academy trust made the sale at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Midgley nor Mr Kennedy neither participated in, nor influenced.
- In entering the transaction, the academy complied with the requirements of the Academy Trust Handbook.

No further related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 11.