
CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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	Mr M Midgley Mr A Ottewell (resigned 23 July 2020) Mr S Penney Mr T Wray Mr M Rushby (appointed 1 September 2020) Mr P Kennedy (appointed 20 November 2019) Mrs G Diovisalvi (resigned 14 November 2019)
Governors	Mrs D Berry (resigned 28 August 2020) Mrs G Diovisalvi (resigned 14 November 2019) Mrs Z Hyams (resigned 29 September 2020) Mrs S Johnson Mr P Kennedy Mr M Midgley, Headteacher and Accounting Officer Mr A Ottewell, Staff Governor (resigned 23 August 2020) Mr S Penney Mr M Rushby, Chair of Governors Mrs R Spencer, Staff Governor Mr T Wray Mrs K Milner (appointed 1 July 2020) Mrs H Redmond (appointed 6 October 2020) Mr C Elmes (appointed 6 October 2020) Ms S Cairns (appointed 29 September 2020)
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 Mr A Ottewell, Operations Manager 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 2020

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 2020

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

The Academy is responsible for providing education to students aged 11-16. This includes establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy. The Governors of Caistor Yarborough Academy Limited are the trustees for the purposes of charity law and the directors of the charitable company for the purposes of company law. The charitable company is known as Caistor Yarborough Academy.

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

Members' Liability

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

Governors' Indemnities

The Academy has granted an indemnity to one or more of its Governors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as trustees and governors.

All Governors have access to a range of training programmes coordinated by a member of the Academy's Senior Management Team.

Organisational Structure

The Governors have agreed a scheme of delegation for how decisions are made and who has delegated responsibility for them. The Governors are organised into the whole governing body and sub-committees with delegated responsibility.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy follows the agreed Pay Policy and Framework for Appraisal which are reviewed and endorsed annually by the Governors with regards to the setting of key management personnel pay. They have been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and have been consulted on with staff and/or the recognised trade unions and set out the process by which Performance Management reviews take place and the pay scales appropriate.

The review of Senior Leaders is completed by the Principal whereas that of the Principal is undertaken by the Headteacher's Performance Management Review Body (comprising three members of the Governing Body and an external adviser who has been appointed by the Governing Body). The results of these and consequential pay recommendations within the given scales are then drafted for Full Governing Body final approval.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Academy confirms that no employees were relevant union officials during the year.

Related Parties and Other Connected Charities and Organisations

A Register of Business Interests is completed annually by all Governors and staff. The Governors have agreed that the Academy has no connected organisations.

Objectives and Activities

Objects and Aims

The Academy's principle objects are:

- To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of Caistor and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aim of the Academy is to provide a quality education in a caring and disciplined community. Our ethos is:

- A positive culture of success.
- Producing independent learners.
- Expanding horizons and experience for students.
- Looking to establish our reputation internationally.
- The Academy acts as an advocate and facilitator in improving the outcomes for students.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities

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

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

Public Benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the Governors consider that the Academy's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

At Caistor Yarborough Academy, our values and ethos are clear to everyone in our community.

We begin by valuing our learning, our experiences and all of the opportunities available to us. As part of this, we respect each other, our learning journeys and environment. Above all, the whole community is committed to making sure that everyone achieves excellence for all.

The Curriculum Intent at our Academy has been designed in consultation with the Governors, staff and students. The following attributes were identified as being essential to develop in our young people to enable them to lead a full and fruitful life in modern Britain.

Quality first teaching and out of lesson experiences ensure that learners become:

- Globally Aware - "How is this helping me understand the world around me and how it is changing?"
- Culturally Aware - "How is this helping me understand other cultures and my locality?"
- Self-Aware - "How is this helping me understand my emotions, my body, my actions?"
- Work Ready and ambitious - "How is this preparing me for the next stage of my life?"

All of our students will successfully go onto further education or employment. Students and stakeholders speak positively about the Academy and their experiences, appreciating the way they are challenged and supported with clear visions and strategies on how to succeed and become well-rounded individuals.

Caistor Yarborough Academy goes from strength to strength with a fantastic set of 2019 GCSE results and good improvements across all areas of the curriculum.

Whole school progress 8 achieved +0.34. 62% the year group achieved a good pass in both English and Maths with 64% achieving a good pass in maths and 84% achieving a good pass in English. Science and humanities secured some fantastic individual results and achieved a positive progress 8 score of +0.69.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Key Performance Indicators

- Progress 8 – +0.34
- Attainment 8 – 46.94
- Percentage achieving grade 4 or above in English and maths – 62%
- Percentage achieving grade 5 or above in English and maths – 42%
- Progress 8 for disadvantaged pupils - +0.21
- Pupils staying in education or employment for at least two terms after key stage 4 – 93% (2017/2018 Leavers)

Over the past year, further refurbishment on the fabric of the buildings have been carried out to enhance teaching and learning within the Academy as well as provision for all students.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 Accounting Policies.

Financial Review

Review of Financial Performance

The Academy held fund balances at 31 August 2020 of £6,440,173 comprising £196,111 of restricted funds, restricted fixed asset funds of £7,205,421, a pension reserve deficit of £1,040,000 and £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 2020 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the year ended 31 August 2020, total expenditure of £2,668,311, which includes LGPS valuation adjustments, was greater than recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure as reported in the SoFA for the year excluding actuarial losses was £447,031.

The overall reported surplus for the year includes LGPS valuation adjustments of £148,000 and an in-year capital surplus of £508,634. As a result, the financial statements show a revenue surplus of £86,397 before transfers.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £1,040,000. The liability has decreased by £65,000 in the current year.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 £78,641. The Academy also had restricted funds excluding pension reserve of £196,111. The total of restricted general funds (excluding pension reserve) plus unrestricted funds is therefore £274,752.

Of the total restricted fixed asset fund balance of £7,205,421, £6,691,548 represents amounts that can only be realised by disposing of tangible fixed assets and £513,873 are remaining capital grant funds for use on restricted projects.

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 Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

Fundraising

The Academy holds non uniform days approximately once each term. The School Council votes which charity they wish to support. Students voluntarily pay £1. Records are not kept of who has paid and who has not.

Each year the Academy holds a sponsored walk. Again, the School Council decided which charities the proceeds are to support. Parents / Carers are written to and advised there is no obligation to sponsor their child for the walk. All pupils take part in the walk unless exempted on medical grounds.

All money collected from events are paid over to the relevant charities as soon as possible.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for Future Periods

We recognise we have much potential and are looking forward to even greater progress and stronger outcomes.

The Academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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 _____ and signed on its behalf by:



Mr M Rushby
Chair of the Governors



Mr M Midgley
Headteacher 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.

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 5 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
Mrs D Berry	4	5
Mrs G Diovisalvi	2	2
Mrs Z Hyams	3	5
Mrs S Johnson	2	3
Mr P Kennedy	1	1
Mr M Midgley	5	5
Mr A Ottewell	5	5
Mr S Penney	3	5
Mr M Rushby	5	5
Mrs R Spencer	5	5
Mr T Wray	5	5

The Governing Body experienced some changes during the year with 4 resignations and 3 appointments in the year.

During the year, the Governing Body only met 5 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 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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 Board of Governors 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 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:

- on discharge of the Board of Governors financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- 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 accounting officer has been advised of the implications of the result of their review of the system of internal control 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
on their behalf by:

and signed



Mr M Rushby
Chair of the Governors



Mr M Midgley, Headteacher
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 2019.

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 2019.

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



Mr M Midgley
Accounting Officer
Date:

CAISTOR YARBOROUGH ACADEMY LIMITED
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020;
- 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
and signed on its behalf by:



Mr M Rushby
Chair of the Governors

CAISTOR YARBOROUGH ACADEMY LIMITED
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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 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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**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 Governors' Responsibilities Statement, 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.

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.

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

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date:

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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Linda Lord BSc BFP FCA TEP
Streets Audit LLP
Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date:

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	24,615	11,271	566,685	602,571	125,414
Charitable activities		67,992	2,380,888	-	2,448,880	2,197,011
Other trading activities		6,685	57,080	-	63,765	29,862
Investments	6	126	-	-	126	254
Total income		99,418	2,449,239	566,685	3,115,342	2,352,541
Expenditure on:						
Charitable activities		99,418	2,510,842	58,051	2,668,311	2,533,120
Total expenditure		99,418	2,510,842	58,051	2,668,311	2,533,120
Net (expenditure)/income		-	(61,603)	508,634	447,031	(180,579)
Transfers between funds	16	-	(16,454)	16,454	-	-
Net movement in funds before other recognised gains/(losses)		-	(78,057)	525,088	447,031	(180,579)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	213,000	-	213,000	(391,000)
Net movement in funds		-	134,943	525,088	660,031	(571,579)

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 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward	78,641	(978,832)	6,680,333	5,780,142	6,351,721
Net movement in funds	-	134,943	525,088	660,031	(571,579)
Total funds carried forward	<u>78,641</u>	<u>(843,889)</u>	<u>7,205,421</u>	<u>6,440,173</u>	<u>5,780,142</u>

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

The notes on pages 25 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	6,691,548	6,680,333
		<u>6,691,548</u>	<u>6,680,333</u>
Current assets			
Debtors	14	666,897	137,698
Cash at bank and in hand		259,324	199,919
		<u>926,221</u>	<u>337,617</u>
Creditors: amounts falling due within one year	15	(137,596)	(132,808)
Net current assets		788,625	204,809
Total assets less current liabilities		<u>7,480,173</u>	<u>6,885,142</u>
Net assets excluding pension liability		7,480,173	6,885,142
Defined benefit pension scheme liability	23	(1,040,000)	(1,105,000)
Total net assets		<u><u>6,440,173</u></u>	<u><u>5,780,142</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	7,205,421	6,680,333
Restricted income funds	16	196,111	126,168
		<u>7,401,532</u>	<u>6,806,501</u>
Restricted funds excluding pension asset	16	7,401,532	6,806,501
Pension reserve	16	(1,040,000)	(1,105,000)
		<u>6,361,532</u>	<u>5,701,501</u>
Total restricted funds	16	6,361,532	5,701,501
Unrestricted income funds	16	78,641	78,641
		<u>6,440,173</u>	<u>5,780,142</u>
Total funds		6,440,173	5,780,142

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 51 were approved by the Governors, and authorised for issue on and are signed on their behalf, by:



Mr M Rushby
Chair of the Governors

The notes on pages 25 to 51 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	(490,953)	<i>(255,747)</i>
Cash flows from investing activities	19	550,358	<i>94,061</i>
Change in cash and cash equivalents in the year		59,405	<i>(161,686)</i>
Cash and cash equivalents at the beginning of the year		199,919	<i>361,605</i>
Cash and cash equivalents at the end of the year	20, 21	259,324	<i>199,919</i>

The notes on pages 25 to 51 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 2020

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 2019 to 2020 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.

The UK has experienced a pandemic of the Coronavirus during the year. The Academy has been able to adapt its teaching and learning methods since March 2020, but the Academy's day-to-day activities have been significantly affected. Whilst the Academy is continuing to develop new ways of working in a Covid-secure environment, the long-term effects of the pandemic on the Academy, and its future prospects, cannot be fully quantified. The Governors remain committed to the protection of the Academy's activities and believe that they will be able to continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020

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 2020

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 2020

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 2020

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	24,615	11,271	-	35,886
Capital Grants	-	-	566,685	566,685
	<u>24,615</u>	<u>11,271</u>	<u>566,685</u>	<u>602,571</u>
	<u><u>24,615</u></u>	<u><u>11,271</u></u>	<u><u>566,685</u></u>	<u><u>602,571</u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations	1,932	1,934	-	3,866
Capital Grants	-	-	121,548	121,548
	<u>1,932</u>	<u>1,934</u>	<u>121,548</u>	<u>125,414</u>
	<u><u>1,932</u></u>	<u><u>1,934</u></u>	<u><u>121,548</u></u>	<u><u>125,414</u></u>

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
ESFA Grants			
General Annual Grant (GAG)	-	1,989,920	1,989,920
Other ESFA Grants	-	238,326	238,326
	-	2,228,246	2,228,246
Other Government Grants			
Local Authority Grants	-	126,836	126,836
	-	126,836	126,836
Other Funding			
Other Income	67,992	25,806	93,798
	67,992	25,806	93,798
	67,992	2,380,888	2,448,880
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
ESFA Grants			
General Annual Grant (GAG)	-	1,837,836	1,837,836
Other ESFA Grants	-	158,019	158,019
	-	1,995,855	1,995,855
Other Government Grants			
Local Authority Grants	-	96,220	96,220
	-	96,220	96,220
Other Funding			
Other Income	80,306	24,630	104,936
	80,306	24,630	104,936
	80,306	2,116,705	2,197,011

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Lettings	6,685	-	6,685
Insurance Claims	-	57,080	57,080
	<u>6,685</u>	<u>57,080</u>	<u>63,765</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Lettings	4,272	-	4,272
Insurance Claims	-	25,590	25,590
	<u>4,272</u>	<u>25,590</u>	<u>29,862</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank Interest Received	126	126
	<u>126</u>	<u>126</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank Interest Received	254	254
	<u>254</u>	<u>254</u>

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational Operations:				
Direct Costs	1,452,225	-	194,645	1,646,870
Support Costs	490,616	282,294	248,531	1,021,441
	<u>1,942,841</u>	<u>282,294</u>	<u>443,176</u>	<u>2,668,311</u>
	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Educational Operations:				
Direct Costs	1,232,595	-	245,340	1,477,935
Support Costs	367,490	451,449	236,246	1,055,185
	<u>1,600,085</u>	<u>451,449</u>	<u>481,586</u>	<u>2,533,120</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational Operations	<u>1,646,870</u>	<u>1,021,441</u>	<u>2,668,311</u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational Operations	<u>1,477,935</u>	<u>1,055,185</u>	<u>2,533,120</u>

CAISTOR YARBOROUGH ACADEMY LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff Costs	1,444,085	1,191,593
Depreciation	5,239	16,082
Educational Supplies	62,097	55,442
Examination Costs	24,262	29,667
Other Staff Costs	31,681	73,979
Other Direct Costs	79,506	111,172
	<u>1,646,870</u>	<u>1,477,935</u>

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension Finance Cost	21,000	19,000
Staff Costs	490,616	367,490
Maintenance	130,151	305,321
Cleaning	59,470	61,217
Utilities	72,285	51,280
Rates	13,837	18,971
Insurance	6,552	14,660
ICT Costs	50,590	65,950
Security and Transport	8,136	12,179
Catering	64,823	68,207
Other Support Costs	95,461	61,689
Governance Costs	8,520	9,221
	<u>1,021,441</u>	<u>1,055,185</u>

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9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	12,335	14,384
Depreciation of tangible fixed assets	5,239	16,082
Fees paid to auditors for:		
- audit	4,500	4,500
- other services	1,625	1,900
	1,625	1,900

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,378,953	1,184,136
Social security costs	126,099	103,716
Pension costs	429,649	271,231
	1,934,701	1,559,083
Agency staff costs	8,140	23,509
Staff restructuring costs	-	17,493
	1,942,841	1,600,085

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	17,493
	-	17,493

b. Non-statutory/non-contractual staff severance payments

There were no non-statutory / non-contractual severance payments during the year (2019 - 1 payment of £10,203).

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10. Staff (continued)

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	17	12
Administration and support	30	30
Management	7	7
	<u>54</u>	<u>49</u>

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	17	12
Administration and Support	25	24
Management	7	7
	<u>49</u>	<u>43</u>

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £80,001 - £90,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

e. 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 £468,000 (2019 - £478,000).

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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:

		2020	<i>2019</i>
		£	£
Mr M Midgley, Headteacher and Accounting Officer	Remuneration	110,000 -	<i>85,000 -</i>
		115,000	<i>90,000</i>
	Pension contributions paid	25,000 -	<i>10,000 -</i>
		30,000	<i>15,000</i>
Mr A Ottewell, Staff Governor (resigned 23 August 2020)	Remuneration	35,000 -	<i>35,000 -</i>
		40,000	<i>40,000</i>
	Pension contributions paid	5,000 -	<i>5,000 -</i>
		10,000	<i>10,000</i>
Mrs R Spencer, Staff Governor	Remuneration	45,000 -	<i>45,000 -</i>
		50,000	<i>50,000</i>
	Pension contributions paid	10,000 -	<i>5,000 -</i>
		15,000	<i>10,000</i>

During the year ended 31 August 2020, expenses totalling £6,391 were reimbursed or paid directly to 3 Governors (*2019 - £10,567 to 3 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 2019	6,677,036	62,378	86,084	6,825,498
Additions	-	6,467	9,987	16,454
At 31 August 2020	<u>6,677,036</u>	<u>68,845</u>	<u>96,071</u>	<u>6,841,952</u>
Depreciation				
At 1 September 2019	-	59,081	86,084	145,165
Charge for the year	-	3,297	1,942	5,239
At 31 August 2020	<u>-</u>	<u>62,378</u>	<u>88,026</u>	<u>150,404</u>
Net book value				
At 31 August 2020	<u>6,677,036</u>	<u>6,467</u>	<u>8,045</u>	<u>6,691,548</u>
At 31 August 2019	<u>6,677,036</u>	<u>3,297</u>	<u>-</u>	<u>6,680,333</u>

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

	2020 £	2019 £
Due within one year		
Trade debtors	36,399	15,580
Other debtors	26,557	33,148
Prepayments and accrued income	603,941	88,970
	<u>666,897</u>	<u>137,698</u>

Other debtors includes £26,041 (2019 - £32,632) of VAT recoverable.

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FOR THE YEAR ENDED 31 AUGUST 2020

15. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	<i>£</i>
Trade creditors	41,264	<i>8,780</i>
Other taxation and social security	30,518	<i>25,173</i>
Other creditors	34,587	<i>36,793</i>
Accruals and deferred income	31,227	<i>62,062</i>
	137,596	<i>132,808</i>
	2020	<i>2019</i>
	£	<i>£</i>
Deferred income:		
Deferred income at 1 September	6,160	<i>5,833</i>
Resources deferred during the year	4,500	<i>6,160</i>
Amounts released from previous periods	(6,160)	<i>(5,833)</i>
Deferred income at 31 August	4,500	<i>6,160</i>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	-	99,418	(99,418)	-	-	-
Surplus on Conversion	78,641	-	-	-	-	78,641
	<u>78,641</u>	<u>99,418</u>	<u>(99,418)</u>	<u>-</u>	<u>-</u>	<u>78,641</u>
Restricted general funds						
General Annual Grant (GAG)	109,625	1,989,920	(1,898,145)	(16,454)	-	184,946
Other ESFA Grants	-	238,326	(229,326)	-	-	9,000
Other Government Grants	-	126,836	(126,836)	-	-	-
School Fund	16,543	25,806	(40,184)	-	-	2,165
Other Income	-	68,351	(68,351)	-	-	-
Pension Reserve	(1,105,000)	-	(148,000)	-	213,000	(1,040,000)
	<u>(978,832)</u>	<u>2,449,239</u>	<u>(2,510,842)</u>	<u>(16,454)</u>	<u>213,000</u>	<u>(843,889)</u>
Restricted fixed asset funds						
NBV of Fixed Assets	6,680,333	-	(5,239)	16,454	-	6,691,548
DFC Capital Grant	-	10,125	(10,125)	-	-	-
CIF Capital Grant	-	556,560	(42,687)	-	-	513,873
	<u>6,680,333</u>	<u>566,685</u>	<u>(58,051)</u>	<u>16,454</u>	<u>-</u>	<u>7,205,421</u>
Total Restricted funds	<u>5,701,501</u>	<u>3,015,924</u>	<u>(2,568,893)</u>	<u>-</u>	<u>213,000</u>	<u>6,361,532</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total funds	5,780,142	3,115,342	(2,668,311)	-	213,000	6,440,173

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 deficit balance of the Local Government Pension Scheme (LGPS).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 Grant was provided for the purpose of replacing and upgrading the Academy's boilers and heating system. Income for this CIF project had not been received prior to the year-end, however the grant has been recognised in full in the financial statements due to the conditions of entitlement being met.

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 2020.

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	28,320	86,764	(91,764)	(23,320)	-	-
Surplus on Conversion	78,641	-	-	-	-	78,641
	<u>106,961</u>	<u>86,764</u>	<u>(91,764)</u>	<u>(23,320)</u>	<u>-</u>	<u>78,641</u>
Restricted general funds						
General Annual Grant (GAG)	84,739	1,837,836	(1,813,330)	380	-	109,625
Other ESFA Grants	-	158,019	(158,019)	-	-	-
Other Government Grants	-	96,220	(96,220)	-	-	-
School Fund	14,891	26,564	(24,912)	-	-	16,543
Other Income	-	25,590	(25,590)	-	-	-

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16. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Pension Reserve	(620,000)	-	(94,000)	-	(391,000)	(1,105,000)
	<u>(520,370)</u>	<u>2,144,229</u>	<u>(2,212,071)</u>	<u>380</u>	<u>(391,000)</u>	<u>(978,832)</u>
Restricted fixed asset funds						
NBV of Fixed Assets	6,696,415	-	(16,082)	-	-	6,680,333
DFC Capital Grant	-	27,741	(27,741)	-	-	-
CIF Capital Grant	68,715	93,807	(185,462)	22,940	-	-
	<u>6,765,130</u>	<u>121,548</u>	<u>(229,285)</u>	<u>22,940</u>	<u>-</u>	<u>6,680,333</u>
Total Restricted funds	<u>6,244,760</u>	<u>2,265,777</u>	<u>(2,441,356)</u>	<u>23,320</u>	<u>(391,000)</u>	<u>5,701,501</u>
Total funds	<u><u>6,351,721</u></u>	<u><u>2,352,541</u></u>	<u><u>(2,533,120)</u></u>	<u><u>-</u></u>	<u><u>(391,000)</u></u>	<u><u>5,780,142</u></u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,691,548	6,691,548
Current assets	78,641	333,707	513,873	926,221
Creditors due within one year	-	(137,596)	-	(137,596)
Provisions for liabilities and charges	-	(1,040,000)	-	(1,040,000)
Total	<u>78,641</u>	<u>(843,889)</u>	<u>7,205,421</u>	<u>6,440,173</u>

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	6,680,333	6,680,333
Current assets	93,641	233,476	10,500	337,617
Creditors due within one year	(15,000)	(107,308)	(10,500)	(132,808)
Provisions for liabilities and charges	-	(1,105,000)	-	(1,105,000)
Total	<u>78,641</u>	<u>(978,832)</u>	<u>6,680,333</u>	<u>5,780,142</u>

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	447,031	(180,579)
Adjustments for:		
Depreciation	5,239	16,082
Capital grants from ESFA	(566,685)	(93,807)
Interest receivable	(126)	(254)
Defined benefit pension scheme cost less contributions payable	127,000	75,000
Defined benefit pension scheme finance cost	21,000	19,000
(Increase)/decrease in debtors	(529,200)	89,409
Increase/(decrease) in creditors	4,788	(180,598)
Net cash used in operating activities	<u>(490,953)</u>	<u>(255,747)</u>

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19. Cash flows from investing activities

	2020	2019
	£	£
Bank interest received	126	254
Purchase of tangible fixed assets	(16,454)	-
Capital grants from ESFA	566,686	93,807
Net cash provided by investing activities	550,358	94,061

20. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	259,324	199,919
Total cash and cash equivalents	259,324	199,919

21. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	199,919	59,405	259,324
	199,919	59,405	259,324

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.

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23. Pension commitments (continued)

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 £32,380 were payable to the schemes at 31 August 2020 (2019 - £24,267) 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.

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 £212,000 (2019 - £124,000).

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.

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £119,000 (2019 - £95,000), of which employer's contributions totalled £93,000 (2019 - £74,000) and employees' contributions totalled £26,000 (2019 - £21,000). The agreed contribution rates for future years are 20% for employers and a maximum of 12.5% for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Pension Increase Rate	2.2	2.3
Salary Increase Rate	2.5	2.7
Discount Rate	1.7	1.8

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.2
Females	23.7	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.5
Females	25.2	25.2

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
0.5% Decrease in Real Discount Rate	342,000	<i>384,000</i>
0.5% Increase in Salary increase Rate	22,000	<i>54,000</i>
0.5% Increase in Pension Increase Rate	314,000	<i>322,000</i>
	=====	<i>=====</i>

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	1,114,000	<i>1,314,000</i>
Bonds	323,000	<i>288,000</i>
Property	161,000	<i>180,000</i>
Cash	16,000	<i>18,000</i>
	=====	<i>=====</i>
Total market value of assets	1,614,000	<i>1,800,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was (£275,000) (2019 - £101,000).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	(220,000)	<i>(136,000)</i>
Past service cost	-	<i>(13,000)</i>
Interest income	33,000	<i>46,000</i>
Interest cost	(54,000)	<i>(65,000)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of Financial Activities	(241,000)	<i>(168,000)</i>
	=====	<i>=====</i>

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	2,905,000	2,240,000
Current service cost	220,000	136,000
Interest cost	54,000	65,000
Employee contributions	26,000	21,000
Changes in assumptions	(521,000)	446,000
Benefits paid	(30,000)	(16,000)
Past service costs	-	13,000
At 31 August	2,654,000	2,905,000

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

	2020 £	2019 £
At 1 September	1,800,000	1,620,000
Interest income	33,000	46,000
Return on assets excluding amounts included in net interest	(308,000)	55,000
Employer contributions	93,000	74,000
Employee contributions	26,000	21,000
Benefits paid	(30,000)	(16,000)
At 31 August	1,614,000	1,800,000

24. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable:		
Not later than 1 year	8,892	14,384
Later than 1 year and not later than 5 years	12,291	1,868
	21,183	16,252

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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