

**Company Registration No. 08063683 (England and Wales)**

**KIBBLESWORTH ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

# KIBBLESWORTH ACADEMY

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the accounts including accounting policies	27 - 46

---

# KIBBLESWORTH ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Mrs E Withycombe  
Mr T Rutter  
Mr M Ashford  
Mr C Steel  
Mrs R Mugnai

### Trustees

Mrs R Mugnai (Chair of Governors and Finance and Staffing Committee)  
Mr J Cochrane (Vice Chair of Governors and Chair of Education Committee)  
Mrs K Collins (Resigned 12 November 2019)  
Mr T Rutter  
Mr C Steel (Accounting Officer)  
Mrs S Renton (Staff Governor)  
Mrs K Binns  
Mrs C Davis (Staff Governor)  
Mr M Ashford (Resigned 11 October 2018)  
Mrs J McRae (Resigned 31 October 2019)  
Mrs J Walsh (Staff Governor)  
Mr C Daly  
Mrs J Walsh  
Mr N P Collins (Appointed 10 May 2019)

### Senior management team

- Headteacher	Mr C Steel
- Deputy Headteacher	Mrs S Renton
- Early Years Leader	Miss K Jackson
- Academy Business Manager	Mr K Etherington
- SENDCO	Mrs V Longhurst

### Company secretary

K Etherington

### Company registration number

08063683 (England and Wales)

### Registered office

West View  
Kibblesworth  
Gateshead  
Tyne & Wear  
NE11 0XP

### Independent auditor

Baldwins Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# KIBBLESWORTH ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### **Bankers**

Lloyds Bank plc  
5th Floor  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

### **Solicitors**

Womble Bond Dickinson  
One Trinity  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2019*

---

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Kibblesworth and the wider Birtley area. It has a pupil capacity of 240 (including nursery provision) and had a roll of 192 in the school census of January 2019.

#### **Structure, governance and management**

##### Constitution

The Academy Trust was incorporated on 1 May 2012 and is a company limited by guarantee and an exempt charity, 08063683. The company commenced operation as an academy on 1 June 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The articles of association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and management of the Academy.

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

Details of the trustees who served throughout the period between 1 September 2018 and 31 August 2019, except as noted, are included in the Reference and Administrative Details on Page 1.

##### Members' liability

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

##### Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the composition set out in the memorandum and articles. This states that the Academy Trust composition is comprised as follows:

The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 64, the Academy Trust shall have the following trustees:

- (a) up to 4 governors, appointed under Article 50;
- (b) up to 3 staff governors, if appointed under Article 50A;
- (c) up to 4 and a minimum of 2 parent governors appointed under Articles 53-58;
- (d) the Principal;
- (e) any additional governors, if appointed under Article 62, 62A or 68A; and any further governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any co-opted governor appointed under Article 59.

Future governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a governor to be appointed or elected due to the fact that an Academy has not yet been established or the Principal has not been appointed, then the relevant Article or part thereof shall not apply.

#### Policies and procedures adopted for the induction and training of trustees

##### APPOINTMENT OF GOVERNORS

The members may appoint up to 4 governors.

The members may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors.

The Principal shall be treated for all purposes as being an ex officio governor.

Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent governors which is contested shall be held by secret ballot. The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies. In appointing a parent governor the governing body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

# **KIBBLESWORTH ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

---

#### **CO-OPTED GOVERNORS**

The governors may appoint up to 3 co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the Academy Trust as a co-opted governor if thereby the number of governors who are employees of the Academy Trust would exceed one third of the total number of governors (including the Principal).

#### **APPOINTMENT OF ADDITIONAL GOVERNORS**

The Secretary of State may give a warning notice to the governors where he is satisfied:-  
that the standards of performance of pupils at the Academy are unacceptably low, or  
that there has been a serious breakdown in the way the Academy is managed or governed, or  
that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the office setting out:-  
the matters referred to in Article 60;  
the action which he requires the governors to take in order to remedy those matters; and  
the period within which that action is to be taken by the governors ('the compliance period').

The Secretary of State may appoint such additional governors as he thinks fit if the Secretary of State has: given the governors a warning notice in accordance with Article 60; and  
the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such additional governors where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by Kibblesworth Primary School shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such further governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy. Within 5 days of the Secretary of State appointing any additional or further governors in accordance with Articles 62, 62A or 63, any governors appointed under Article 50 and holding office immediately preceding the appointment of such governors, shall resign immediately and the members' power to appoint governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the additional or further governors.

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

#### **Policies and procedures adopted for the induction and training of trustees**

Induction and training is arranged through a service level agreement with Gateshead governing body clerk service.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Organisational structure

The Academy's unified management structure consists of 2 levels: the governors and the Senior Leadership Team [SLT].

The trustees are responsible for determining general policy, adopting an annual School Improvement Plan following a self evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the Academy, capital expenditure and senior staff appointments.

The SLT consists of the Headteacher, the Deputy Headteacher, the Early Years Lead, the SENDCO and the Academy Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the governors and reporting back to them. The SLT and trustees are responsible for the authorisation of spending with agreed budgets and appointment of staff as stated in the finance handbook.

The Academy Business Manager is responsible for the management of the financial systems and ensuring efficient and effective use of resources. The Academy Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the financial handbook. The Academy Business Manager is responsible for the efficient operation of the school office.

The Headteacher is the Accounting Officer.

#### Arrangements for setting pay and remuneration of key management personnel

Upon conversion to an Academy the Governing Body agreed to use the National Agreement for determining Teachers pay and conditions and to remain faithful to the terms and conditions set at National level for support staff.

Consequently teaching and support staff remunerations are determined by joint negotiation at National level. The Governing body however review staff performance management reports with the Headteacher, approving or rejecting pay progression accordingly. Senior Academic staff, Headteacher and Deputy Head remuneration is similarly determined by reference to National agreed scales, with progression determined against annually agreed performance criteria. The School Business Manager's salary is set with reference to similar posts and follows the same pay award criteria, progression is determined by performance outcomes, measured against agreed performance targets.

#### Related parties and other connected charities and organisations

Trustees have declared no business interests to date and where any governors should declare an interest, procedures are in place to address this. The school have adopted a policy that if there are any interests declared the governor would remove themselves from the decision making process.

There are no related parties to Kibblesworth Academy.

#### **Objectives and activities**

##### Objects and aims

The principal objective and activity of the charitable company is the operation of Kibblesworth Academy to provide education for pupils of different abilities between the ages of 3-11. In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

Dream, Believe, Achieve

At Kibblesworth Academy, every child is provided with a wide range of high quality learning opportunities to enable them to realise their full potential. We strive to provide a safe, secure, nurturing learning environment in which all children are empowered to flourish.



# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2019*

---

In supporting them to do this, the school community has subscribed to the following non-negotiable core values:

- To celebrate achievement and put enjoyment at the heart of learning
- To inspire a passion for learning and the confidence to try
- To promote empathy for others and a respect for the individual
- To uphold equality and value diversity
- To develop independence and resilience
- To prepare our pupils for their next stage of learning
- To foster key life skills that will support our children to make a
- Positive contribution to society.

Our values are developed through the curriculum and made real in our daily lives.

Ensuring a happy healthy environment in which our children enjoy learning is central to our ethos. We do our utmost to make it easy for children to approach staff with their problems or concerns. Collaboration and caring is encouraged at all levels, in both the staff and the pupils.

We teach that bullying is never acceptable behaviour.

We promote healthy eating, provide fruit snacks for children in the infants and encourage everyone to drink water throughout the day.

We make the most of our wonderful outdoor space and, weather permitting, head outside as often as we can.

Events in the year such as our SHINE talent festival bring the whole school together to celebrate the talents in everyone!

#### Principal activities

[a] the school provides education for pupils of different abilities;

[b] the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broad curriculum);

[c] the school provides education for the pupils who are wholly or mainly drawn from the area in which the school is situated; and

[d] the school will be at the heart of the community, promoting community cohesion and sharing facilities with other schools and the wider community.

#### Objectives, strategies and activities

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance and public benefit. Kibblesworth Academy is non-selective and offers all pupils a broad curriculum. The pupils who attend live mainly in Kibblesworth, although families who wish to apply for a place may do so if they reside in the surrounding area. To assist academic achievement and to support parents returning to work or part time/ full time education, the Academy operates a breakfast club, after school care facilities and full-time nursery provision.

Objectives:

To secure outstanding outcomes in Achievement, Teaching and Learning, Behaviour and Safety and Leadership and Management (Ofsted).

#### Public benefit

The Academy Trust governors confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising its powers and duties.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

### Strategic report

#### Achievements and performance

2018 - 2019

Standards remain broadly in line with or above national averages in all key stages in the 2018 2019 academic year. The school's greatest strengths lie in mathematics, with 43% of pupils achieving greater depth in this area at the end of Key Stage 2 compared to a national average of 27%. This builds on a figure of 32% in 2017 – 2018. This strength is mirrored in KS1. Challenges remain in terms of improving the quality of reading across all key stages, as although all subject areas remain above national average at the expected level, KS2 reading at greater depth is below the national average. Three year trends for all subjects at the expected standard and greater depth exceed national and local averages.

Ofsted 2017 – Good with outstanding features.

#### Key performance indicators

Exit Early Years GLD 63%

This is a reduction on last year's figure of 81% and is due to cohort variance.

Year 1 Phonics test

2019 school 80%

KS1 SATS

Expected Exceeding

Reading 83% 30%

Writing 78% 26%

Maths 87% 35%

KS2 SATS

Expected Greater Depth

Reading 76% 20%

Writing 81% 24%

SPaG 86% 43%

Maths 76% 43%

Combined RWM 67% 5%

Most of the Academy's income is received from the Education and Skills Funding Agency [ESFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 24. Details of all grants and income received can be found in notes 3 to 6.

During the period ended 31 August 2019 expenditure amounting to £942,031 was incurred or accrued, excluding depreciation and the effect of the LGPS pension deficit. This was offset by grants receivable from the ESFA, the Local Authority, income from the breakfast club, after school club and teacher led after school clubs.

At 31 August 2019 the net book value of fixed assets was £1,070,755. The assets were used exclusively to provide education and associated services to the students of the Academy.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 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 note of the financial statements.

The Academy started the current financial period with general reserves of £14,043. With careful budgeting and control, we are carrying a general reserve of £21,183 at the balance sheet date. Our 2018/19 budget forecasts a surplus of £24,000 however unexpected expenses, breakdowns and maintenance requirements mean we have fallen short of our expectation. However, we are satisfied that a small surplus has been achieved which builds on last years carry forward. We forecast sensible surpluses for the next two years as a result of better income expectations and cost reductions. Our aim is to continue building a modest surplus year on year but with the caveat that investment in both curriculum and infrastructure are high priorities

#### **Financial review**

The Academy had an operating deficit in the period 1 September 2018 to 31 August 2019 of £37,546 on unrestricted and restricted general funds i.e. before adjusting for the Local Government Pension Scheme movement and fixed asset movements . The in year surplus has added to the reserves balance brought forward. Fund balances held at 31 August 2018 were £14,043.

Total income in the period was £959,928 of which £788,252 came from the ESFA revenue grants and £97,113 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and as that the school maintains its pupil numbers.

The governing body of the Academy Trust have adopted the following policies relating to Finance and Governance during 2018-2019:

- Revised Finance Handbook ( reviewed annually)

The Academy Trust reserves have been utilized to enhance the Academy to provide more acceptable facilities for growing number of pupils. The junior boys toilets were fully refurbished and commissioned in August 2019.

#### Reserves policy

ESFA guidelines and best practice recommend an academy should have a cash reserve in case of emergencies. However no specific percentage or numerical guidance is offered, one suggested figure would be a sum equivalent to one months salary bill (£56,000). Our aim is to build up a reserve over the next few years, aiming ultimately for a target of £50+k. However, we face a dichotomy, we also have need for capital investment in the fabric of the building as well as an on-going development of our teaching resources. Our policy is to adopt a dynamic approach to budget management with building a reserve as a high priority, tempered with the demands of the curriculum and the need to update and maintain the fabric of the building.

The governing body is responsible for determining the level of financial reserves to be carried forward at the end of any financial period (31 August).

The governing body has delegated the monitoring of potential period end reserves to the Finance and Staffing Committee as part of their terms of reference.

The governing body will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DFE on the treatment of General Annual Grant [GAG] income and other grants.

The governing body will consider the improvement plan for capital developments required.

The governing body will always try to match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future periods expenditure.

# **KIBBLESWORTH ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

---

The governing body may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

#### Investment policy

The Academy has an approved investment policy and if the Academy is able to generate better returns than currently provided in the deposit account, it may undertake other investments. All investments, outside of the deposit account, will be made on a risk-averse basis, taking ethical considerations into account and need governing body approval.

The aim of this policy is to ensure that funds which the academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk. Our aim is to spend the publicly funded monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

#### Principal risks and uncertainties

The Academy maintains a risk register which is reviewed by the Finance and Staffing Committee to ensure that satisfactory arrangements are in place to manage risk. There is an annual review of all risk management issues led by various staff e.g. Caretaker, Headteacher, Academy Business Manager as well as teaching staff, however there is ongoing review in response to situations or new legislation or information.

The Academy considers all risks and the governors have implemented a number of systems to assess risks that may impact the Academy, especially in operational areas, e.g. in relation to teaching, management of IT security, safeguarding, health and safety, including educational visits and in relation to the control of finance. The governors are satisfied that systems are in place to mitigate exposure to major risks.

#### **Business Continuity Plan (Disaster Recovery)**

A plan has been written and awaits final confirmation of details before being submitted to Governors for consideration. The plan is designed to inform all stakeholders how we will deal with a disaster which makes our site inoperable for more than a few days. Communications is the key to the plan and to help ensure effective and efficient dissemination of information we are encouraging the use of Eschools our communication platform of choice. Partnerships with the Village Millennium Centre and Gateshead Council will provide us with short and longer term solutions to any accommodation needs. Adequate insurance cover will mitigate many continuity issues albeit with an unavoidable time delay whilst claims are assessed and settled.

#### **Risk Management**

Risk management is an on-going project with the identification and mitigation of potential 'fail points'. Robust audit procedures and adherence to our Financial Handbook coupled with Governor challenge and scrutiny has ensured financial risk is minimised. The accumulation of a cash reserve will also help secure our financial security. A recent inspection by the Fire and Rescue Service has prompted us to revise and significantly upgrade our fire / smoke detection systems. An annual staff deployment review is part of the budget planning and setting exercise undertaken annually once the funding allocations for the following year is announced. Building into the budget funds for staff absence insurance and supply staff helps manage the continuity of teaching and support services in the event of unexpected staffing problems. It is impossible to neutralise all risks, however we are continuing with our policy of being pro-active in identifying 'fail points' and putting policies in place to minimise the potential impact. Risk management forms an integral part of our Business Continuity Plan.

#### **Fundraising**

Kibblesworth Academy is a school and therefore follows all fundraising policies of charities when raising money.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Plans for future periods

The Academy Ofsted Action Plan clearly states objectives to maintain the highest standards of achievement of all pupils whilst ensuring the school moves forward within a rapidly changing world.

We have an on-going need to update our curriculum which will require investment in teaching and learning materials, this will be the focus of our investment for 2019-20. In 2017-18 and again in 2018-19 we refurbished one of our four children's toilets, the original plan was to complete the refurbishment over four years this may now be extended with a gap year in 2019-20. Our building is at a point where it is becoming more costly to maintain, we are having to allocate growing sums for general repairs and maintenance.

Our friends of the school group has been reinvigorated and are working with us to raise funds for a range of education enhancement projects and opportunities for our children. This is also strengthening our community cohesion and placing us at the centre of village life.

### Auditor

In so far 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.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...*01/2/19*... and signed on its behalf by:



.....  
Mrs R Mugnai

Chair of Governors and Finance and Staffing Committee

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Scope of responsibility

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

The board of trustees 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 Kibblesworth Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs R Mugnai (Chair of Governors and Finance and Staffing Committee)	3	3
Mr J Cochrane (Vice Chair of Governors and Chair of Education Committee)	2	3
Mrs K Collins (Resigned 12 November 2019)	2	3
Mr T Rutter	2	3
Mr C Steel (Accounting Officer)	3	3
Mrs S Renton (Staff Governor)	2	3
Mrs K Binns	2	3
Mrs C Davis (Staff Governor)	3	3
Mr M Ashford (Resigned 11 October 2018)	1	3
Mrs J McRae (Resigned 31 October 2019)	2	3
Mrs J Walsh (Staff Governor)	2	3
Mr C Daly	2	3
Mrs J Walsh	2	3
Mr N P Collins (Appointed 10 May 2019)	1	1

Governance was reviewed as part of the section 5 Ofsted inspection in July 2017 and has been reviewed annually thereafter, as part of leadership and management it was judged to be good. We believe it remains good. The governing body continually review their performance and make adjustments to ensure that the correct balance of challenge and support is available.

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

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

- Assist in the management of the Academy's financial decision making and deployment of allocated funds.
- Review strategic financial development and ensure Best Value for Money in all areas of expenditure.
- To review challenge and support the SBM in the setting of the annual budget.
- To ensure effectiveness and efficiency in the staffing structure and to agree staffing changes.
- To review strategic premises and grounds maintenance and development.

The sub-committee have delegated decision making powers with a remit to report back to the full Governing Body. The sub-committee can defer major decisions to the FGB if they feel it is appropriate to do so. The committee also acts as an audit committee.

The committee was chaired by Mrs R Mugnai during the academic year. Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs R Mugnai (Chair of Governors and Finance and Staffing Committee)	3	3
Mr T Rutter	2	3
Mr C Steel (Accounting Officer)	3	3
Mrs K Binns	3	3
Mrs C Davis (Staff Governor)	2	3
Mr M Ashford (Resigned 11 October 2018)	1	1
Mrs J McRae (Resigned 31 October 2019)	1	3
Mr C Daly	2	3
Mr N P Collins (Appointed 10 May 2019)	1	1

#### **Review of value for money**

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Vigorously reviewing all contracts that become eligible for renewal with a demanding review of value for money approach.
- Setting the budget by questioning every expenditure code to ensure value for money and fitness for purpose, using the what do we need rather than want approach. Thus ensuring expenditure is focused and delivering maximum impact.

A zero tolerance to debt has been maintained resulting in the outstanding debt for school being reduced and held at a manageable level. Parents are encouraged to use our on-line payment system, ParentPay which reduces the cash flow through the school office. A strict policy of no credit is being pursued.

Charges for wrap around care have been increased to a level which ensures all costs are fully covered and a modest surplus is generated for reinvestment into the curriculum. Parental voluntary contributions for school trips and visits have been increased to ensure these valuable experiences and learning opportunities can be provided.

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

---

Senior Leadership Team are continuing to reviewing the deployment of staff to ensure best value for money, reduce the reliance on agency staff and ensure the most effective and efficient support for children with individual support needs. The SLT will continue to monitor all requests for expenditure to ensure budgets are managed efficiently and expenditure is in line with school priorities and development needs.

### **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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kibblesworth Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint a Governor to act as a lead on internal audit. However, the trustees have also appointed Baldwins Audit Services, the external auditor, to perform additional checks. A close symbiotic working relationship is being developed.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. On a termly basis, the reviewer reports to the board of governors on the operation of the systems of control and on the discharge of the board's financial responsibilities including:

- testing of payroll system
- testing of purchases system
- review of monthly control account reconciliations
- testing of risk management systems
- testing of corporate governance

All items from the internal insurance reports are being actioned and the schedule of work was delivered as planned.



# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

Three one day visits were commissioned during 2018/19. The reviewer carried out robust and searching reviews of financial practices and procedures which have resulted in helpful guidance for more effective and efficient management of the Academy's finances.

The issues raised in the previous year have all been addressed especially with more detailed and complete minutes being recorded at all committee meetings. Issues raised within this year's report centred around procedural issues mainly to do with retrospective purchase orders. Governors have challenged this issue and are satisfied a sound expedient purchase system is in place with the appropriate level of checks and audit. The Academy hand book has been amended to reflect the practicalities of on-line ordering and sensible purchasing procedures.

### **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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 10/12/19 and signed on its behalf by:



Mrs R Mugnai  
Chair of Governors and Finance and  
Staffing Committee



Mr C Steel  
Accounting Officer

# KIBBLESWORTH ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

***FOR THE YEAR ENDED 31 AUGUST 2019***

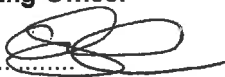
---

As accounting officer of Kibblesworth Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Mr C Steel  
Accounting Officer

.....

19/2/19

# KIBBLESWORTH ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The trustees (who are also the directors of Kibblesworth Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

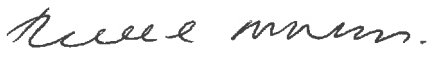
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10/12/19 and signed on its behalf by:



Mrs R Mugnai  
Chair of Governors and Finance and Staffing Committee

# KIBBLESWORTH ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIBBLESWORTH ACADEMY

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Opinion**

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# KIBBLESWORTH ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIBBLESWORTH ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# KIBBLESWORTH ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIBBLESWORTH ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Use of our report

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



**Joanne Regan FCA (Senior Statutory Auditor)**  
for and on behalf of Baldwins Audit Services

11 December 2019

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# KIBBLESWORTH ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KIBBLESWORTH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kibblesworth Academy during the period 1 September 2018 to 31 August 2019 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 Kibblesworth Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kibblesworth Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kibblesworth Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Kibblesworth Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Kibblesworth Academy's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# KIBBLESWORTH ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KIBBLESWORTH ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baldwins Audit Services*

**Reporting Accountant**  
Baldwins Audit Services

Dated: ...11... December 2019



# KIBBLESWORTH ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	1,075	-	14,443	15,518	6,011
Charitable activities:						
- Funding for educational operations	4	18,618	885,365	-	903,983	841,689
Other trading activities	5	40,378	-	-	40,378	42,545
Investments	6	49	-	-	49	32
<b>Total</b>		<b>60,120</b>	<b>885,365</b>	<b>14,443</b>	<b>959,928</b>	<b>890,277</b>
<b>Expenditure on:</b>						
Raising funds	7	29,764	-	-	29,764	12,361
Charitable activities:						
- Educational operations	8	23,216	930,051	26,056	979,323	911,744
<b>Total</b>	<b>7</b>	<b>52,980</b>	<b>930,051</b>	<b>26,056</b>	<b>1,009,087</b>	<b>924,105</b>
<b>Net income/(expenditure)</b>		<b>7,140</b>	<b>(44,686)</b>	<b>(11,613)</b>	<b>(49,159)</b>	<b>(33,828)</b>
Transfers between funds	16	-	9,447	(9,447)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(113,000)	-	(113,000)	47,000
<b>Net movement in funds</b>		<b>7,140</b>	<b>(148,239)</b>	<b>(21,060)</b>	<b>(162,159)</b>	<b>13,172</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		14,043	(134,000)	1,091,815	971,858	958,686
Total funds carried forward		21,183	(282,239)	1,070,755	809,699	971,858

# KIBBLESWORTH ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset		Total 2018 £
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	155	-	5,856	6,011
<b>Charitable activities:</b>					
- Funding for educational operations	4	14,169	827,520	-	841,689
Other trading activities	5	42,545	-	-	42,545
Investments	6	32	-	-	32
<b>Total</b>		<u>56,901</u>	<u>827,520</u>	<u>5,856</u>	<u>890,277</u>
<b>Expenditure on:</b>					
Raising funds	7	12,361	-	-	12,361
<b>Charitable activities:</b>					
- Educational operations	8	29,486	857,744	24,514	911,744
<b>Total</b>	7	<u>41,847</u>	<u>857,744</u>	<u>24,514</u>	<u>924,105</u>
<b>Net income/(expenditure)</b>		15,054	(30,224)	(18,658)	(33,828)
Transfers between funds	16	(1,011)	1,801	(790)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	47,000	-	47,000
<b>Net movement in funds</b>		14,043	18,577	(19,448)	13,172
<b>Reconciliation of funds</b>					
Total funds brought forward		-	(152,577)	1,111,263	958,686
Total funds carried forward		<u>14,043</u>	<u>(134,000)</u>	<u>1,091,815</u>	<u>971,858</u>


# KIBBLESWORTH ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,070,755		1,091,815
<b>Current assets</b>					
Debtors	13	66,442		92,524	
Cash at bank and in hand		70,777		13,581	
			137,219		106,105
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(110,275)		(92,062)	
<b>Net current assets</b>			26,944		14,043
<b>Net assets excluding pension liability</b>			1,097,699		1,105,858
Defined benefit pension scheme liability	18		(288,000)		(134,000)
<b>Total net assets</b>			809,699		971,858
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,070,755		1,091,815
- Restricted income funds			5,761		-
- Pension reserve			(288,000)		(134,000)
<b>Total restricted funds</b>			788,516		957,815
<b>Unrestricted income funds</b>	16		21,183		14,043
<b>Total funds</b>			809,699		971,858

The accounts on pages 23 to 46 were approved by the trustees and authorised for issue on 10/12/19, and are signed on their behalf by:



Mrs R Mugnai  
Chair of Governors and Finance and Staffing  
Committee

Company Number 08063683

# KIBBLESWORTH ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

---

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	19		47,700		(17,971)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		49		32	
Capital grants from DfE Group		14,443		5,856	
Purchase of tangible fixed assets		(4,996)		(5,066)	
<b>Net cash provided by investing activities</b>			<u>9,496</u>		<u>822</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			57,196		(17,149)
Cash and cash equivalents at beginning of the year			<u>13,581</u>		<u>30,730</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>70,777</u></u>		<u><u>13,581</u></u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kibblesworth Academy meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The academy has a small reserve of £34,682 at the balance sheet date and it mainly relies on in year funding to support the academy's activities. The trustees pay particular attention to budgets, reviewing actual results against budget to ensure that the academy is responding regularly to its funding constraints. The academy's three year forecast shows better outturns on the implementation of a recovery plan in an effort to accumulate a small reserve going forward. This is evidenced by the small in year surplus achieved (adjusting for notional pension deficits and depreciation).

##### 1.3 Income

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

##### 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 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. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Leasehold buildings	50 years
Leasehold property improvements	50 years
Computer equipment	2 years
Fixtures, fittings & equipment	4 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

##### 1.6 Liabilities

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

##### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.8 Financial instruments

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

###### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

#### 1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education and Local Authority.



# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

##### Local Government Pension Scheme

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 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

##### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £19,000 as at 31 August 2019.

##### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £1,000 as at 31 August 2019.

##### Land and buildings

The academy's land and buildings are occupied on a 125 year lease from the Local Authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the academy and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed asset fund. The basis of valuation has been disclosed within the fixed assets note.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	14,443	14,443	5,856
Other donations	1,075	-	1,075	155
	<u>1,075</u>	<u>14,443</u>	<u>15,518</u>	<u>6,011</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	687,755	687,755	632,360
Other DfE group grants	-	100,497	100,497	93,407
	<u>-</u>	<u>788,252</u>	<u>788,252</u>	<u>725,767</u>
<b>Other government grants</b>				
Local authority grants	-	97,113	97,113	101,753
	<u>-</u>	<u>97,113</u>	<u>97,113</u>	<u>101,753</u>
<b>Other funding</b>				
Catering income	15,618	-	15,618	14,169
Other incoming resources	3,000	-	3,000	-
	<u>18,618</u>	<u>-</u>	<u>18,618</u>	<u>14,169</u>
<b>Total funding</b>	<u>18,618</u>	<u>885,365</u>	<u>903,983</u>	<u>841,689</u>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Clubs	22,006	-	22,006	25,797
Catering income	161	-	161	231
Training and OFSTED income	2,580	-	2,580	3,536
Trip income	4,023	-	4,023	4,708
Other income	11,608	-	11,608	8,273
	<u>40,378</u>	<u>-</u>	<u>40,378</u>	<u>42,545</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £	
	Short term deposits	49	-	49	32	
<hr/>						
7	Expenditure	Staff costs £	Non Pay Expenditure Premises      Other £                      £		Total 2019 £	Total 2018 £
	Expenditure on raising funds					
	- Direct costs	-	-	29,764	29,764	12,361
	Academy's educational operations					
	- Direct costs	558,253	-	59,339	617,592	568,377
	- Allocated support costs	153,834	100,642	107,255	361,731	343,367
		<u>712,087</u>	<u>100,642</u>	<u>196,358</u>	<u>1,009,087</u>	<u>924,105</u>
<hr/>						
	<b>Net income/(expenditure) for the year includes:</b>			<b>2019</b> £	<b>2018</b> £	
	Fees payable to auditor for:					
	- Audit			5,000	5,000	
	- Other services			8,000	8,750	
	Operating lease rentals			11,586	17,717	
	Depreciation of tangible fixed assets			26,056	24,514	
	Net interest on defined benefit pension liability			3,000	4,000	
				<u>55,648</u>	<u>60,035</u>	

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	-	617,592	617,592	568,377
<b>Support costs</b>				
Educational operations	23,216	338,515	361,731	343,367
	<u>23,216</u>	<u>956,107</u>	<u>979,323</u>	<u>911,744</u>

	2019 £	2018 £
<b>Analysis of support costs</b>		
Support staff costs	153,834	135,822
Depreciation	26,056	24,514
Premises costs	74,586	73,088
Other support costs	75,765	77,572
Governance costs	31,490	32,371
	<u>361,731</u>	<u>343,367</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	531,204	504,437
Social security costs	35,431	38,053
Pension costs	124,946	109,761
Amounts paid to employees	691,581	652,251
Agency staff costs	20,506	5,200
Amounts paid to staff	712,087	657,451
Staff development and other staff costs	12,798	6,019
Total staff expenditure	<u>724,885</u>	<u>663,470</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff (Continued)

#### Staff numbers

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

	2019 Number	2018 Number
Teachers	15	14
Administration and support	5	6
Management	3	3
	<u>23</u>	<u>23</u>

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £234,690 (2018: £227,771).

### 10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

#### Mr C Steel (headteacher):

Remuneration	£50,001 - £55,000 (2018: £50,001 - £55,000)
Employer's pension contributions	£5,001 - £10,000 (2018: £5,001 - £10,000)

#### Miss S Renton (assistant headteacher):

Remuneration	£30,001 - £35,000 (2018: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000 (2018: £5,001 - £10,000)

#### Mrs J Walsh (teacher):

Remuneration	£25,001 - £30,000 (2018: £20,001 - £25,000)
Employer's pension contributions	£1 - £5,000 (2018: £1 - £5,000)

#### Miss C Davis (office administrator):

Remuneration	£10,001 - £15,000 (2018: £10,001 - £15,000)
Employer's pension contributions	£1 - £5,000 (2018: £1 - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £500 (2018: £490). The cost of this insurance is included in the total insurance cost.

#### 12 Tangible fixed assets

	Land and buildings	Leasehold property improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2018	1,104,000	92,947	36,011	8,381	1,241,339
Additions	-	-	3,282	1,714	4,996
At 31 August 2019	1,104,000	92,947	39,293	10,095	1,246,335
<b>Depreciation</b>					
At 1 September 2018	106,817	3,713	32,400	6,594	149,524
Charge for the year	19,698	1,881	3,027	1,450	26,056
At 31 August 2019	126,515	5,594	35,427	8,044	175,580
<b>Net book value</b>					
At 31 August 2019	977,485	87,353	3,866	2,051	1,070,755
At 31 August 2018	997,183	89,234	3,611	1,787	1,091,815

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the ESFA.

13 Debtors	2019 £	2018 £
VAT recoverable	23,831	18,296
Other debtors	-	909
Prepayments and accrued income	42,611	73,319
	66,442	92,524

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

<b>14 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	81,161	45,374
Other taxation and social security	10,496	10,497
Accruals and deferred income	18,618	36,191
	<u>110,275</u>	<u>92,062</u>
	<u><u>110,275</u></u>	<u><u>92,062</u></u>
<b>15 Deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	13,001	13,129
	<u>13,001</u>	<u>13,129</u>
Deferred income at 1 September 2018	13,129	13,384
Released from previous years	(13,129)	(13,384)
Resources deferred in the year	13,001	13,129
	<u>13,001</u>	<u>13,129</u>
<b>Deferred income at 31 August 2019</b>	<u><u>13,001</u></u>	<u><u>13,129</u></u>

At the balance sheet date the academy was holding funds received in advance for free school meals.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	687,755	(691,441)	9,447	5,761
Other DfE / ESFA grants	-	100,497	(100,497)	-	-
Other government grants	-	97,113	(97,113)	-	-
Pension reserve	(134,000)	-	(41,000)	(113,000)	(288,000)
	<u>(134,000)</u>	<u>885,365</u>	<u>(930,051)</u>	<u>(103,553)</u>	<u>(282,239)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	997,183	-	(19,720)	-	977,463
DfE group capital grants	13,510	14,443	(886)	-	27,067
Capital expenditure from GAG	81,122	-	(5,450)	(9,447)	66,225
	<u>1,091,815</u>	<u>14,443</u>	<u>(26,056)</u>	<u>(9,447)</u>	<u>1,070,755</u>
<b>Total restricted funds</b>	<u>957,815</u>	<u>899,808</u>	<u>(956,107)</u>	<u>(113,000)</u>	<u>788,516</u>
<b>Unrestricted funds</b>					
General funds	14,043	60,120	(52,980)	-	21,183
	<u>14,043</u>	<u>60,120</u>	<u>(52,980)</u>	<u>-</u>	<u>21,183</u>
<b>Total funds</b>	<u>971,858</u>	<u>959,928</u>	<u>(1,009,087)</u>	<u>(113,000)</u>	<u>809,699</u>



# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### 16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants includes pupil premium, PE and sports grant, teachers pay grant and universal infant free school meals income.

Other government grants includes early years funding and funding for pupils with special educational needs.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants consist of the devolved capital grant received of £14,443 which has been fully spent during the year.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds are in surplus by £26,944 at 31 August 2019.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(2,577)	632,360	(631,584)	1,801	-
Other DfE / ESFA grants	-	93,407	(93,407)	-	-
Other government grants	-	101,753	(101,753)	-	-
Other restricted funds	6,000	-	(6,000)	-	-
Pension reserve	(156,000)	-	(25,000)	47,000	(134,000)
	<u>(152,577)</u>	<u>827,520</u>	<u>(857,744)</u>	<u>48,801</u>	<u>(134,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,016,903	-	(19,720)	-	997,183
DfE group capital grants	11,261	5,856	(2,817)	(790)	13,510
Capital expenditure from GAG	83,099	-	(1,977)	-	81,122
	<u>1,111,263</u>	<u>5,856</u>	<u>(24,514)</u>	<u>(790)</u>	<u>1,091,815</u>
<b>Total restricted funds</b>	<u>958,686</u>	<u>833,376</u>	<u>(882,258)</u>	<u>48,011</u>	<u>957,815</u>
<b>Unrestricted funds</b>					
General funds	-	56,901	(41,847)	(1,011)	14,043
	<u>-</u>	<u>56,901</u>	<u>(41,847)</u>	<u>(1,011)</u>	<u>14,043</u>
<b>Total funds</b>	<u>958,686</u>	<u>890,277</u>	<u>(924,105)</u>	<u>47,000</u>	<u>971,858</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	1,070,755	1,070,755
Current assets	21,183	116,036	-	137,219
Creditors falling due within one year	-	(110,275)	-	(110,275)
Defined benefit pension liability	-	(288,000)	-	(288,000)
<b>Total net assets</b>	<u>21,183</u>	<u>(282,239)</u>	<u>1,070,755</u>	<u>809,699</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,091,815	1,091,815
Current assets	28,447	77,658	-	106,105
Creditors falling due within one year	(14,404)	(77,658)	-	(92,062)
Defined benefit pension liability	-	(134,000)	-	(134,000)
<b>Total net assets</b>	<b>14,043</b>	<b>(134,000)</b>	<b>1,091,815</b>	<b>971,858</b>

### 18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Tyneside Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £nil (2018: £nil) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 18 Pension and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

##### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £58,274 (2018: £55,150).

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £31,000.

As the LGPS is in deficit, the academy has agreed to make additional contributions in 2019/20 of £3,800.

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.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pension and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	29,000	32,000
Employees' contributions	8,000	8,000
	<u>37,000</u>	<u>40,000</u>
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.0	2.0
	<u>2.0</u>	<u>2.0</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	25.1	26.4
Retiring in 20 years		
- Males	23.6	25.1
- Females	26.9	28.7
	<u>26.9</u>	<u>28.7</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £	2018 £
Discount rate + 0.1%	781,000	572,000
Discount rate - 0.1%	826,000	605,000
Mortality assumption + 1 year	777,000	571,000
Mortality assumption - 1 year	830,000	605,000
CPI rate + 0.1%	815,000	597,000
CPI rate - 0.1%	791,000	579,000
	<u>791,000</u>	<u>579,000</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pension and similar obligations

(Continued)

##### The academy trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	337,325	306,450
Government bonds	21,115	18,160
Corporate bonds	58,710	50,848
Cash	10,815	9,988
Property	44,290	38,590
Other assets	42,745	29,964
	<u>515,000</u>	<u>454,000</u>

The actual return on scheme assets was £30,000 (2018: £25,000).

##### Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	47,000	53,000
Past service cost	20,000	-
Interest income	(13,000)	(10,000)
Interest cost	16,000	14,000
	<u>70,000</u>	<u>57,000</u>

##### Changes in the present value of defined benefit obligations

	2019 £	2018 £
At 1 September 2018	588,000	546,000
Current service cost	47,000	53,000
Interest cost	16,000	14,000
Employee contributions	8,000	8,000
Actuarial loss/(gain)	130,000	(32,000)
Benefits paid	(6,000)	(1,000)
Past service cost	20,000	-
	<u>803,000</u>	<u>588,000</u>
At 31 August 2019	803,000	588,000

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations (Continued)

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

	2019 £	2018 £
At 1 September 2018	454,000	390,000
Interest income	13,000	10,000
Actuarial gain	17,000	15,000
Employer contributions	29,000	32,000
Employee contributions	8,000	8,000
Benefits paid	(6,000)	(1,000)
	<u>515,000</u>	<u>454,000</u>
At 31 August 2019	<u>515,000</u>	<u>454,000</u>

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(49,159)	(33,828)
Adjusted for:		
Capital grants from DfE and other capital income	(14,443)	(5,856)
Investment income receivable	(49)	(32)
Defined benefit pension costs less contributions payable	38,000	21,000
Defined benefit pension scheme finance cost	3,000	4,000
Depreciation of tangible fixed assets	26,056	24,514
Decrease/(increase) in debtors	26,082	(54,043)
Increase in creditors	18,213	26,274
	<u>47,700</u>	<u>(17,971)</u>
<b>Net cash provided by/(used in) operating activities</b>	<u>47,700</u>	<u>(17,971)</u>

### 20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	9,579	14,359
Amounts due in two and five years	19,678	18,203
	<u>29,257</u>	<u>32,562</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **21 Related party transactions**

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

No related party transactions took place in the period of account.

### **22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.