

Company Registration No. 08063683 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

KIBBLESWORTH ACADEMY

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KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs E Withycombe
Mr T Rutter
Mr M Ashford

Trustees

Mrs N Campion (Chair of Governors and Resource and Audit Committee) (Appointed 12 October 2020)
Mrs R Mugnai (Chair of Governors and Resource and Audit Committee) (Resigned 9 June 2020)
Mr J Cochrane (Acting Chair of Governors and Chair of Education Committee)
Mrs K Collins (Resigned 12 November 2019)
Mr T Rutter (Resigned 1 September 2019)
Mr C Steel (Accounting Officer)
Mrs S Renton (Staff Governor)
Mrs K Binns (Resigned 1 March 2020)
Mrs C Davis (Staff Governor) (Resigned 31 May 2020)
Mrs J McRae (Resigned 31 October 2019)
Mrs J Walsh (Staff Governor)
Mr C Daly
Mrs J Walsh
Mr N P Collins (Resigned 1 March 2020)
Ms A Waitling (Appointed 8 June 2020)
Mrs A Low (Appointed 20 January 2020)
Dr L Michie (Appointed 30 October 2019 and resigned 31 August 2020)

Senior management team

- Headteacher	Mr C Steel
- Deputy Headteacher	Mrs S Renton
- Early Years Leader	Mrs K Short
- Academy Business Manager	Mr K Etherington
- SENCO	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

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
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 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report 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 210 and had a roll of 189 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 2019 and 31 August 2020, 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.

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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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.

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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Our vision – Together we strive for all members of our academy to be fully prepared for the challenges of tomorrow. This is exemplified through excellent of character, excellence in (academic) achievement and excellence within our community.

Our mission is to provide a broad, balanced, and engaging curriculum where everyone is valued as an individual within our community. Every learner will be supported to foster an enquiring mind, challenged to succeed and encouraged to contribute as a valued member of society.

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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Strategic report

Achievements and performance

2019 – 2020

The last academic year was particularly challenging due to the pandemic and its impact on our ability to deliver our core curriculum and undertake statutory assessments. Information on achievement and performance is broadly taken from our last assessment point which was just prior to the national lockdown in January 2020.

Foundation stage

On entry data indicates that the pupils enter the school below age related expectation across the prime areas of learning. A significant number of children enter Nursery with poor skills in Communication and Language and Health and Self-care. A large proportion of children enter Nursery below ARE in Literacy and Mathematics. By the end of Reception, our most recent data (2019) indicates that 61% of pupils achieved a good level of development compared with a national figure of 71% This represents a drop in attainment compared to the previous three years where our outcomes exceeded the national figures by at least 10%. This drop has been attributed to cohort variance, and data indicates that the majority of pupils made good progress from their individual starting positions. Projections for 2020 were very promising with 71% percent achieving the expected standard for Reading, 62% for Writing and 87% for Number. In addition, 17% of children were exceeding in Reading, 17% in Writing and 25% in Number. Compared to the end of year data for 2019, this is a very positive projection.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

Key Stage 1

By the end of Key Stage 1 in 2019 (last external data collection) pupils were in line with or above national averages in reading, writing and mathematics in terms of expected level in all subjects. The percentage of pupils working at greater depth within school exceeded national averages in all subjects. Our current in-house tracking shows that at Assessment Point 2 (AP2) all subjects were at least in line with targets, with reading and writing exceeding. In terms of greater depth, both reading and mathematics were 6% above target with writing 5% below target.

Reading - 83% achieved the expected standard compared to 75% nationally in 2019. This gap has widened against national by 3.9% from 2018, now standing at 7.7%. At greater depth, school exceeded the national figure by 5.4%, standing at 30.4%. This has risen from a position of 21% in 2018. Girls outperformed boys by 4.6% in reading, with both groups exceeding local authority levels in this subject. Of the children in receipt of the pupil premium, 66.7% reached the expected standard in reading, compared to 62.2% across the local authority. 50% of pupils receiving SEN support achieved the expected standard compared to 36% across the local authority. No children in receipt of the pupil premium achieved greater depth for reading, as was the case with SEN pupils. Both cohorts were small, containing three and two pupils respectively. A gender gap exists in reading at greater depth, with 46% of girls achieving the higher standard compared to only 10% of boys. This gap has widened from 28% in 2018 to 36% in 2019. This compares to a local authority gap of 7.1%. In-house assessment information indicates a similar pattern would have been achieved if the 2020 external assessments had gone ahead.

Writing – 78.3% achieved the expected standard in writing compared to 69% nationally in the last available national tests. The percentage working at greater depth also exceeded national figures with 26.1% achieving the higher standard compared to a national figure of 14.8%. Both gaps have widened compared to the national averages and show an improving trend over the past four years. As was the case with reading, no pupils who are receipt of the pupil premium achieved greater depth in writing. This was replicated with SEN pupils. A similar gender gap exists to reading within school, (28.5%) an increase against last year (19.3%). Once again, this gap is wider than the local authority gender gap, which is 7.1%. In 2020, it appeared that this cohort were in danger of not achieving their greater depth target, (10% cf 15%) which will require additional attention in the 2020 / 21 academic year.

Mathematics – 87% of pupils achieved the expected standard + compared to 75.6% nationally. 34.8% of pupils achieved greater depth compared to 21.7% nationally. 100% of pupil premium pupils achieved expected standard + in mathematics, with 50% of SEN pupils achieving the same standard, both figures exceeding the local authority averages, although cohorts were small. The gender gap in mathematics stands at 5.4% at the expected standard compared to 0.8% across the local authority. At greater depth, the gender gap stands at 8.5% compared to 7.9% across the authority, making it more consistent than reading and writing. A third of pupil premium pupils (1 out of 3) achieved greater depth in mathematics. Again, this strong pattern of results was on track to be repeated in 2020.

When looking at the combined figures, 78.3% of pupils achieved the expected standard compared to 64.9% nationally. At greater depth, 21.7% achieved the higher standard compared to a national figure of 11.2%

Year 1 Phonics - 81% of pupils achieved the standard compared with 81.9% nationally. These figures were consistent with expectations. The 2020 cohort were on track to perform broadly in line with ARE at the point of lockdown.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key Stage 2 (2019 results and 2020 projections)

In 2019, 66.7% of pupils met the expected standard in Reading, Writing and Mathematics combined. This compares favourably with the national average of 65%. This was an increase of 4.2% on last academic year, and demonstrated good progress for the majority of pupils. Writing was the strongest of the three areas at the expected standard, with 81% of pupils achieving the expected standard. This relative strength in writing was validated through 85.7% of pupils achieving the expected standard in Spelling, Punctuation and Grammar. Mathematics and reading both stood at 76.2%, but with scaled scores of 106 and 104 respectively, and progress scores of 1.4 and 0.4, demonstrating good progress in these areas. The relative strength of the majority of pupils in Year 6 in mathematics is demonstrated through 42.9% of pupils achieving greater depth, which was matched in SPAG. Reading has proven to be a weaker area at greater depth, with 19% of pupils achieving this standard. This variation in standards between the core subjects led to a combined figure of 4.8%, with only one child attaining greater depth across reading, mathematics and writing. Given the cohort size, we still remain broadly within one child of the national figure of 10.5%, but this is certainly an area for further development.

Projections for 2020 were very positive. The 2020 cohort consisted of 31 children and at the time of lockdown 80% of pupils were expected to achieve the expected standard in reading, writing and mathematics combined. We were also expecting an increase in the percentage of pupils working at greater depth. At the point of lockdown, 23% of pupils were working at greater depth for writing, which is a significant improvement on 2019. Other subjects were broadly in line with targets and expectations.

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 £26,943. With careful budgeting and control, we are carrying a general reserve of £38,842 at the balance sheet date. Our 2019/20 budget forecasted a surplus of £8,800 despite unexpected expenses, breakdowns and maintenance requirements we have marginally exceeded our expectation.

The COVID 19 pandemic and national lock down in March which disrupted all schools massively had a major impact upon our school. Children suffered from the lost classroom time, social interaction and the opportunities and benefits of the enhanced outdoor activities associated with the school year end. Financially we suffered a considerable loss of income which we would normally expect during the later months of the school year. Our after school provision and breakfast club 'break even' during the first two terms and add a contribution in the final term. We were fortunate in so much that a maternity leave and long term absences reduced our staffing costs, as lock-down allowed us to minimise our supply costs and capitalise on the reduced classroom time. The loss of > £10,000 in income was off-set by the above mentioned staffing issues.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

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 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 25. Details of all grants and income received can be found in notes 3 to 6.

During the period ended 31 August 2020 expenditure amounting to £941,461 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.

The Academy had an operating surplus in the period 1 September 2019 to 31 August 2020 of £11,899 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 2020 were £38,842.

Total income in the period was £954,729 of which £810,625 came from the ESFA revenue grants and £91,137 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 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 2019-2020:

- Revised Finance Handbook (reviewed annually)
- Tendering policy
- Updated the risk register and mitigation of risk policy

The Academy Trust reserves have been utilized to enhance the Academy to provide more acceptable facilities for growing number of pupils. The replacement of the hot water boiler has made the school safer and more hygienic with a reliable supply of hot water. Refurbishment of the outdoor 'trim track' has allowed it to be recommissioned and pupils can now enjoy using it once again.

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. We are on track to reach our £50k reserve within the next three years should the financial climate and funding situation remain consistent with the current position. This will be done through prudent financial management of our current resources and also rationalisation where possible, including an ambitious aim of reducing our overall staffing costs by between 5% and 7% in the next financial period.

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 Resources Committee formerly known as 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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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 Resources Committee (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 a dynamic 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. 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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

COVID-19 is a new and unprecedented risk. To-date it has impacted in several ways; massive disruption to the childrens learning. Heightened levels of anxiety and stress amongst all stakeholders and financially. Efforts to minimise risk and control infection has seen expenditure on cleaning time and cleaning and sterilising consumables rise by over 100%. To maintain the level of cleaning, including increases in consumables will add circa £18,000 per annum to our operational costs.

Fundraising

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

Plans for future periods

The School Development 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 are currently working on our curriculum offer, and this was a major development point for the 2019/2020 academic year. Although the structure and resources were established, it's use needs to be embedded across the school as this was delayed due to the pandemic. This will continue to be a focus during 2020/2021.

The pandemic has also brought the importance of pupil and staff mental health to the fore, and work on this area will continue to be a focus for this academic year. This will include the launch of our new PSHE resource, Jigsaw, and our renewed RSE curriculum in line with new statutory regulations.

We continue to work on areas of development left to us in our 2017 inspection, including the development of reading for pleasure, and 2020 sees the launch of our Reading Rails initiative to increase engagement across all year groups.

2020/2021 will also see a review of staffing levels, particularly in back office functions to ensure the academy continues to receive value for money in terms of its staffing expenditure and all available funds are focused on the development of teaching and learning wherever possible.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware;

A resolution proposing that Azets 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 and signed on its behalf by:



.....
Mrs N Champion

Chair of Governors and Resource and Audit Committee

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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:

Trustees	Meetings attended	Out of possible
Mrs N Campion (Chair of Governors and Resource and Audit Committee) (Appointed 12 October 2020)	0	0
Mrs R Mugnai (Chair of Governors and Resource and Audit Committee) (Resigned 9 June 2020)	2	3
Mr J Cochrane (Acting Chair of Governors and Chair of Education Committee)	2	3
Mrs K Collins (Resigned 12 November 2019)	1	1
Mr T Rutter (Resigned 1 September 2019)	0	0
Mr C Steel (Accounting Officer)	3	3
Mrs S Renton (Staff Governor)	2	3
Mrs K Binns (Resigned 1 March 2020)	3	3
Mrs C Davis (Staff Governor) (Resigned 31 May 2020)	0	2
Mrs J McRae (Resigned 31 October 2019)	0	1
Mrs J Walsh (Staff Governor)	2	3
Mr C Daly	3	3
Mrs J Walsh	2	3
Mr N P Collins (Resigned 1 March 2020)	1	1
Ms A Waitling (Appointed 8 June 2020)	2	2
Mrs A Low (Appointed 20 January 2020)	2	2
Dr L Michie (Appointed 30 October 2019 and resigned 31 August 2020)	3	3

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Within the year a number of Governors resigned new Governors were appointed. Mrs R Mugnai resigned as Chair of Governors to be replaced by Mr J Cochrane (Vice Chair) on a temporary basis until a new chair could be elected. Mrs C Davis resigned as a staff Governor to be replaced by Miss A Watling.

Key Governor actions

Governors have undertaken their duties diligently, proactively and have been supportive of the academy in every area.

- Governors led on a review of staff well-being and a drive to ensure all staff enjoyed a sensible work – life balance.
- Governors scrutinised the tenders for the replacement LED lighting to ensure best possible value for money and that all efficiency claims were substantiated.
- Budget setting was rigorously scrutinised with particular attention paid to risk and ‘worse case’ outcomes.
- Rigorous challenge and monitoring of budget performance helped ensure best value for money was achieved.

The way in which key financial data is presented to the Governing body has been refined to make it more accessible to all. However, the full monthly accounts are shared with the Resources Committee and are made available to all Governors. In addition to the monthly management accounts monthly KPI reports inform Governors of trends and variances.

Resources Committee / Audit Committee (Formerly Finance and Staffing)

For expediency the resources committee and audit committee have the same membership and share meetings. The committees met 3 times during the year. Twice in person and once as a virtual meeting

Trustees

Meetings attended Out of possible

Mrs R Mugnai (Chair of Governors and Resource and Audit Committee) (Resigned 9 June 2020)	2	3
Mrs K Binns (Resigned 1 March 2020)	2	2
Mr C Daly	3	3
Mr N P Collins (Resigned 1 March 2020)	1	1

Review of value for money

As accounting officer, the Head teacher 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Commissioning a full refit of all lighting in the school with LED lighting units. The new units are not only extremely cost efficient but also are environmentally friendly with a vastly reduced CO2 environmental impact.
- Reviewed all SLA, with value for money being a key driver. A policy of not automatically renewing a contract has ensured suppliers deliver competitive services.
- Starting a review of our staffing structure and costs to capitalise on an up-coming retirement and vacancies. All support posts are being reviewed as part of a full value for money audit. This review is designed to reduce the overall staffing costs by 5-7% in the calendar year 2021.
- Investment in curriculum support materials has helped reduce teacher workloads and improve work life balance thereby improving overall staff performance.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

Internal Audit

Trustees recognise the value of internal audit to supplement the work of external audit. The Resources sub committee is also the Internal audit committee, they have established a set of Key Performance Indicators (KPIs) to evaluate financial performance. The KPIs are used alongside a 'variance' report from the SBM to evaluate performance against budget to track and understand any variances from the agreed budget cost centres. All members of the committee receive a monthly financial statement from the SBM with a synopsis of activities, achievements and key expenditure.

Internal Assurance Visits

Governors received and reviewed internal assurance reports twice within the year. Prior to conducting an internal assurance visit Governors were invited to review the proposed schedule of work and make additions or amendments.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Programme of review:

- Review previous report and discuss progress with recommendations.
- Discuss plans with academy management/audit committee and ask for any areas that they feel should be reviewed.
- Review a sample of bank reconciliations to ensure they have been correctly prepared, agreed to the trial balance and authorised by reference to the academy's own Finance Handbook. Check a sample of reconciling items for validity.
- Review a sample of monthly payroll control accounts and ensure they have been correctly reconciled to the payroll reports and authorised.
- Review a sample of the monthly creditor and debtor aged listings and ensure that they have been correctly reviewed, reconciled to the trial balance and authorised.
- Have the accounts been prepared on an accruals basis? Review schedules to ensure they have been correctly prepared and reconciled to the trial balance.
- Briefly review management reports presented to trustees and committees. Do opening reserves agree to prior year accounts? Do they present an accurate picture and are they consistent with the underlying accounting records. Do they contain explanations for significant variances and appropriate KPIs?
- Ensure the academy's Finance Handbook is up to date and reflects current systems and practice.
- Obtain a copy of the strategic risk register and discuss the process for managing risk.
- Review progress in implementing actions on the risk management plan.
- Ensure that there is adequate insurance cover in place.
- Confirm that the trust has in place appropriate contingency and business continuity planning, including recovery of key systems.
- Test a sample of bank payments (Bacs or cheques) made back to order, GRN and invoice to see that the policy in the Finance Handbook has been correctly followed and expenditure and VAT correctly accounted for and reclaimed.
- Review controls over payment processing including access and authorisation to ensure in line with the Finance Handbook. Confirm that signatories and electronic authorisers are in line with agreed bank mandate.
- Review all purchases/contracts requiring quotes/tenders and ensure that procedures in the Finance Handbook were properly followed.
- Test a sample of credit card/purchasing/debit card payments made back to order, GRN and invoice to see that the policy in the Finance Handbook has been correctly followed and expenditure and VAT correctly accounted for and reclaimed.
- Ensure the mechanism for reporting financial information to all members of the governing body is appropriate and timely, and includes the information required by 2.21 of Academies Financial Handbook. Ensure this is reported to trustees at least six times a year and that the board of trustees meet at least three times a year.
- Ensure the register of Business Interests/Pecuniary Interests is maintained and up to date. Confirm that it appears on the academy website and includes the detail required by the Academies Financial Handbook.

Appointment of Internal Auditors

Up to 31 August 2020 Azets formerly known as Baldwins have acted as our internal auditors. However, with the changes in professional ethical standards implemented as from the 1 September 2020 Governors have appointed mha Tait Walker as our internal auditors.

Review of effectiveness

As accounting officer, the head Teacher 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 or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

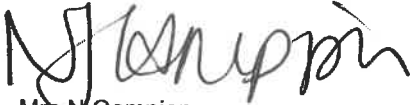
KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Approved by order of the board of trustees on ~~14.12.2020~~ and signed on its behalf by:



Mrs W Champion

**Chair of Governors and Resource and Audit
Committee**



Mr C Steel

Accounting Officer

KIBBLESWORTH ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Kibblesworth Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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

Mr C Steel
Accounting Officer



17/12/20

KIBBLESWORTH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 17/02 and signed on its behalf by:



Mrs N. Campion

Chair of Governors and Resource and Audit Committee

KIBBLESWORTH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIBBLESWORTH ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 2020

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 has 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 2020

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 Azets Audit Services

21 December 2020

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kibblesworth Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: *21 December 2020*

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	550	-	6,054	15,518
Charitable activities:					
- Funding for educational operations	4	10,540	901,762	-	912,302
Other trading activities	5	35,770	-	-	35,770
Investments	6	53	-	-	53
Total		46,913	901,762	6,054	954,729
Expenditure on:					
Raising funds	7	26,290	-	-	26,290
Charitable activities:					
- Educational operations	8	11,164	933,007	25,683	969,854
Total	7	37,454	933,007	25,683	996,144
Net income/(expenditure)		9,459	(31,245)	(19,629)	(41,415)
Transfers between funds	16	-	4,685	(4,685)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(195,000)	-	(195,000)
Net movement in funds		9,459	(221,560)	(24,314)	(236,415)
Reconciliation of funds					
Total funds brought forward		21,183	(282,240)	1,070,755	809,698
Total funds carried forward		30,642	(503,800)	1,046,441	573,283

KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	1,075	-	14,443	15,518
Charitable activities:					
- Funding for educational operations	4	18,618	885,365	-	903,983
Other trading activities	5	40,378	-	-	40,378
Investments	6	49	-	-	49
Total		<u>60,120</u>	<u>885,365</u>	<u>14,443</u>	<u>959,928</u>
Expenditure on:					
Raising funds	7	29,764	-	-	29,764
Charitable activities:					
- Educational operations	8	23,216	930,051	26,056	979,323
Total	7	<u>52,980</u>	<u>930,051</u>	<u>26,056</u>	<u>1,009,087</u>
Net income/(expenditure)		7,140	(44,686)	(11,613)	(49,159)
Transfers between funds	16	-	9,447	(9,447)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(113,000)	-	(113,000)
Net movement in funds		7,140	(148,239)	(21,060)	(162,159)
Reconciliation of funds					
Total funds brought forward		14,043	(134,000)	1,091,815	971,858
Total funds carried forward		<u>21,183</u>	<u>(282,239)</u>	<u>1,070,755</u>	<u>809,699</u>

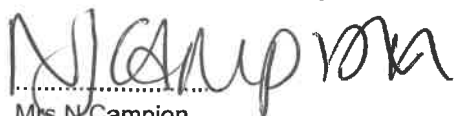
KIBBLESWORTH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,046,441		1,070,755
Current assets					
Debtors	13	47,103		66,442	
Cash at bank and in hand		65,434		70,777	
		<u>112,537</u>		<u>137,219</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(73,695)		(110,275)	
Net current assets			38,842		26,944
Net assets excluding pension liability			<u>1,085,283</u>		<u>1,097,699</u>
Defined benefit pension scheme liability	18		(512,000)		(288,000)
Total net assets			<u>573,283</u>		<u>809,699</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,046,441		1,070,755
- Restricted income funds			8,200		5,761
- Pension reserve			(512,000)		(288,000)
Total restricted funds			<u>542,641</u>		<u>788,516</u>
Unrestricted income funds	16		30,642		21,183
Total funds			<u>573,283</u>		<u>809,699</u>

The accounts on pages 25 to 46 were approved by the trustees and authorised for issue on 12/12/20 and are signed on their behalf by:



Mrs N Campion

Chair of Governors and Resource and Audit Committee

Company Number 08063683

KIBBLESWORTH ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(10,081)		47,700
Cash flows from investing activities					
Dividends, interest and rents from investments		53		49	
Capital grants from DfE Group		6,054		14,443	
Purchase of tangible fixed assets		(1,369)		(4,996)	
Net cash provided by investing activities			4,738		9,496
Net (decrease)/increase in cash and cash equivalents in the reporting period			(5,343)		57,196
Cash and cash equivalents at beginning of the year			70,777		13,581
Cash and cash equivalents at end of the year			65,434		70,777

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 2020

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:

Land and 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 of 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 2020

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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 2020

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

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. Allowance has been made in the valuation for members whose state pension age in on or after 6 April 2016.

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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	6,054	6,054	14,443
Other donations	550	-	550	1,075
	<u>550</u>	<u>6,054</u>	<u>6,604</u>	<u>15,518</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	682,966	682,966	687,755
Other DfE group grants	-	127,659	127,659	100,497
	-	810,625	810,625	788,252
Other government grants				
Local authority grants	-	91,137	91,137	97,113
Other funding				
Catering income	7,240	-	7,240	15,618
Other incoming resources	3,300	-	3,300	3,000
	10,540	-	10,540	18,618
Total funding	10,540	901,762	912,302	903,983

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil premium	51,573	52,700
Universal infant free school meals	24,918	24,487
Teachers pay grant	5,267	5,850
Teachers pension grant	28,521	-
PE and sports	17,380	17,460
	127,659	100,497

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Clubs	24,141	-	24,141	22,006
Catering income	805	-	805	161
Training and OFSTED income	5,420	-	5,420	2,580
Trip income	544	-	544	4,023
Other income	4,860	-	4,860	11,608
	35,770	-	35,770	40,378

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6	Investment income		Unrestricted funds	Restricted funds	Total 2020	Total 2019
			£	£	£	£
	Short term deposits		53	-	53	49
7	Expenditure			Non-pay expenditure	Total 2020	Total 2019
		Staff costs	Premises	Other	£	£
		£	£	£		
	Expenditure on raising funds					
	- Direct costs	-	-	26,290	26,290	29,764
	Academy's educational operations					
	- Direct costs	595,818	-	50,879	646,697	617,592
	- Allocated support costs	141,285	93,938	87,934	323,157	361,731
		737,103	93,938	165,103	996,144	1,009,087
	Net income/(expenditure) for the year includes:				2020	2019
					£	£
	Fees payable to auditor for:					
	- Audit				7,000	6,800
	- Other services				4,900	6,200
	Operating lease rentals				11,507	11,586
	Depreciation of tangible fixed assets				25,683	26,056
	Net interest on defined benefit pension liability				5,000	3,000
8	Charitable activities		Unrestricted funds	Restricted funds	Total 2020	Total 2019
			£	£	£	£
	Direct costs					
	Educational operations		-	646,697	646,697	617,592
	Support costs					
	Educational operations		11,164	311,993	323,157	361,731
			11,164	958,690	969,854	979,323

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities (Continued)

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	141,285	153,834
Depreciation	25,683	26,056
Technology costs	250	-
Premises costs	68,255	74,586
Legal costs	6,429	16,176
Other support costs	63,949	75,765
Governance costs	17,306	15,314
	<u>323,157</u>	<u>361,731</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	546,973	531,204
Social security costs	41,212	35,431
Pension costs	142,263	124,946
	<u>730,448</u>	<u>691,581</u>
Staff costs - employees	730,448	691,581
Agency staff costs	6,655	20,506
	<u>737,103</u>	<u>712,087</u>
Staff development and other staff costs	10,298	12,798
	<u>747,401</u>	<u>724,885</u>

Staff numbers

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

	2020	2019
	Number	Number
Teachers	15	15
Administration and support	5	5
Management	3	3
	<u>23</u>	<u>23</u>

Higher paid staff

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

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 £269,154 (2019: £234,690).

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	£55,001 - £60,000 (2019: £50,001 - £55,000)
Employer's pension contributions	£10,001 - £15,000 (2019: £5,001 - £10,000)

Miss S Renton (assistant headteacher):

Remuneration	£45,001 - £50,000 (2019: £30,001 - £35,000)
Employer's pension contributions	£10,001 - £15,000 (2019: £5,001 - £10,000)

Mrs J Walsh (teacher):

Remuneration	£25,001 - £30,000 (2019: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2019: £1 - £5,000)

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

11 Insurance for trustees and officers

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 2020 was £500 (2019: £490). The cost of this insurance is included in the total insurance cost.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Land and buildings	Leasehold property improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	1,104,000	92,947	39,293	10,095	1,246,335
Additions	-	-	610	759	1,369
At 31 August 2020	1,104,000	92,947	39,903	10,854	1,247,704
Depreciation					
At 1 September 2019	126,515	5,594	35,427	8,044	175,580
Charge for the year	19,720	1,859	2,998	1,106	25,683
At 31 August 2020	146,235	7,453	38,425	9,150	201,263
Net book value					
At 31 August 2020	957,765	85,494	1,478	1,704	1,046,441
At 31 August 2019	977,485	87,353	3,866	2,051	1,070,755

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

	2020	2019
	£	£
VAT recoverable	12,081	23,831
Prepayments and accrued income	35,022	42,611
	47,103	66,442

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	26,915	81,161
Other taxation and social security	10,158	10,496
Accruals and deferred income	36,622	18,618
	73,695	110,275

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	17,879	13,001
Deferred income at 1 September 2019	13,001	13,129
Released from previous years	(13,001)	(13,129)
Resources deferred in the year	17,879	13,001
Deferred income at 31 August 2020	17,879	13,001

At the balance sheet date the academy was holding funds received in advance for free school meals, rates relief and trip income.

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	5,760	682,966	(685,211)	4,685	8,200
Other DfE / ESFA grants	-	127,659	(127,659)	-	-
Other government grants	-	91,137	(91,137)	-	-
Pension reserve	(288,000)	-	(29,000)	(195,000)	(512,000)
	<u>(282,240)</u>	<u>901,762</u>	<u>(933,007)</u>	<u>(190,315)</u>	<u>(503,800)</u>
Restricted fixed asset funds					
Inherited on conversion	977,463	-	(19,720)	-	957,743
DfE group capital grants	27,067	6,054	(1,730)	(4,685)	26,706
Capital expenditure from GAG	66,225	-	(4,233)	-	61,992
	<u>1,070,755</u>	<u>6,054</u>	<u>(25,683)</u>	<u>(4,685)</u>	<u>1,046,441</u>
Total restricted funds	<u>788,515</u>	<u>907,816</u>	<u>(958,690)</u>	<u>(195,000)</u>	<u>542,641</u>
Unrestricted funds					
General funds	21,183	46,913	(37,454)	-	30,642
Total funds	<u>809,698</u>	<u>954,729</u>	<u>(996,144)</u>	<u>(195,000)</u>	<u>573,283</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

Other DfE/ESFA grants includes pupil premium, PE and sports grant, teachers pay and pension grants 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 £6,054 of which £1,369 funded additional assets and the remaining £4,685 was transferred to GAG 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 £38,842 at 31 August 2020.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
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>
Restricted fixed asset funds					
Transfer 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>
Total restricted funds	<u>957,815</u>	<u>899,808</u>	<u>(956,107)</u>	<u>(113,000)</u>	<u>788,516</u>
Unrestricted funds					
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>
Total funds	<u>971,858</u>	<u>959,928</u>	<u>(1,009,087)</u>	<u>(113,000)</u>	<u>809,699</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	1,046,441	1,046,441
Current assets	33,212	79,325	-	112,537
Creditors falling due within one year	(2,570)	(71,125)	-	(73,695)
Defined benefit pension liability	-	(512,000)	-	(512,000)
Total net assets	<u>30,642</u>	<u>(503,800)</u>	<u>1,046,441</u>	<u>573,283</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
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)
Total net assets	21,183	(282,239)	1,070,755	809,699

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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £nil (2019: £nil) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £89,401 (2019: £58,274).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension 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.

As the LGPS is in deficit, the academy has agreed to make additional contributions in 2020/21 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.

Total contributions made	2020	2019
	£	£
Employer's contributions	34,000	29,000
Employees' contributions	8,000	8,000
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Total contributions	42,000	37,000
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Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.3	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.0
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.5	23.6
- Females	26.8	26.9

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

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	300,000	337,325
Government bonds	13,000	21,115
Corporate bonds	128,000	58,710
Cash	11,000	10,815
Property	52,000	44,290
Other assets	57,000	42,745
Total market value of assets	561,000	515,000

The actual return on scheme assets was £5,000 (2019: £30,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	58,000	47,000
Past service cost	-	20,000
Interest income	(10,000)	(13,000)
Interest cost	15,000	16,000
Total operating charge	63,000	70,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	803,000	588,000
Current service cost	58,000	47,000
Interest cost	15,000	16,000
Employee contributions	8,000	8,000
Actuarial loss	190,000	130,000
Benefits paid	(1,000)	(6,000)
Past service cost	-	20,000
At 31 August 2020	<u>1,073,000</u>	<u>803,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	515,000	454,000
Interest income	10,000	13,000
Actuarial loss/(gain)	(5,000)	17,000
Employer contributions	34,000	29,000
Employee contributions	8,000	8,000
Benefits paid	(1,000)	(6,000)
At 31 August 2020	<u>561,000</u>	<u>515,000</u>
19 Reconciliation of net expenditure to net cash flow from operating activities	2020	2019
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(41,415)	(49,159)
Adjusted for:		
Capital grants from DfE and other capital income	(6,054)	(14,443)
Investment income receivable	(53)	(49)
Defined benefit pension costs less contributions payable	24,000	38,000
Defined benefit pension scheme finance cost	5,000	3,000
Depreciation of tangible fixed assets	25,683	26,056
Decrease in debtors	19,339	26,082
(Decrease)/increase in creditors	(36,581)	18,213
Net cash (used in)/provided by operating activities	<u>(10,081)</u>	<u>47,700</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	70,777	(5,343)	65,434

21 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	12,235	9,579
Amounts due in two and five years	26,876	19,678
	<u>39,111</u>	<u>29,257</u>

22 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.

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.