

Company registration number 08063683 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023**

KIBBLESWORTH ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25 - 26
Balance sheet	27
Statement of cash flows	28
Notes to the accounts including accounting policies	29 - 49

KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs R Mugnai
Mr T Rutter
Mr M Ashford
Mrs N Campion

Trustees

Mrs N Campion (Chair)
Mr J Cochrane
Mr C Daly
Mrs A Low (Resigned 19 December 2022)
Mrs E L Miller
Mr C Steel (Accounting Officer)
Mrs S Renton (Resigned 14 July 2023)
Mrs E McGurrell
Rev M Sheard (Appointed 1 November 2022)
Mrs K Collins (Appointed 1 November 2022)
Mrs A Westgarth (Appointed 1 November 2022)
Mrs V Longhurst (Appointed 1 November 2022 and resigned 14 July 2023)

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

J Fairlamb

Company registration number

08063683 (England and Wales)

Registered office

West View
Kibblesworth
Gateshead
Tyne And Wear
NE11 0XP
United Kingdom

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB
United Kingdom

Bankers

Lloyds Bank plc
5th Floor
102 Grey Street
Newcastle Upon Tyne
Tyne And Wear
NE1 6AG
United Kingdom

KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

WBD (UK) LLP
The Spark
Draymans Way
Newcastle Helix
Newcastle upon Tyne
NE4 5DE

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Kibblesworth and the wider Birtley area. It has a pupil capacity of 240 and had a roll of 130 in the school census of October 2023.

The trust is located South West of the Newcastle / Gateshead conurbation, enjoying a semi-rural setting. The village of Kibblesworth is an ex-mining community. The school is experiencing a falling role with the associated financial pressures. Indications are that the roll will recover, due to planned new housing developments and numbers should increase within the next 2-5 years. However, the financial and organisational challenges in the immediate future are considerable. The Trust is actively exploring partnerships in a Multi Academy Trust (MAT). Joining a MAT is a major strategic development and one which must be right for the current and future pupils. It must also offer career opportunities for staff and financial stability.

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 2022 and 31 August 2023, 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

The trustee body is made up of Member appointments, Trustee appointments and Elected appointments. The members ensure a balance of trustees which includes parents, staff and members of the wider community. Recruitment or invitation to join the board is based upon a recognisable skill(s) set which can be employed to benefit the efficient and effective running of the trust. When a staff or parent vacancy arises recruitment is conducted following an advertisement of the vacancy inviting an expression of interest with submission of a proforma skills form. In the event of multiple expressions of interest each candidate is invited to pen a brief profile of themselves and why they wish to serve. A secret ballot is then conducted. Elected trustees are allocated to sub-committees to reflect their personal skills and attributes.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

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 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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

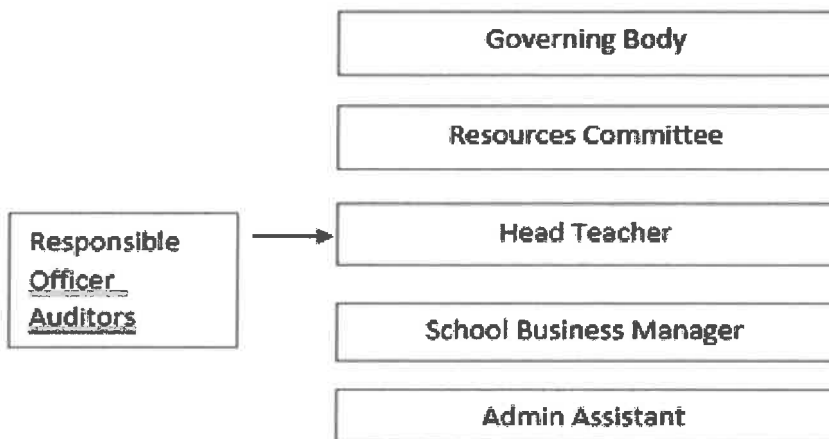
The term of office for any governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

All trustees must have an enhanced DBS check before taking up post, the trust arranges this for new appointments. New appointments are invited to a familiarisation meeting with the Head Teacher and Chair of Governors. New trustees are given a mentor to help them understand the role and duties. Statutory training in Safeguarding must be undertaken at the first opportunity, other Governor development in specific duties is encouraged and facilitated. Where appropriate serving Governors are invited to join staff development events.

Organisational structure

The financial reporting structure is illustrated below and is followed by a short introduction to the role of each body.



The Governing Body

The Governing Body (GB) is the official term for the Board of Academy Governors. It is made up of representatives of the Academy staff, sponsors, the DfE and parents. The Governing Body must meet at least three times per annum. No business can be conducted unless quorums of two appointed members are present.

The GB's responsibilities cover the full range of the Academy's activities; however, finance matters will be a standing agenda item. The GB may delegate some of its financial responsibilities to the Resources Committee, which is a sub-committee of the GB. A representative of the Resources Committee will report on finance matters at each GB meeting. In addition, the GB must formally discuss and approve:

- The annual budget;
- Budget monitoring reports received from the Resources committee;
- Appointment, and remuneration, of senior staff;
- All purchasing decisions over £15,000;
- Disposal of assets above £1,000 in conjunction with the Secretary of State.

Governors may not receive any form of payment for their work, other than payment of reasonable out-of-pocket travel, accommodation or other expenses incurred while attending in the capacity of governor.

No governor may hold an interest in property belonging to the Academy, nor may a governor receive remuneration in respect of any contract to which the Academy is a party.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Senior Management Team

The Head Teacher has overall executive responsibility for the Academy's activities within the framework of the agreed annual and longer term plans. The Head Teacher is deemed to be the Accounting Officer for reporting purposes. Much of the financial responsibility is delegated to the School Business Manager (SBM), but The Head Teacher retains responsibility for:

- Approving new staff appointments within the authorised structure, except for any senior staff posts requiring Governing Body (GB) approval;
- Authorising bonus/honorarium payments to staff as agreed by SLT as long as cost is affordable based on current budgets and forecasts; (up to a maximum of £1000, anything beyond £1000 to be agreed with the Resources Committee)
- Authorising the purchase of goods and services of value up to £7,500 and between £7,500 and £15,000, in conjunction with the Resources Committee;
- Signing cheques/authorising electronic payments in conjunction with other authorised signatories; at least one signatory must be the SBM or Head Teacher;
- Authorising the disposal of assets up to £500 in value.
- Sharing the ESFA's accounting officer's annual letter with all trustees and other members of the senior leadership team.

The Deputy Head Teacher

The Deputy Head Teacher is a class teacher with additional pedagogic responsibilities including deputising for the HT in their absence. The role, currently, does not have a financial responsibility element.

The School Business Manager

The School Business Manager (SBM) works closely with The Head Teacher through whom they are responsible to the governors. The SBM is deemed to be The Head Teacher Finance Officer for reporting purposes. The SBM also reports directly to the governors via the Resources Committee. The SBM is responsible for all non-academic matters, including finance, personnel, premises and Health and Safety. Day to day management of Finances is the primary role of the SBM with strategic financial management being in conjunction with the HT and Resources Committee.

Arrangements for setting pay and remuneration of key management personnel

The Academy has agreed to abide by the national pay and remuneration agreements for both teaching and support staff including senior leaders. Teachers pay progression is determined by agreed targets set at performance review meetings with the Head Teacher. The Head Teachers pay progression is determined by a sub group of trustees chaired by the Chair of Governors. Nationally agreed cost of living awards are implemented automatically.

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 2023

Objectives and activities

Objects and aims

The overriding objectives of the school remain in same as in previous years, building on experience, success and innovation to deliver our vision and mission as described below.

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.

Principal activities

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

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

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

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

Objectives, strategies and activities

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

The Academy is the hub of the village with most families having direct ties to the school. Our main aim is to provide the highest quality teaching and learning experience for our pupils, giving each child the best preparation possible for their future. We believe to help achieve this aim engaging with the wider community is essential. Being a key community centre extends the value of the school and opens our facilities to a wider audience.

Strategic report

Achievements and performance

The academy has delivered a number of notable achievements in the year ending 31st August 2023, not least of which was ensuring that the school remained a calm and settled environment where all children are supported to achieve highly.

The school continued to be judged as Good when it was inspected by Ofsted in December 2022. This confirmed the school's own judgement, and validated the opinion of senior leaders and improvement partners.

The school won a national award for curriculum design in 2023, being recognised in particular for our innovative approach to curriculum design which makes the most of localisation and links with the community.

In collaboration with The Royal Opera House and The Royal Ballet, school engaged in a series of events and opportunities linked to the Chance to Dance initiative. This saw Year 3 pupils working alongside, and performing with, dancers from The Royal Ballet. As well as a great opportunity for all, this was also a talent spotting opportunity, with some pupils being offered scholarships as local dance schools with the support of the Royal Ballet.

We continued our work with The Anne Frank Trust, working with them to educate our Year 6 children on the life of Anne Frank and the times in which she lived. This has led to member of Year 6 applying to be ambassadors for the trust.

We continue to work on curriculum design and development, particularly in light of the classroom restructuring which was put in place for the start of the 2023 2024 academic year.

We continue to work with NACE to deliver a curriculum to support and challenge all pupils, not just the most able, and our results demonstrate that we have been successful in this area.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key performance indicators

Assessment information 2022-2023

Reading, Writing and Mathematics – Attainment KS2	Kibblesworth	National
Reading, Writing and Maths percentage of pupils achieving the expected standard	85%	59%
Reading, writing and mathematics: percentage of pupils achieving a high score (Greater Depth)	14%	7%

As can be seen above, the combined reading writing and maths scored for KS2 far exceed the national averages for this academic year. This trend is also reflected in the individual subject scores below.

KS2 Individual Subjects – Attainment	Kibblesworth	National
Reading: percentage of pupils achieving expected standard	86%	73%
Reading: percentage of pupils achieving a higher standard	43%	23%
Writing: percentage of pupils achieving expected standard	95%	69%
Writing: percentage of pupils working at greater depth within expected standard	14%	13%
Mathematics: percentage of pupils achieving expected standard	94%	71%
Mathematics: percentage of pupils achieving a higher standard	47%	22%
Grammar, punctuation and spelling: percentage of pupils achieving expected standard	86%	72%
Grammar, punctuation and spelling: percentage of pupils achieving a higher standard	53%	30%

Linked to our NACE award, it is worth noting the strength across the board in terms of achieving the higher standard. Our reading attainment is significantly above national, and in the 99th percentile, with progress also significantly above and in the 97th percentile. Maths progress across KS2 is significantly above the national, sitting in the 86th percentile, with higher standard attainment also being significantly above and in the 92nd percentile. Our writing is also significantly above, with attainment sitting in the 99th percentile for the expected standard. All of these outcomes illustrate the high standard of provision in place for all pupils across Key Stage 2.

Average Scaled Score	Kibblesworth	National
Average Scaled Score in Reading	111	105
Average Scaled Score in Mathematics	108	104
Average Scaled score in Grammar, punctuation and spelling	110	105

Our scaled scores also demonstrate how highly pupils have achieved, exceeding the national average in all areas. In two of the three areas, the average scaled score exceeds the higher standard threshold.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Progress measures: KS1 to KS2	Kibblesworth	National
Reading progress score	4.39	0.04
Writing progress score	1.78	0.04
Mathematics progress score	2.68	0.00

As illustrated above, progress from KS1 to KS2 is incredibly strong. It is worth noting that although the work around the NACE award primarily looks at progress for the most able, the lowest prior attainers recorded a progress score of 8.47 compared to 2.53 for the most able. This very strong picture is replicated across all subjects.

KS1 Individual Subjects – Attainment	Kibblesworth	National
Reading: percentage of pupils achieving expected standard	75%	68%
Reading: percentage of pupils high attaining	20%	18%
Writing: percentage of pupils achieving expected standard	70%	60%
Writing: percentage of pupils high attaining	10%	8%
Mathematics: percentage of pupils achieving expected standard	80%	70%
Mathematics: percentage of pupils high attaining	20%	16%

After a disappointing set of results in 2021 2022, the KS2 results return to their usual high standard in 2022 2023. All areas were above national, both at expected standard and greater depth.

Phonics– Attainment	Kibblesworth	National
Year 1	86%	75%
Year 2	0%	

Phonics screening was once again positive, exceeding national averages.

EYFS Assessment Information	Kibblesworth	National
Good Level of Development	68%	65%

Our youngest pupils also achieved highly, once again exceeding the national average for a good level of development at the end of Reception.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

The academy suffered a significant deficit in 2022-23 of £77,000 (excluding capital and LGPS movements) which has resulted in net current liabilities of £27,000. During the 2022-23 year, the trustees engaged in a thorough spending review aimed at securing the future operational position. This resulted in exceptional costs being incurred in year of £33,000 leading to the impact on our free reserves.

The trustees have approved a budget for 2023-24 which anticipates a surplus before depreciation of £33,000. If achieved, this will reverse the deficit position.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

Financial review

The financial year 2022-23 proved challenging. The Academy suffered an operating deficit of £77,000 on unrestricted and restricted general funds i.e. before adjusting for the Local Government Pension Scheme movement and fixed asset movements. This resulted in free reserves carried forward being in deficit and net current liabilities of £27,000.

Due to unfunded payraises and rising costs, the decision was made to restructure during the 2022 2023 academic year, with the changes due to come into force in the 2023 2024 academic year. It was projected that without any structural changes, staffing costs would reach 115% of GAG in the 2023 2024 academic year. Changes to the staffing structure, and the operational structure of the school, mean that the projected percentage of GAG which will be spent on staffing is approximately 82%. Although this is high, when the staffing profile of the school is considered, and the trade-off experience offers in terms of returning strong results and value for money, the figure becomes more acceptable. Although the restructure was essential in order to ensure the trust's viability moving forward, in the short term it does generate additional costs. Redundancy and compensatory payments were required for three members of staff which impacted the in year budget. Although this impact has been significant, it is a one off payment which was required to allow us to set a budget for the 2023 2024 academic year.

Additional income was generated this year through an increased uptake in wrap around provision, despite the fact that fewer children are attending the school. Increased attendance at our after school clubs in particular has seen a welcome return to pre-pandemic levels of engagement. With an additional offer in place for September, it is hoped that this is an area which will continue to grow.

The academy has also been proactive in looking for alternative sources of income. The trust has engaged in more marketing in an attempt to attract additional pupils, both to the EYFS and across the wider school. We have also looked to increase our rental income, using some additional space to support teacher training and TA CPD during the school day. Although the income is modest, there is reputational gain which raises the profile of the school in the educational community.

Reserves policy

Ideally our aim is to accrue reserves equivalent to an average months operational needs, as this is circa £75k a more realistic objective is enough to cover an average month's salary bill – circa £55k. Our year end financial position falls significantly short of the desired reserves as a result of actions taken to improve the academy's financial position going forward.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 risks associated with the business are threefold.

The first major risk is falling birth rate and a falling roll. Numbers have dropped from a high of 200 pupils four years ago to the current level of 130. Projections indicate that the birth rate will remain low, putting a strain on our most significant funding stream. As previously discussed, we have mitigated this drop in income by reducing teacher numbers over the last three years, culminating with the loss of another three members of staff at the end of the 2022/23 academic year. This has placed us in a stronger financial position, and moved our class sizes to between 21 and 31 across the school. Reception intake for the 24/25 academic year currently stands at 9 children, but with a healthier nursery the year after (22) we should be able to maintain our mixed class structure. Plans still exist for significant home building within the borders of the village, which we hope will have a major impact on our pupil numbers.

The second risk is rising staffing costs. Although the restructures have reduced the overall number of staff, rising staffing costs and unfunded pay rises have placed a strain on budgets. Further partially or unfunded pay rises would undoubtedly require us to look again at the staffing structure, with a reduction in support staff being one possible outcome. The school currently is fortunate to have a very experienced and highly skilled teaching team. The negative aspect to that is that the teaching team area also very expensive. Staffing costs have been cut in all back office areas, with the school no longer employing a caretaker. There are few areas left to cut.

The third risk is the fabric of the building. The main school building is now 51 years old and in need of constant maintenance and repair. We have had three CIF bids refused to repair our roof, the result being a major structural issue which has now closed one classroom as it is unsafe. Further CIF and UCS bids are in place to rectify this. Half of the pupil toilets have been decommissioned due to their age, with no funding available to repair or replace them. The east facing aspect of the school has major issues with water ingress, causing classrooms to be flooded and the hall floor to be damaged. Claims are in place with the RPA, but these issues are just symptomatic of an aging building in need of renovation. Without CIF funding, the building may continue to require funding beyond the levels allocated in the budget.

Fundraising

Raising additional funds has moved from a 'nice to have' to an essential part of the education provision. Without additional funds many trips and enhancements to the curriculum could not be provided. The trusts approach to fund raising is two-fold, asking parents for voluntary contributions and more traditional approaches, Christmas Fairs, Quiz nights, coffee mornings etc. Our 'friends' group provide a valuable income stream, a corollary of this approach is greater community engagement and parental involvement. Our cache of volunteers has grown considerable over the last 12 months, often as a 'spin off' from fund raising events.

To date we have not engaged with commercial or professional fund raisers and do not have any plans to follow this route, however it has not been ruled out should a suitable opportunity arise.

All fund-raising events carried out in the Trusts name must be approved to ensure no reputational damage can ensue from inappropriate or mismanaged events. All events are voluntary, and no pressure is applied to any member of our community. Similarly, staff are encouraged but not pressurised into engaging with fund raising activities.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

Work around formally joining a MAT and dissolving our SAT is the highest item on the Trust agenda for the 2023 2024 academic year. A partnership agreement is in place with SMART Academies in Newcastle, which allows staff and trustees to engage with, and work alongside, members of SMART to ensure their objectives chime well with the objectives of our trust. If the strong start we have made continues, it would be envisaged that both trusts would start due diligence towards mid 2024, with a view to joining SMART when all works had been completed.

Educationally, much of the work in 2023 2024 academic year will be focused on ensuring that the restructure has been effective and the strong educational outcomes for all pupils are not being jeopardised. Linked to this will be continuing to develop our school priorities, such as oracy, in collaboration with colleagues at SMART.

From a business perspective, we plan to address some of our concerns around the fabric of the building in 2023/2024 through attracting additional funding through UCS and CIF to replace the roof initially.

Auditor

In so far as the trustees are aware:

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

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 ~~14/12/23~~ and signed on its behalf by:



Mrs N Champion

Chair

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the 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. The accounting officer is 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)	2	3
Mr J Cochrane	2	3
Mr C Daly	3	3
Mrs A Low (Resigned 19 December 2022)	1	1
Mrs E L Miller		
Mr C Steel (Accounting Officer)	2	3
Mrs S Renton (Resigned 14 July 2023)	2	3
Mrs E McGurrell	2	3
Rev M Sheard (Appointed 1 November 2022)	2	3
Mrs K Collins (Appointed 1 November 2022)	3	3
Mrs A Westgarth (Appointed 1 November 2022)	3	3
Mrs V Longhurst (Appointed 1 November 2022 and resigned 14 July 2023)	3	3

Conflicts of interest

The Trust manages any potential conflict of interest by avoiding any dealings with trustees or members individual interests. The declarations of interests is updated regularly and reviewed to ensure no such conflict arises. The trust does not have any connected interests with any of the trustees or members.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key Governor actions

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

- Governors continuously reviewed staff well-being and a drive to ensure all staff enjoyed the best working conditions possible.
- Governors supported the restructuring work required to ensure that the academy continued to be a going concern in the 2023 2024 financial and academic year. This included input on budget setting and challenging assumptions, as well as supporting the redundancy programme that ultimately was a consequence of the restructure.

Challenge was given in governors meetings to ensure that the budget and resources were managed effectively to ensure best value for money for the academy.

Governors were involved strategically to ensure that a successful transition was put in place due to the early departure of our SBM. Looking to develop new KPIs and a robust accountability structure was discussed before the appointment of our new SBM.

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. Unfortunately, the committee structure did not work effectively, which can be noted through the lack of challenge regarding the lack of internal assurance during this financial year. This has been addressed for the 2023 2024 year with a review of committee structures, leading to a re-organisation of committees and governance.

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.

Ensuring value for money has always been a key financial driver for the academy. The demands placed on our reducing budget make it vital that resources are managed effectively, and wherever possible, are allocated to spending that directly safeguard and improve the educational outcomes of pupils.

All contracts and SLAs are reviewed as a matter of course and never renewed without a full review of need, expectations and value for money.

Recent capital funding was used to renew and replace carpeting in the main school, offering greater insulation and a better learning environment for the children and staff.

We continue to submit CIF bids to try and gain funding for our leaking roof and walls. This is now becoming an urgent concern, and we will be looking to submit a bid for urgent capital support (UCS) this academic year if the CIF bid is unsuccessful.

Due to increases in staffing costs linked to pay rises, staffing costs have reached an unsustainable level for the 2023 2024 academic year. Falling roll and rising costs has necessitated a restructure of classes and as a consequence, redundancies have been required during this financial year to ensure that the school is in a sustainable position for the 2023 2024 academic year. The quality of our teaching is at least good, as validated by our recent Ofsted inspection, and therefore provides good value for money, but budgets dictate that our class sizes must increase and teacher numbers fall. Work has been done to ensure that we can cope with the loss of three experienced teachers to ensure that educational standards do not drop, whilst delivering a positive budget moving forwards. The role of support staff has also been reviewed in light of our financial situation. As a result, we have engaged an apprentice teaching assistant for EYFS, and a TA who is retiring in November 2023 will not be replaced.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Governors support and challenge the SLT bringing external experience and knowledge to the decision making process. As accounting officer, the Head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources.

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. Due to inaction, and a failure to complete directed tasks from our previous SBM, and a failure of oversight from the Head Teacher and governing board to identify that these tasks had not been completed, internal control was not engaged for the 2022 2023 financial year. This was a significant failing, which was not identified until the summer term when our acting SBM was in role, at which point it was too late to rectify the issue in-year. Steps have been taken to ensure this issue is not repeated, through arranging appropriate quotes internal control for the 2023 2024 academic year, to reviewing and revising the governance meeting structure to ensure the appropriate checks are made in future.

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 of September 1st 2022 to the 31st August 2023t 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

As noted previously, there was a significant failing in terms of internal assurance this financial year, with our previous SBM not following instruction to engage internal assurance. Failings in monitoring compounded this issue, with the Head Teacher and Governing body not having sufficient oversight to ensure that internal assurance had been engaged. The lack of internal assurance visits was not noted until the previous SBM had left his position, and works were being carried out with the acting SBM, by which point it was too late to engage auditors for this financial year. Steps have been taken to ensure that this issue is not repeated.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

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 ...14/12/23... and signed on its behalf by:



Mrs N Campion
Chair



Mr C Steel
Accounting Officer

KIBBLESWORTH ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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 Academy Trust Handbook 2022.

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 Academy Trust Handbook 2022.

During the current academic year, the Academy Trust did not procure internal scrutiny services which is a direct breach of Section 3.1 of the Academy Trust Handbook 2022.

In all other aspects 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

...14.12.23..

KIBBLESWORTH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2022 to 2023;
- 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 14/12/23 and signed on its behalf by:



Mrs N Champion
Chair

KIBBLESWORTH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIBBLESWORTH ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2022 to 2023 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 2023 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 2022 to 2023.

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.

Emphasis of matter - LGPS disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

Material uncertainty relating to going concern

We draw your attention to note 1.2 which indicates that significant one off expenditure has had an adverse effect on the academy's financial position at the balance sheet date and the efforts the trustees are making to remedy the net current liabilities position reported. These events along with other matters reported in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2023

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

11 December 2023

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
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 2023

In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 2023

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 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

Modified 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Due to the matters listed below, our opinion is modified.

Internal scrutiny

During the academic year, the Academy Trust did not procure internal scrutiny services which is a direct breach of Section 3.1 of the Academy Trust Handbook 2022.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: *14 December 2023*

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	6,199	-	12,846	19,045	(3,362)
Charitable activities:						
- Funding for educational operations	5	16,691	886,750	-	903,441	926,377
Other trading activities	4	30,181	-	-	30,181	24,125
Investments	6	10	-	-	10	6
Total		53,081	886,750	12,846	952,677	947,146
Expenditure on:						
Raising funds	7	6,017	1,415	-	7,432	26,619
Charitable activities:						
- Educational operations	8	16,691	1,000,733	27,039	1,044,463	999,068
Total	7	22,708	1,002,148	27,039	1,051,895	1,025,687
Net income/(expenditure)		30,373	(115,398)	(14,193)	(99,218)	(78,541)
Transfers between funds	16	(75,724)	76,979	(1,255)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	110,000	-	110,000	461,000
Pension asset not recognised	18	-	(17,000)	-	(17,000)	-
Net movement in funds		(45,351)	54,581	(15,448)	(6,218)	382,459
Reconciliation of funds						
Total funds brought forward		45,351	(82,109)	994,927	958,169	575,710
Total funds carried forward		-	(27,528)	979,479	951,951	958,169

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2022 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	4,537	-	(7,899)	(3,362)
Charitable activities:					
- Funding for educational operations	5	19,744	906,633	-	926,377
Other trading activities	4	24,125	-	-	24,125
Investments	6	6	-	-	6
Total		<u>48,412</u>	<u>906,633</u>	<u>(7,899)</u>	<u>947,146</u>
Expenditure on:					
Raising funds	7	25,280	1,339	-	26,619
Charitable activities:					
- Educational operations	8	16,969	950,787	31,312	999,068
Total	7	<u>42,249</u>	<u>952,126</u>	<u>31,312</u>	<u>1,025,687</u>
Net income/(expenditure)		6,163	(45,493)	(39,211)	(78,541)
Transfers between funds	16	-	17,384	(17,384)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	461,000	-	461,000
Net movement in funds		6,163	432,891	(56,595)	382,459
Reconciliation of funds					
Total funds brought forward		39,188	(515,000)	1,051,522	575,710
Total funds carried forward		<u>45,351</u>	<u>(82,109)</u>	<u>994,927</u>	<u>958,169</u>

KIBBLESWORTH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		979,479		994,927
Current assets					
Debtors	13	65,180		18,672	
Cash at bank and in hand		53,357		127,853	
		118,537		146,525	
Current liabilities					
Creditors: amounts falling due within one year	14	(146,065)		(97,283)	
Net current (liabilities)/assets			(27,528)		49,242
Net assets excluding pension liability			951,951		1,044,169
Defined benefit pension scheme liability	18		-		(86,000)
Total net assets			951,951		958,169
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			979,479		994,927
- Restricted income funds			(27,528)		3,891
- Pension reserve			-		(86,000)
Total restricted funds			951,951		912,818
Unrestricted income funds	16		-		45,351
Total funds			951,951		958,169

The accounts on pages 25 to 49 were approved by the trustees and authorised for issue on 19/12/23 and are signed on their behalf by:



Mrs N. Champion

Chair

Company registration number 08063683 (England and Wales)

KIBBLESWORTH ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(75,761)		36,889
Cash flows from investing activities					
Dividends, interest and rents from investments		10		6	
Capital grants from DfE Group		12,846		(7,899)	
Purchase of tangible fixed assets		(11,591)		-	
Net cash provided by/(used in) investing activities			1,265		(7,893)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(74,496)		28,996
Cash and cash equivalents at beginning of the year			127,853		98,857
Cash and cash equivalents at end of the year			53,357		127,853

KIBBLESWORTH ACADEMY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2023.

Land and buildings

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 land and buildings are valued on the basis of valuations provided by the ESFA/local authority

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

2 Accounting policies

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

2.1 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

The trustees assess whether the use of going concern is appropriate, 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 suffered a deficit of £76,770 in year (excluding capital and LGPS movements) which has resulted in the trustees reporting a net current liabilities position of £27,528 at 31 August 2023.

During the 22/23 academic year the academy engaged in a thorough spending review. This included a staff restructuring exercise which resulted in 2.6 FTE redundancies and one retirement, with an exceptional cost incurred of £33,000. The spending review was essential to secure the future operational position of the academy and we will see the benefits in the current academic year.

The trustees have approved a budget for the 23/24 year which predicts a surplus before depreciation of £33,000, including a small cost contingency. Management information to date suggests we are performing well against the budget set. Although there is a level of uncertainty towards overall expenditure predictions to cover unknown costs that may arise during the 23/24 academic year, the trustees are confident that they will make significant improvements to the net current liabilities position currently reported.

The trustees pay particular attention to the budget, reviewing actual results against budget to ensure that the academy is responding regularly to its funding constraints and are working towards a balanced 3 year forecast.

2.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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 2023

2 Accounting policies

(Continued)

2.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	125 years
Leasehold buildings	50 years
Leasehold property improvements	50 years
Computer equipment	2 years
Fixtures, fittings & equipment	4 years

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

2.6 Liabilities

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

2.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

2.8 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 2023

2 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.

2.9 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.

2.10 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.

2.11 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 2023

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	12,846	12,846	(7,899)
Other donations	6,199	-	6,199	4,537
	<u>6,199</u>	<u>12,846</u>	<u>19,045</u>	<u>(3,362)</u>

During the year the academy received Devolved Formula Capital Grant of £19,180.

The total capital grants above includes a clawback for Conditional Improvement Funding of £6,334 relating to CIF project completed during 2021/22.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Clubs	22,889	-	22,889	18,524
Trip income	6,017	-	6,017	3,981
Other income	1,275	-	1,275	1,620
	<u>30,181</u>	<u>-</u>	<u>30,181</u>	<u>24,125</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	686,046	686,046	690,338
Other DfE/ESFA grants:				
- UIFSM	-	19,233	19,233	17,559
- Pupil premium	-	40,401	40,401	44,178
- PE and sports premium	-	17,240	17,240	17,254
- Rates	-	2,814	2,814	2,868
- Teachers pension grants	-	1,783	1,783	2,824
- Teachers pay grants	-	631	631	1,000
- National tutor grant	-	4,536	4,536	4,455
- Supplementary grant	-	30,391	30,391	8,595
- Others	-	600	600	600
	-	803,675	803,675	789,671
Other government grants				
Local authority grants	-	78,725	78,725	112,322
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	4,350	4,350	4,640
Other incoming resources	-	-	-	2,775
Total funding for educational operations	-	886,750	886,750	909,408
Catering income	16,691	-	16,691	16,969
Total funding	16,691	886,750	903,441	926,377

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	10	-	10	6

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2023 £	Total 2022 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	7,432	7,432	26,619
Academy's educational operations					
- Direct costs	666,285	-	75,222	741,507	678,349
- Allocated support costs	101,473	92,762	108,721	302,956	320,719
	<u>767,758</u>	<u>92,762</u>	<u>191,375</u>	<u>1,051,895</u>	<u>1,025,687</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	6,248	19,529
Depreciation of tangible fixed assets	27,039	31,312
Fees payable to auditor for:		
- Audit	9,250	8,900
- Other services	3,700	2,500
Net interest on defined benefit pension liability	3,000	8,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	-	741,507	741,507	678,349
Support costs				
Educational operations	16,691	286,265	302,956	320,719
	<u>16,691</u>	<u>1,027,772</u>	<u>1,044,463</u>	<u>999,068</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Charitable activities (Continued)

	2023	2022
	£	£
Analysis of support costs		
Support staff costs	101,473	113,729
Depreciation	27,039	31,312
Premises costs	65,723	75,816
Legal costs	8,009	9,656
Other support costs	72,499	71,437
Governance costs	28,213	18,769
	<u>302,956</u>	<u>320,719</u>

9 Staff

Staff costs

Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	544,720	542,826
Social security costs	45,017	49,139
Pension costs	118,236	139,370
	<u>707,973</u>	<u>731,335</u>
Staff costs - employees	707,973	731,335
Agency staff costs	27,232	6,532
Staff restructuring costs	32,553	11,367
	<u>767,758</u>	<u>749,234</u>
Staff development and other staff costs	1,056	5,492
	<u>768,814</u>	<u>754,726</u>

Staff restructuring costs comprise:

Severance payments	32,553	11,367
--------------------	--------	--------

Severance payments

The academy trust paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000	3
--------------	---

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £6,000 (2022: £nil). Individually, the payments were: £3,000 and £3,000.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Staff

(Continued)

Staff numbers

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

	2023 Number	2022 Number
Teachers	8	8
Administration and support	10	11
Management	1	1
	<u>19</u>	<u>20</u>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

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 £303,977 (2022: £278,634).

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	£60,001 - £65,000 (2022: £55,001 - £60,000)
Employer's pension contributions	£15,001 - £20,000 (2022: £10,001 - £15,000)

Miss S Renton (assistant headteacher):

Remuneration	£50,001 - £55,000 (2022: £40,001 - £45,000)
Employer's pension contributions	£10,001 - £15,000 (2022: £10,001 - £15,000)

Mrs V Longhurst (teacher)

Remuneration	£40,001 - £45,000
Employer's pension contributions	£10,001 - £15,000

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £	Leasehold property improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 September 2022	1,104,000	92,947	55,878	11,462	1,264,287
Additions	-	-	-	11,591	11,591
At 31 August 2023	1,104,000	92,947	55,878	23,053	1,275,878
Depreciation					
At 1 September 2022	194,568	11,171	52,942	10,679	269,360
Charge for the year	20,668	1,859	2,936	1,576	27,039
At 31 August 2023	215,236	13,030	55,878	12,255	296,399
Net book value					
At 31 August 2023	888,764	79,917	-	10,798	979,479
At 31 August 2022	909,432	81,776	2,936	783	994,927

Leasehold 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

	2023 £	2022 £
Trade debtors	470	-
VAT recoverable	28,165	-
Prepayments and accrued income	36,545	18,672
	65,180	18,672

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	53,798	25,475
Other taxation and social security	9,580	12,668
Other creditors	28,607	9,627
Accruals and deferred income	54,080	49,513
	<u>146,065</u>	<u>97,283</u>

15 Deferred income

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	16,741	12,090
	<u>16,741</u>	<u>12,090</u>
Deferred income at 1 September 2022	12,090	14,252
Released from previous years	(12,090)	(14,252)
Resources deferred in the year	16,741	12,090
	<u>16,741</u>	<u>12,090</u>
Deferred income at 31 August 2023	<u>16,741</u>	<u>12,090</u>

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	3,891	686,046	(794,444)	76,979	(27,528)
UIFSM	-	19,233	(19,233)	-	-
Pupil premium	-	40,401	(40,401)	-	-
Other DfE/ESFA COVID-19 funding	-	4,350	(4,350)	-	-
Other DfE/ESFA grants	-	600	(600)	-	-
Other government grants	-	78,725	(78,725)	-	-
Teachers pay grants	-	631	(631)	-	-
Teachers pension grants	-	1,783	(1,783)	-	-
PE and sports premium	-	17,240	(17,240)	-	-
Rates	-	2,814	(2,814)	-	-
National tutor grant	-	4,536	(4,536)	-	-
Supplementary grant	-	30,391	(30,391)	-	-
Pension reserve	(86,000)	-	(7,000)	93,000	-
	<u>(82,109)</u>	<u>886,750</u>	<u>(1,002,148)</u>	<u>169,979</u>	<u>(27,528)</u>
Restricted fixed asset funds					
Inherited on conversion	909,410	-	(20,668)	-	888,742
DfE group capital grants	29,620	12,846	(1,289)	(1,255)	39,922
Capital expenditure from GAG	55,897	-	(5,082)	-	50,815
	<u>994,927</u>	<u>12,846</u>	<u>(27,039)</u>	<u>(1,255)</u>	<u>979,479</u>
Total restricted funds	<u>912,818</u>	<u>899,596</u>	<u>(1,029,187)</u>	<u>168,724</u>	<u>951,951</u>
Unrestricted funds					
General funds	45,351	53,081	(22,708)	(75,724)	-
Total funds	<u>958,169</u>	<u>952,677</u>	<u>(1,051,895)</u>	<u>93,000</u>	<u>951,951</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023.

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.

During the year the academy received Devolved Formula Capital Grant of £19,180 which is fully spent in year. The total capital grant includes a clawback for Conditional Improvement Funding of £6,334 relating to CIF project completed during 2021/22.

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 deficit by £27,528 at 31 August 2023.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	-	690,338	(703,831)	17,384	3,891
UIFSM	-	17,559	(17,559)	-	-
Pupil premium	-	44,178	(44,178)	-	-
Other DfE/ESFA COVID-19 funding	-	4,640	(4,640)	-	-
Other DfE/ESFA grants	-	600	(600)	-	-
Other government grants	-	112,322	(112,322)	-	-
Teachers pay grants	-	1,000	(1,000)	-	-
Teachers pension grants	-	2,824	(2,824)	-	-
PE and sports premium	-	17,254	(17,254)	-	-
Rates	-	2,868	(2,868)	-	-
National tutor grant	-	8,595	(8,595)	-	-
Supplementary grant	-	4,455	(4,455)	-	-
Pension reserve	(515,000)	-	(32,000)	461,000	(86,000)
	(515,000)	906,633	(952,126)	478,384	(82,109)
Restricted fixed asset funds					
Inherited on conversion	930,078	-	(20,668)	-	909,410
DfE group capital grants	59,386	(7,899)	(4,483)	(17,384)	29,620
Capital expenditure from GAG	62,058	-	(6,161)	-	55,897
	1,051,522	(7,899)	(31,312)	(17,384)	994,927
Total restricted funds	536,522	898,734	(983,438)	461,000	912,818
Unrestricted funds					
General funds	39,188	48,412	(42,249)	-	45,351
Total funds	575,710	947,146	(1,025,687)	461,000	958,169

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	979,479	979,479
Current assets	-	118,537	-	118,537
Current liabilities	-	(146,065)	-	(146,065)
Total net assets	-	(27,528)	979,479	951,951
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	994,927	994,927
Current assets	45,351	101,174	-	146,525
Current liabilities	-	(97,283)	-	(97,283)
Pension scheme liability	-	(86,000)	-	(86,000)
Total net assets	45,351	(82,109)	994,927	958,169

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 £28,607 (2022: £9,627) were payable to the schemes at 31 August 2023 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 academy trusts. 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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £86,602 (2022: £87,665).

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 20.5% for employers and 5.5 - 12.5% for employees.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023	2022
	£	£
Employer's contributions	28,000	29,000
Employees' contributions	7,000	6,000
Total contributions	<u>35,000</u>	<u>35,000</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.1	4.1
Inflation assumption (CPI)	2.6	2.7

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

	2023 Years	2022 Years
Retiring today		
- Males	21.0	21.8
- Females	24.1	25.0
Retiring in 20 years		
- Males	22.2	23.5
- Females	25.5	26.7

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

	2023 £	2022 £
Discount rate + 0.1%	691,000	752,000
Discount rate - 0.1%	717,000	790,000
Mortality assumption + 1 year	687,000	749,000
Mortality assumption - 1 year	721,000	793,000
CPI rate + 0.1%	717,000	789,000
CPI rate - 0.1%	691,000	754,000

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

	2023 Fair value £	2022 Fair value £
Equities	373,000	369,000
Government bonds	9,000	11,000
Corporate bonds	136,000	127,000
Cash	12,000	12,000
Property	74,000	76,000
Other assets	117,000	90,000
Pension asset not recognised	(17,000)	-
Total market value of assets	704,000	685,000

The actual return on scheme assets was £11,000 (2022: £(11,000)).

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities

2023

2022

£

£

Current service cost

32,000

53,000

Interest income

(29,000)

(12,000)

Interest cost

32,000

20,000

Total operating charge

35,000

61,000

Changes in the present value of defined benefit obligations

2023

2022

£

£

At 1 September 2022

771,000

1,185,000

Current service cost

32,000

53,000

Interest cost

32,000

20,000

Employee contributions

7,000

6,000

Actuarial gain

(128,000)

(484,000)

Benefits paid

(10,000)

(9,000)

At 31 August 2023

704,000

771,000

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

2023

2022

£

£

At 1 September 2022

685,000

670,000

Interest income

29,000

12,000

Actuarial loss

(18,000)

(23,000)

Employer contributions

28,000

29,000

Employee contributions

7,000

6,000

Benefits paid

(10,000)

(9,000)

Pension asset not recognised

(17,000)

-

At 31 August 2023

704,000

685,000

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(99,218)	(78,541)
Adjusted for:			
Capital grants from DfE and other capital income		(12,846)	7,899
Investment income receivable	6	(10)	(6)
Defined benefit pension costs less contributions payable	18	4,000	24,000
Defined benefit pension scheme finance cost	18	3,000	8,000
Depreciation of tangible fixed assets		27,039	31,312
(Increase)/decrease in debtors		(46,508)	127,637
Increase/(decrease) in creditors		48,782	(76,412)
(Decrease) in provisions		-	(7,000)
Net cash (used in)/provided by operating activities		<u>(75,761)</u>	<u>36,889</u>

20 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	127,853	(74,496)	53,357

21 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	8,495	9,121
Amounts due in two and five years	3,594	9,900
	<u>12,089</u>	<u>19,021</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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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.

