

Company Registration No. 08063683 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# KIBBLESWORTH ACADEMY

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement on regularity, propriety and compliance	19
Statement of trustees' responsibilities	20
Independent auditor's report on the accounts	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities including income and expenditure account	26 - 27
Balance sheet	28
Statement of cash flows	29
Notes to the accounts including accounting policies	30 - 50

---

# KIBBLESWORTH ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members

Mrs E Withycombe  
Mr T Rutter  
Mr M Ashford

### Trustees

Mrs N Campion (Chair of Governors and Resource and Audit Committee) (Appointed 12 October 2020)  
Mr J Cochrane (Vice Chair of Governors and Chair of Education Committee)  
Mr C Steel (Accounting Officer)  
Mrs S Renton (Staff Governor)  
Mrs J Walsh (Staff Governor) (Resigned 31 March 2021)  
Mr C Daly  
Mrs J Walsh (Resigned 30 November 2021)  
Ms A Waitling  
Mrs A Low  
Mrs K Ivory (Appointed 12 October 2020)  
Mrs E McGurrell (Appointed 12 October 2020)  
Mrs E L Miller (Appointed 12 October 2020)

### Senior management team

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

### Company secretary

K Etherington

### Company registration number

08063683 (England and Wales)

### Registered office

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

### Independent auditor

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

# KIBBLESWORTH ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### **Bankers**

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

### **Solicitors**

Womble Bond Dickinson  
One Trinity  
Broad Chare  
Newcastle Upon Tyne  
Tyne And Wear  
NE1 2HF  
United Kingdom

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2021*

---

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Kibblesworth and the wider Birtley area. It has a pupil capacity of 210 and had a roll of 162 in the school census of January 2021.

#### **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 2020 and 31 August 2021, except as noted, are included in the Reference and Administrative Details on Page 1.

##### Members' liability

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

##### Trustees' indemnities

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

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

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

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

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

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

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

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

##### APPOINTMENT OF GOVERNORS

The members may appoint up to 4 governors.

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

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

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

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

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

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

##### CO-OPTED GOVERNORS

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

##### APPOINTMENT OF ADDITIONAL GOVERNORS

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

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the office setting out the matters referred to in Article 60.

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 2021

---

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

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

#### Organisational structure

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

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

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

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

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

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

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

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

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

There are no related parties to Kibblesworth Academy.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Objectives and activities**

#### Objects and aims

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

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

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

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

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

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

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

We teach that bullying is never acceptable behaviour.

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

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

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

#### Principal activities

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

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

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

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



# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Objectives, strategies and activities

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

#### Objectives:

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

### Public benefit

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

## **Strategic report**

### **Achievements and performance**

2020 – 2021

The last academic year continued to be particularly challenging due to the pandemic. Although we were increasingly able to return to a more normal curriculum across the year, we were once again unable to undertake statutory assessments. Information on achievement and performance is broadly taken from our last internal assessment point which was in the summer term of 2021. This assessment point focused on our narrowed response curriculum which focused on the key objectives and areas of the curriculum. We envisage that we will be able to move back to a broad curriculum in the 2021 2022 academic year.

#### Foundation stage

On entry data indicates that the pupils enter the school below age related expectation across the prime areas of learning. A significant number of children enter Nursery with poor skills in Communication and Language and Health and Self-care. A large proportion of children enter Nursery below ARE in Literacy and Mathematics. By the end of Reception, our most recent external data (2019) indicates that 61% of pupils achieved a good level of development compared with a national figure of 71% This represents a drop in attainment compared to the previous three years where our outcomes exceeded the national figures by at least 10%. This drop has been attributed to cohort variance, and data indicates that the majority of pupils made good progress from their individual starting positions. Internal assessments for 2021 were encouraging given the disruption that had occurred. In terms of mathematics, 86% of pupils reached the age related expectation linked to our response curriculum. This figure was 75% for reading and 62% for writing. All areas will be a focus moving forward, but particular attention will be given to early reading and phonics in Year 1 as this area has been particularly hard hit due to the pandemic.

### Key performance indicators

#### **Key Stage 1**

By the end of Key Stage 1 in 2019 (last external data collection) pupils were in line with or above national averages in reading, writing and mathematics in terms of expected level in all subjects. The percentage of pupils working at greater depth within school exceeded national averages in all subjects. Our current in-house tracking shows that at Assessment Point 2 (AP2) shows that 86% of children were at age related expectation for mathematics when assessing against our recovery curriculum, with this figure dropping to 76% for reading and writing.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

**Reading** - 83% achieved the expected standard compared to 75% nationally in 2019. This gap has widened against national by 3.9% from 2018, now standing at 7.7%. At greater depth, school exceeded the national figure by 5.4%, standing at 30.4%. This has risen from a position of 21% in 2018. Girls outperformed boys by 4.6% in reading, with both groups exceeding local authority levels in this subject. Of the children in receipt of the pupil premium, 66.7% reached the expected standard in reading, compared to 62.2% across the local authority. 50% of pupils receiving SEN support achieved the expected standard compared to 36% across the local authority. No children in receipt of the pupil premium achieved greater depth for reading, as was the case with SEN pupils. Both cohorts were small, containing three and two pupils respectively. A gender gap exists in reading at greater depth, with 46% of girls achieving the higher standard compared to only 10% of boys. This gap has widened from 28% in 2018 to 36% in 2019. This compares to a local authority gap of 7.1%. In-house assessment information indicates a similar pattern would have been achieved if the 2021 external assessments had gone ahead, with 76% of pupils working at age related expectations – this is an increase above the targeted figure of 70% for this cohort pre COVID.

**Writing** – 78.3% achieved the expected standard in writing compared to 69% nationally in the last available national tests. The percentage working at greater depth also exceeded national figures with 26.1% achieving the higher standard compared to a national figure of 14.8%. Both gaps have widened compared to the national averages and show an improving trend over the past four years. As was the case with reading, no pupils who are receipt of the pupil premium achieved greater depth in writing. This was replicated with SEN pupils. A similar gender gap exists to reading within school, (28.5%) an increase against last year (19.3%) Once again, this gap is wider than the local authority gender gap, which is 7.1%. In 2021, 76% of pupils were on track to achieve age related expectations when assessing against our response curriculum. This was a positive outcome given the situation and bodes well for the progress which can be expected in KS2.

**Mathematics** – 87% of pupils achieved the expected standard + compared to 75.6% nationally. 34.8% of pupils achieved greater depth compared to 21.7% nationally. 100% of pupil premium pupils achieved expected standard + in mathematics, with 50% of SEN pupils achieving the same standard, both figures exceeding the local authority averages, although cohorts were small. The gender gap in mathematics stands at 5.4% at the expected standard compared to 0.8% across the local authority. At greater depth, the gender gap stands at 8.5% compared to 7.9% across the authority, making it more consistent than reading and writing. A third of pupil premium pupils (1 out of 3) achieved greater depth in mathematics. Our internal assessments in 2021 indicate that mathematics continues to be the strongest of the core areas, with 86% of children working at age related expectations for the response curriculum.

**Phonics** - 81% of pupils achieved the standard in the Year 1 phonics test when they were tested in the Autumn term of Year 2.

#### **Key Stage 2 (2019 results and 2021 in house assessments)**

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

Our internal assessment showed that only 54% of children reached the end of key stage expectation for mathematics compared to a pre-covid figure of 63%

58% reached the standard for reading, compared to a starting figure of 71%

67% reached the standard for writing, compared to a starting figure of 75%

In the final lockdown and the subsequent return to school, the engagement level of many in this cohort was poor and as such it was difficult to reach many and fully implement the recovery curriculum.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements.

The Academy started the current financial period with general reserves of £38,842. With careful budgeting and control, we are carrying a general reserve of £39,188 at the balance sheet date. Our 2020/21 budget forecasted a surplus of £8,800

However with the unexpected events of the year and the unprecedented challenges the year has ended at £346.

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

#### **Financial review**

Most of the Academy's income is received from the Education and Skills Funding Agency [ESFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 26. Details of all grants and income received can be found in notes 3 to 6.

During the period ended 31 August 2021 expenditure amounting to £1,071,218 was incurred or accrued, excluding depreciation and the effect of the LGPS pension deficit. This was offset by grants receivable from the ESFA, the Local Authority, income from the breakfast club, after school club and teacher led after school clubs.

At 31 August 2021 the net book value of fixed assets was £1,026,239. The assets were used exclusively to provide education and associated services to the students of the Academy.

The Academy had an operating surplus in the period 1 September 2020 to 31 August 2021 of £346 on unrestricted and restricted general funds i.e. before adjusting for the Local Government Pension Scheme movement and fixed asset movements. The in year surplus has added to the reserves balance brought forward and results in unrestricted and restricted general funds carried forward of £39,188 at 31 August 2021.

Total income in the period was £1,113,430 of which £148,508 was received from DfE capital grant funding, £824,539 came from ESFA revenue grants and £98,340 from other government grants. Other income of £42,043 came from unrestricted income sources. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and that the school maintains its pupil numbers.

The governing body of the Academy Trust have adopted the following policies relating to Finance and Governance during 2020-2021:

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

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### Summary of Key financial variances (2020-21)

The long term sickness then resignation of our caretaker in January 2021 was a 'bonus' in financial terms saving around £21k in year. The post has not been filled, however an additional cleaner has been engaged at £6.5k per annum. As we approach the second anniversary of the caretaker starting his sick leave it has become clear that we do not need a full-time caretaker. The employment of an additional cleaner has covered the critical element of the role.

COVID and lock down meant a teacher maternity leave did not require long term supply coverage saving a further £18k in year.

Because of lockdowns and other restrictions associated with the pandemic most of our wrap around activities for the year were curtailed. ASC & Breakfast club only generated 47% of expected income (£9,665) Teacher led clubs generated £2,500 (50% of forecast) The Christmas fair and other social events were all cancelled with a combined loss of income of at least £3,000

The single most significant 'hit' came through school meals. Gateshead council continued to charge us for school meals based on an average uptake figure, even though no meals were being served for part of the year. Consequently, income from parents was only £12k for the year rather than the £18-£20k we would have expected and costs were £47k. It is important to note income never exceeds 40% of costs as costs include all means tested free school meals and Universal free school meals.

A successful Condition Improvement Fund (CIF) 2019 -2020 bid enabled significant fire safety work to be undertaken. Fire retardant was installed in the roof void to give a better escape time in the event of a fire. Classroom doors were also replaced with new 30 minute fire safety specifications. A corollary of the new doors was to greatly improve the aesthetics of the school. (project cost £39K ex VAT)

A second CIF bid (2020-21) has allowed us to completely replace our central heating and hot water systems with a 'state of the art' boiler and boiler management system (BMS) The funding for this work has been secured within the accounting period with the work being undertaken during July and August 2021. Our expectation is a reduction in Gas consumption by 25-30%, a considerably more comfortable environment and a reduction in maintenance costs. (project cost £125K ex VAT)

Other key works include investment in our Early years outdoor area. This involved using in-house expertise and labour to build sand pits, water play features and raised bed creative play areas. A row of three multi-function wooden 'buildings' have added to the variety of activities available to the children.

A strategic decision was taken to invest some of our reserves in essential health and safety works. The flooring in the infant corridor and reception classroom had become trip hazards. The replacement work to place in late July 2021 (£5,525 ex VAT)

In order to combine our Nursery and Reception classrooms in to a single unit a sliding double door way was installed allowing a single through space or retaining two separate classrooms. This project has created a more flexible and educationally effective environment. (£5,245 ex VAT).

#### Reserves policy

ESFA guidelines and best practice recommend an academy should have a cash reserve in case of emergencies. However no specific percentage or numerical guidance is offered, Our ambition is to have reserved equivalent to approximately one month's salary costs £55k -£60k. A reserve of this magnitude would cover most unforeseen emergencies and ensure enough liquidity to deal with unexpected cash flow variances. However, we do not intend to accumulate reserves to the detriment of our current or future cohorts of children. The GAG funds and other direct funding is fully committed each year to the provision of education in a safe and conducive environment. Reserves are garnered from earned income and other non DfE funding sources.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

Whilst our aim is to build up a reserve over the next few years, aiming ultimately for a target of £50+k. However, we face a dichotomy, we also have need for capital investment in the fabric of the building as well as an on-going development of our teaching resources. Our policy is to adopt a dynamic approach to budget management with building a reserve as a high priority, tempered with the demands of the curriculum and the need to update and maintain the fabric of the building. We are on track to reach our £50k reserve within the next three years should the financial climate and funding situation remain consistent with the current position. This will be done through prudent financial management of our current resources and also rationalisation where possible, including an ambitious aim of reducing our overall staffing costs by between 3% and 5% in the next financial period.

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

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

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

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

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

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

#### Investment policy

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

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

#### Principal risks and uncertainties

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

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

#### Business Continuity Plan (Disaster Recovery)

A plan has been written and awaits final confirmation of details before being submitted to Governors for consideration.

# **KIBBLESWORTH ACADEMY**

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

### **FOR THE YEAR ENDED 31 AUGUST 2021**

---

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

#### **Risk Management**

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

The academy subscribes to a full raft of annual safety checks and maintenance programmes, thus minimising tangible physical risks. Risk management has identified two key areas of concern; funding and key staff. Planning and robust fiscal management has mitigated many financial risks plus the accumulation of a modest reserve fund has built in a 'cushion' of support. Being a relatively small Academy means we have many single operative positions with heavy reliance on individuals with unique skills and access to systems. The primary risk is in the day to day operation of our finance systems, ensuring goods and services are ordered, suppliers and staff paid, and key data submitted to various bodies. In order to minimise these risks, the identification, documentation of procedures and internal training has been implemented to allow the continuity of business in the event of a key personnel absence. The teaching and learning management function is well covered with experienced and trained senior staff. Variation in pupil numbers is always a risk, however numbers have remained stable over recent years and housing developments within our catchment area should increase intake in the near future.

Although we are now becoming more aware of the risks associated with COVID-19, it is still a very unpredictable situation and is a significant ongoing risk. To-date it has impacted in several ways; massive disruption to the children's learning. Heightened levels of anxiety and stress amongst all stakeholders and financially. Efforts to minimise risk and control infection has seen expenditure on cleaning time and cleaning and sterilising consumables rise by over 20%. To maintain the level of cleaning, including increases in consumables will add circa £2,000 per annum to our operational costs. Not replacing our school caretaker and employing an additional cleaner has helped minimise the impact of the more rigorous cleaning programme. Additional costs are mainly in consumable cleaning materials and hand sanitising.

#### **Fundraising**

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

#### **Plans for future periods**

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

We are currently continuing to work on our curriculum offer. This has been a major ongoing objective throughout the pandemic. A great deal of work on the curriculum intent was undertaken over the academic year, but due to the ongoing disruption of the pandemic, we were unable to implement the curriculum fully. Our main aim in terms of curriculum development for the next academic year is to hopefully run a full curriculum cycle to check actual coverage against intended and then make adjustments as required. On our return from the last lockdown, we took the decision to run a response curriculum to tackle the main objectives required in maths and English. This was to ensure that as many children as possible were ready to engage with future learning in the new academic year with minimal gaps. This worked well and we have broadened our curriculum for the 2021 2022 academic year.

# KIBBLESWORTH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

The pandemic has also brought the importance of pupil and staff mental health to the fore. The academy was the first school in the area to secure a gold level award for its work around pupil and staff wellbeing in the 2020 2021 academic year, and that is something we intend to build upon in the 2021 2022 academic year through our staff and pupil charters.

Future planning will need to consider the potential of on-going COVID-19 related expenditure and adjust our budget setting accordingly

We continue to work on areas of development left to us in our 2017 inspection, including the development of reading for pleasure, and 2020 saw the launch of our Reading Rails initiative, which will continue to be embedded in the 2021 2022 academic year.

2021 2022 will also see a continuation of the review of staffing levels, particularly in back office functions to ensure the academy continues to receive value for money in terms of its staffing expenditure and all available funds are focused on the development of teaching and learning wherever possible.

#### Plans for the Future

Balancing the limited resources we have to maximise benefits across as many areas of school life as possible is the single biggest challenge for trustees.

The investment within this accounting period has build upon previous years to make our environment safer and more efficient. There is still work to be done to bring the environment up to a more acceptable standard.

An all-weather running track has been commissioned for installation during the 2021-22 academic year. This will greatly enhance our outdoor area, providing a physical and mental benefit for pupils and staff, this project is being funded from sports premium.

For the period 2021-23 we want to focus on building up our IT provision and Curriculum support materials. The experience gained through the COVID 19 lockdown periods has helped focus our attention on distant and individual learning with the associated resource demands and constraints. Our Resources Committee are leading on fund raising initiatives to further improve our environment and curriculum provision.

#### 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 10/2/21 and signed on its behalf by:



Mrs N Campion

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

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Kibblesworth Academy Trust 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 Head teacher, 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The constraints associated with COVID 19 has necessitated remote meetings, more reliance on electronic communications and telephone calls. Not being able to meet in person has some limitations, however the use of on-line meeting has helped focus thinking and encouraged decisive decision making.

Governance falls into three groups, Resources Committee, which looks at all aspects of the budget, staffing, health and safety and estate management.

The Education committee presents challenge around attainment, curriculum design and delivery, CPD and all aspects of pupil wellbeing and safety. The Resource committee has a sub group tasked with internal scrutiny and risk management.

Finally, the Full Governing Body (FGB) consists of all trustees including staff members, they scrutinise the school as a whole ensuring all elements of activity are co-ordinated and focused on the *raison d'être* – the children.

### Governance

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs N Campion (Chair of Governors and Resource and Audit Committee) (Appointed 12 October 2020)	3	3
Mr J Cochrane (Vice Chair of Governors and Chair of Education Committee)	2	3
Mr C Steel (Accounting Officer)	3	3
Mrs S Renton (Staff Governor)	3	3
Mrs J Walsh (Staff Governor) (Resigned 31 March 2021)	0	0
Mr C Daly	3	3
Mrs J Walsh (Resigned 30 November 2021)	0	0
Ms A Waitling	3	3
Mrs A Low	3	3
Mrs K Ivory (Appointed 12 October 2020)	1	3
Mrs E McGurrell (Appointed 12 October 2020)	2	3
Mrs E L Miller (Appointed 12 October 2020)	3	3



# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### Changes in Governors

Within the year a number of Governors resigned new Governors were appointed. Mrs N Campion became our Chair of Governors, taking over from Mr J Cochrane who acted up from the position of Vice Chair until a replacement was put in place. Mrs J Walsh stepped down from her position of staff governor and was not replaced due to strong staff representation on the board. Mrs K Binns and Mrs J Walsh also resigned their positions as governors and were replaced by Mrs E Miller and Mrs E Roberts.

### Governance statement

The constraints associated with COVID 19 has necessitated remote meetings, more reliance on electronic communications and telephone calls. Not being able to meet in person has some limitations, however the use of on-line meeting has helped focus thinking and encouraged decisive decision making.

Governance falls into three groups, Resources Committee, which looks at all aspects of the budget, staffing, health and safety and estate management.

The Education committee presents challenge around attainment, curriculum design and delivery, CPD and all aspects of pupil wellbeing and safety. The Resource committee has a sub group tasked with internal scrutiny and risk management.

Finally, the Full Governing Body (FGB) consists of all trustees including staff members, they scrutinise the school as a whole ensuring all elements of activity are co-ordinated and focused on the raison d'être – the children.

### Key Governor actions

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

- Governors led on a review of staff well-being and a drive to ensure all staff enjoyed a sensible work – life balance.
- Governors scrutinised the tenders for the building work within EYFS to ensure value for money. This change has had a positive impact on the EYFS area.
- Budget setting was rigorously scrutinised with particular attention paid to risk and 'worse case' outcomes.
- and monitoring of budget performance helped ensure best value for money was achieved.

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

### Resources Committee / Audit Committee (Formerly Finance and Staffing)

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs N Campion (Chair of Governors and Resource and Audit Committee) (Appointed 12 October 2020)	3	3
Mr C Daly	3	3
Mrs K Ivory (Appointed 12 October 2020)	2	3

# **KIBBLESWORTH ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

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

Seeking value for money has always been a key financial driver for the academy. Demand consistently exceeds available funds, therefore ensuring expenditure is determined by needs not wants and sustainability over convenience is our norm.

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 investment has funded new flooring which is not only safer but easier to maintain and clean. A CIF bid has funded replacement of our heating system with a 'state of the art' low running cost alternative. The new heating system will not only save money but greatly reduce our environmental impact. Similarly, a project to replace all our lighting with LED units has reduced costs and CO2 emissions.

The single most valuable and expensive asset is our staff, therefore their well being and ability to work as effectively and efficiently as possible is critical. To help reduce administrative burden on teaching staff we have invested in curriculum support tools and in CPD.

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 accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewed all SLA, with value for money being a key driver. A policy of not automatically renewing a contract has ensured suppliers deliver competitive services.
- Starting a review of our staffing structure and costs to capitalise on an up-coming retirement and vacancies. All support posts are being reviewed as part of a full value for money audit.
- Investment in curriculum support materials has helped reduce teacher workloads and improve work life balance thereby improving overall staff performance.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kibblesworth Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

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

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

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

### **Internal Audit**

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

### **Internal Assurance Visits**

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

### **Programme of review:**

- Review previous report and discuss progress with recommendations.
- Discuss plans with academy management/audit committee and ask for any areas that they feel should be reviewed
- Review a sample of bank reconciliations to ensure they have been correctly prepared, agreed to the trial balance and authorised by reference to the academy's own Finance Handbook. Check a sample of reconciling items for validity.
- Review a sample of monthly payroll control accounts and ensure they have been correctly reconciled to the payroll reports and authorised.
- Review a sample of the monthly creditor and debtor aged listings and ensure that they have been correctly reviewed, reconciled to the trial balance and authorised.
- Have the accounts been prepared on an accruals basis? Review schedules to ensure they have been correctly prepared and reconciled to the trial balance.
- Briefly review management reports presented to trustees and committees. Do opening reserves agree to prior year accounts? Do they present an accurate picture and are they consistent with the underlying accounting records. Do they contain explanations for significant variances and appropriate KPIs?
- Ensure the academy's Finance Handbook is up to date and reflects current systems and practice.
- Obtain a copy of the strategic risk register and discuss the process for managing risk.
- Review progress in implementing actions on the risk management plan.
- Ensure that there is adequate insurance cover in place.
- Confirm that the trust has in place appropriate contingency and business continuity planning, including recovery of key systems.
- Test a sample of bank payments (Bacs or cheques) made back to order, GRN and invoice to see that the policy in the Finance Handbook has been correctly followed and expenditure and VAT correctly accounted for and reclaimed.
- Review controls over payment processing including access and authorisation to ensure in line with the Finance Handbook. Confirm that signatories and electronic authorisers are in line with agreed bank mandate.

# KIBBLESWORTH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

- Review all purchases/contracts requiring quotes/tenders and ensure that procedures in the Finance Handbook were properly followed. Test a sample of credit card/purchasing/debit card payments made back to order, GRN and invoice to see that the policy in the Finance Handbook has been correctly followed and expenditure and VAT correctly accounted for and reclaimed.
- Ensure the mechanism for reporting financial information to all members of the governing body is appropriate and timely, and includes the information required by 2.21 of Academies Financial Handbook. Ensure this is reported to trustees at least six times a year and that the board of trustees meet at least three times a year.
- Ensure the register of Business Interests/Pecuniary Interests is maintained and up to date. Confirm that it appears on the academy website and includes the detail required by the Academies Financial Handbook.

### Key recommendations

- Updating of the Financial Procedures Manual (Formerly Financial handbook) to include:
  - a policy covering special payments e.g severance / compensation payments
  - a policy covering awards, prizes and other benefits
  - a gift register
  - a delineation procedure for cash handling
  - implementing a specific IT strategy
- A health and safety report should be being prepared and reported to the board.

### Review of effectiveness

#### 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 work of the internal 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 10.12.21 and signed on its behalf by:



Mrs N Campion

Chair of Governors and Resource and Audit Accounting Officer  
Committee



Mr C Steel

# KIBBLESWORTH ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

As accounting officer of Kibblesworth Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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**

10/12/2021

# KIBBLESWORTH ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

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 2020 to 2021 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 2020 to 2021;
- 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 ...~~30/12/21~~... and signed on its behalf by:

Mrs N Champion

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

# KIBBLESWORTH ACADEMY

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **Opinion**

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2020 to 2021.

### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# KIBBLESWORTH ACADEMY

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

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **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.



# KIBBLESWORTH ACADEMY

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

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


- 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 2020 to 2021 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 for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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

*17 December 2021*

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
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 2021***

---

In accordance with the terms of our engagement letter dated 7 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Kibblesworth Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kibblesworth Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kibblesworth Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Kibblesworth Academy's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 2021**

---

The work undertaken to draw to our conclusion includes:

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

### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: *17 December 2021*

# KIBBLESWORTH ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General    Fixed asset £            £		Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	905	-	148,508	149,413	6,604
Charitable activities:						
- Funding for educational operations	4	15,935	922,879	-	938,814	912,302
Other trading activities	5	25,191	-	-	25,191	35,770
Investments	6	12	-	-	12	53
<b>Total</b>		<b>42,043</b>	<b>922,879</b>	<b>148,508</b>	<b>1,113,430</b>	<b>954,729</b>
<b>Expenditure on:</b>						
Raising funds	7	4,189	-	-	4,189	26,290
Charitable activities:						
- Educational operations	8	29,308	1,068,721	36,785	1,134,814	969,854
<b>Total</b>	<b>7</b>	<b>33,497</b>	<b>1,068,721</b>	<b>36,785</b>	<b>1,139,003</b>	<b>996,144</b>
<b>Net income/(expenditure)</b>		<b>8,546</b>	<b>(145,842)</b>	<b>111,723</b>	<b>(25,573)</b>	<b>(41,415)</b>
Transfers between funds	17	-	106,642	(106,642)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	28,000	-	28,000	(195,000)
<b>Net movement in funds</b>		<b>8,546</b>	<b>(11,200)</b>	<b>5,081</b>	<b>2,427</b>	<b>(236,415)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		30,642	(503,800)	1,046,441	573,283	809,698
Total funds carried forward		39,188	(515,000)	1,051,522	575,710	573,283

# KIBBLESWORTH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	550	-	6,054	6,604
Charitable activities:					
- Funding for educational operations	4	10,540	901,762	-	912,302
Other trading activities	5	35,770	-	-	35,770
Investments	6	53	-	-	53
<b>Total</b>		<u>46,913</u>	<u>901,762</u>	<u>6,054</u>	<u>954,729</u>
<b>Expenditure on:</b>					
Raising funds	7	26,290	-	-	26,290
Charitable activities:					
- Educational operations	8	11,164	933,007	25,683	969,854
<b>Total</b>	7	<u>37,454</u>	<u>933,007</u>	<u>25,683</u>	<u>996,144</u>
<b>Net income/(expenditure)</b>		9,459	(31,245)	(19,629)	(41,415)
Transfers between funds	17	-	4,685	(4,685)	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(195,000)	-	(195,000)
<b>Net movement in funds</b>		9,459	(221,560)	(24,314)	(236,415)
<b>Reconciliation of funds</b>					
Total funds brought forward		21,183	(282,240)	1,070,755	809,698
Total funds carried forward		<u>30,642</u>	<u>(503,800)</u>	<u>1,046,441</u>	<u>573,283</u>

# KIBBLESWORTH ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,026,239		1,046,441
<b>Current assets</b>					
Debtors	13	146,309		47,103	
Cash at bank and in hand		98,857		65,434	
			245,166		112,537
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(173,695)		(73,695)	
<b>Net current assets</b>			71,471		38,842
<b>Total assets less current liabilities</b>			1,097,710		1,085,283
Provisions for liabilities	16		(7,000)		-
<b>Net assets before defined benefit pension scheme liability</b>			1,090,710		1,085,283
Defined benefit pension scheme liability	19		(515,000)		(512,000)
<b>Total net assets</b>			575,710		573,283
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			1,051,522		1,046,441
- Restricted income funds			-		8,200
- Pension reserve			(515,000)		(512,000)
<b>Total restricted funds</b>			536,522		542,641
<b>Unrestricted income funds</b>	17		39,188		30,642
<b>Total funds</b>			575,710		573,283

The accounts on pages 26 to 50 were approved by the trustees and authorised for issue on 10/12/21 and are signed on their behalf by:

Mrs N Champion

Chair of Governors and Resource and Audit Committee

Company Number 08063683

# KIBBLESWORTH ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

---

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(98,514)		(10,081)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		12		53	
Capital grants from DfE Group		148,508		6,054	
Purchase of tangible fixed assets		(16,583)		(1,369)	
<b>Net cash provided by investing activities</b>			131,937		4,738
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			33,423		(5,343)
Cash and cash equivalents at beginning of the year			65,434		70,777
<b>Cash and cash equivalents at end of the year</b>			98,857		65,434

---

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### 1.2 Going concern

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

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

#### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

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



# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

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

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

Leasehold 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.

#### 1.6 Liabilities

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

#### 1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.8 Leased assets

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### 1.9 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.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Taxation

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

#### 1.11 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.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### 1.12 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.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

#### Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note xx, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

#### 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.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	148,508	148,508	6,054
Other donations	905	-	905	550
	<u>905</u>	<u>148,508</u>	<u>149,413</u>	<u>6,604</u>

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

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	681,367	681,367	680,728
Other DfE / ESFA grants:				
UIFSM	-	24,264	24,264	24,918
Pupil premium	-	47,357	47,357	51,573
Teachers pension grants	-	23,516	23,516	28,521
Teachers pay grants	-	8,322	8,322	5,267
PE and sports premium	-	17,390	17,390	17,380
Rates	-	2,498	2,498	2,238
	<u>-</u>	<u>804,714</u>	<u>804,714</u>	<u>810,625</u>
<b>Other government grants</b>				
Local authority grants	-	98,340	98,340	91,137
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Coronavirus catch-up	-	19,825	19,825	-
<b>Other funding</b>				
Catering income	11,835	-	11,835	7,240
Other incoming resources	4,100	-	4,100	3,300
	<u>15,935</u>	<u>-</u>	<u>15,935</u>	<u>10,540</u>
<b>Total funding</b>	<u>15,935</u>	<u>922,879</u>	<u>938,814</u>	<u>912,302</u>

The academy received £19,825 of funding for catch-up premium and cost incurred in respect of this funding totalled £19,825.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities		Unrestricted funds	Restricted funds	Total 2021	Total 2020	
		£	£	£	£	
Clubs		14,493	-	14,493	24,141	
Catering income		845	-	845	805	
Training and OFSTED income		6,137	-	6,137	5,420	
Trip income		246	-	246	544	
Other income		3,470	-	3,470	4,860	
		<u>25,191</u>	<u>-</u>	<u>25,191</u>	<u>35,770</u>	
6 Investment income		Unrestricted funds	Restricted funds	Total 2021	Total 2020	
		£	£	£	£	
Short term deposits		12	-	12	53	
		<u>12</u>	<u>-</u>	<u>12</u>	<u>53</u>	
7 Expenditure		Staff costs	Non-pay expenditure		Total 2021	Total 2020
		£	Premises	Other	£	£
			£	£		
Expenditure on raising funds						
- Direct costs	-	-		4,189	4,189	26,290
Academy's educational operations						
- Direct costs	620,681	-		64,063	684,744	646,697
- Allocated support costs	118,815	231,507		99,748	450,070	323,157
	<u>739,496</u>	<u>231,507</u>		<u>168,000</u>	<u>1,139,003</u>	<u>996,144</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2021</b>	<b>2020</b>	
				<b>£</b>	<b>£</b>	
Fees payable to auditor for:						
- Audit				7,000	7,000	
- Other services				2,500	4,900	
Operating lease rentals				14,142	11,507	
Depreciation of tangible fixed assets				36,785	25,683	
Net interest on defined benefit pension liability				8,000	5,000	
				<u>8,000</u>	<u>5,000</u>	

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	8,876	675,868	684,744	646,697
<b>Support costs</b>				
Educational operations	20,432	429,638	450,070	323,157
	<u>29,308</u>	<u>1,105,506</u>	<u>1,134,814</u>	<u>969,854</u>
			<b>2021</b>	<b>2020</b>
			£	£
<b>Analysis of support costs</b>				
Support staff costs			118,815	141,285
Depreciation			36,785	25,683
Technology costs			-	250
Premises costs			194,722	68,255
Legal costs			7,508	6,429
Other support costs			75,353	63,949
Governance costs			16,887	17,306
			<u>450,070</u>	<u>323,157</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	548,162	546,973
Social security costs	42,943	41,212
Pension costs	138,652	142,263
	<u>729,757</u>	<u>730,448</u>
Staff costs - employees	729,757	730,448
Agency staff costs	2,739	6,655
Staff restructuring costs	7,000	-
	<u>739,496</u>	<u>737,103</u>
Staff development and other staff costs	10,763	10,298
	<u>750,259</u>	<u>747,401</u>
Total staff expenditure	<u>750,259</u>	<u>747,401</u>
Staff restructuring costs comprise:		
Severance payments	<u>7,000</u>	<u>-</u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is an estimated amount provided for a non-statutory/non-contractual severance payment totalling £7,000 (2020: £nil).

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	14	15
Administration and support	6	5
Management	3	3
	<u>23</u>	<u>23</u>

#### Higher paid staff

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

#### 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 £278,353 (2020: £269,154).



# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 10 Trustees' remuneration and expenses

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

The value of trustees' remuneration was as follows:

Mr C Steel (headteacher):	
Remuneration	£55,001 - £60,000 (2020: £55,001 - £60,000)
Employer's pension contributions	£10,001 - £15,000 (2020: £10,001 - £15,000)
Miss S Renton (assistant headteacher):	
Remuneration	£45,001 - £50,000 (2020: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £15,000 (2020: £10,001 - £15,000)
Mrs J Walsh (teacher) - resigned as trustee 31 March 2021:	
Remuneration	£5,001 - £10,000 (2020: £25,001 - £30,000)
Employer's pension contributions	£1 - £5,000 (2020: £5,001 - £10,000)
Mrs A Watling (teacher):	
Remuneration	£30,001 - £35,000 (2020: £1 - £5,000)
Employer's pension contributions	£5,001 - £10,000 (2020: £1 - £5,000)

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

#### 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.

In the previous year, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £500. The cost of this insurance was included in the total insurance cost.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 12 Tangible fixed assets

	Leasehold land and buildings	Leasehold property improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	1,104,000	92,947	39,903	10,854	1,247,704
Additions	-	-	15,975	608	16,583
At 31 August 2021	1,104,000	92,947	55,878	11,462	1,264,287
<b>Depreciation</b>					
At 1 September 2020	146,235	7,453	38,425	9,150	201,263
Charge for the year	27,665	1,859	6,503	758	36,785
At 31 August 2021	173,900	9,312	44,928	9,908	238,048
<b>Net book value</b>					
At 31 August 2021	930,100	83,635	10,950	1,554	1,026,239
At 31 August 2020	957,765	85,494	1,478	1,704	1,046,441

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

	2021 £	2020 £
VAT recoverable	6,907	12,081
Prepayments and accrued income	139,402	35,022
	146,309	47,103

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	41,944	26,915
Other taxation and social security	13,144	10,158
Accruals and deferred income	118,607	36,622
	173,695	73,695

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Deferred income

	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	14,252	17,879
	<u>14,252</u>	<u>17,879</u>
Deferred income at 1 September 2020	17,879	13,001
Released from previous years	(17,879)	(13,001)
Resources deferred in the year	14,252	17,879
	<u>14,252</u>	<u>17,879</u>
<b>Deferred income at 31 August 2021</b>	<b><u>14,252</u></b>	<b><u>17,879</u></b>

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

### 16 Provisions for liabilities

The academy has provided for an estimated severance payment of £7,000 at the balance sheet date.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	8,200	681,367	(796,209)	106,642	-
UIFSM	-	24,264	(24,264)	-	-
Pupil premium	-	47,357	(47,357)	-	-
Teachers pension grants	-	23,516	(23,516)	-	-
Teachers pay grants	-	8,322	(8,322)	-	-
PE and sports premium	-	17,390	(17,390)	-	-
Rates	-	2,498	(2,498)	-	-
Other government grants	-	118,165	(118,165)	-	-
Pension reserve	(512,000)	-	(31,000)	28,000	(515,000)
	<u>(503,800)</u>	<u>922,879</u>	<u>(1,068,721)</u>	<u>134,642</u>	<u>(515,000)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	957,743	-	(27,665)	-	930,078
DfE group capital grants	26,706	148,508	(2,354)	(113,474)	59,386
Capital expenditure from GAG	61,992	-	(6,766)	6,832	62,058
	<u>1,046,441</u>	<u>148,508</u>	<u>(36,785)</u>	<u>(106,642)</u>	<u>1,051,522</u>
<b>Total restricted funds</b>	<u>542,641</u>	<u>1,071,387</u>	<u>(1,105,506)</u>	<u>28,000</u>	<u>536,522</u>
<b>Unrestricted funds</b>					
General funds	<u>30,642</u>	<u>42,043</u>	<u>(33,497)</u>	<u>-</u>	<u>39,188</u>
<b>Total funds</b>	<u>573,283</u>	<u>1,113,430</u>	<u>(1,139,003)</u>	<u>28,000</u>	<u>575,710</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### 17 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 2021.

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

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

DfE/ESFA capital grants consist of the devolved capital grant received of £6,043, IT equipment donated from the DfE of £3,708 and two successful CIF bids of £31,188 and £107,569. Capital grants are fully spent in year except for £25,283 of CIF funds which have been carried forward against costs expected to be incurred in the next academic year.

CIF funds of £113,474 were transferred to restricted general fund to offset project costs expensed in year. £6,832 was transferred from GAG in year to fund capital items purchased.

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

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

The academy's restricted general and unrestricted funds are in surplus by £39,188 at 31 August 2021.

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	5,760	680,728	(682,973)	4,685	8,200
UJFSM	-	24,918	(24,918)	-	-
Pupil premium	-	51,573	(51,573)	-	-
Teachers pension grants	-	28,521	(28,521)	-	-
Teachers pay grants	-	5,267	(5,267)	-	-
PE and sports premium	-	17,380	(17,380)	-	-
Rates	-	2,238	(2,238)	-	-
Other government grants	-	91,137	(91,137)	-	-
Pension reserve	(288,000)	-	(29,000)	(195,000)	(512,000)
	<u>(282,240)</u>	<u>901,762</u>	<u>(933,007)</u>	<u>(190,315)</u>	<u>(503,800)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	977,463	-	(19,720)	-	957,743
DfE group capital grants	27,067	6,054	(1,730)	(4,685)	26,706
Capital expenditure from GAG	66,225	-	(4,233)	-	61,992
	<u>1,070,755</u>	<u>6,054</u>	<u>(25,683)</u>	<u>(4,685)</u>	<u>1,046,441</u>
<b>Total restricted funds</b>	<u>788,515</u>	<u>907,816</u>	<u>(958,690)</u>	<u>(195,000)</u>	<u>542,641</u>
<b>Unrestricted funds</b>					
General funds	<u>21,183</u>	<u>46,913</u>	<u>(37,454)</u>	<u>-</u>	<u>30,642</u>
<b>Total funds</b>	<u>809,698</u>	<u>954,729</u>	<u>(996,144)</u>	<u>(195,000)</u>	<u>573,283</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	1,026,239	1,026,239
Current assets	39,188	92,076	113,902	245,166
Creditors falling due within one year	-	(85,076)	(88,619)	(173,695)
Provisions for liabilities	-	(7,000)	-	(7,000)
Defined benefit pension liability	-	(515,000)	-	(515,000)
<b>Total net assets</b>	<b>39,188</b>	<b>(515,000)</b>	<b>1,051,522</b>	<b>575,710</b>

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

#### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £nil (2020: £nil) were payable to the schemes at 31 August 2021 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £90,746 (2020: £89,401).

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 % for employers and % for employees.

As the LGPS is in deficit, the academy has agreed to make additional contributions in 2020/21 of 3,100.

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

Total contributions made	2021 £	2020 £
Employer's contributions	26,000	34,000
Employees' contributions	6,000	8,000
Total contributions	<u>32,000</u>	<u>42,000</u>



# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.1	3.8
Rate of increase for pensions in payment/inflation	2.6	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.3

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	25.1	25.0
Retiring in 20 years		
- Males	23.6	23.5
- Females	26.9	26.8

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

	2021 £	2020 £
Discount rate + 0.1%	1,157,000	1,047,000
Discount rate - 0.1%	1,215,000	1,100,000
Mortality assumption + 1 year	1,141,000	1,034,000
Mortality assumption - 1 year	1,230,000	1,112,000
CPI rate + 0.1%	1,187,000	1,075,000
CPI rate - 0.1%	1,183,000	1,071,000

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

	2021 Fair value £	2020 Fair value £
Equities	372,000	300,000
Government bonds	14,000	13,000
Corporate bonds	135,000	128,000
Cash	27,000	11,000
Property	54,000	52,000
Other assets	68,000	57,000
Total market value of assets	670,000	561,000

The actual return on scheme assets was £103,000 (2020: £5,000).

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	49,000	58,000
Interest income	(10,000)	(10,000)
Interest cost	18,000	15,000
Total operating charge	<u>57,000</u>	<u>63,000</u>
Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	1,073,000	803,000
Current service cost	49,000	58,000
Interest cost	18,000	15,000
Employee contributions	6,000	8,000
Actuarial loss	65,000	190,000
Benefits paid	(26,000)	(1,000)
At 31 August 2021	<u>1,185,000</u>	<u>1,073,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	561,000	515,000
Interest income	10,000	10,000
Actuarial (gain)/loss	93,000	(5,000)
Employer contributions	26,000	34,000
Employee contributions	6,000	8,000
Benefits paid	(26,000)	(1,000)
At 31 August 2021	<u>670,000</u>	<u>561,000</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(25,573)	(41,415)
Adjusted for:		
Capital grants from DfE and other capital income	(148,508)	(6,054)
Investment income receivable	(12)	(53)
Defined benefit pension costs less contributions payable	23,000	24,000
Defined benefit pension scheme finance cost	8,000	5,000
Depreciation of tangible fixed assets	36,785	25,683
(Increase)/decrease in debtors	(99,206)	19,339
Increase/(decrease) in creditors	100,000	(36,581)
Increase in provisions	7,000	-
<b>Net cash used in operating activities</b>	<u>(98,514)</u>	<u>(10,081)</u>

### 21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	65,434	33,423	98,857
	<u>65,434</u>	<u>33,423</u>	<u>98,857</u>

### 22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	10,352	12,235
Amounts due in two and five years	16,524	26,876
	<u>26,876</u>	<u>39,111</u>

### 23 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	25,300	-
	<u>25,300</u>	<u>-</u>

# KIBBLESWORTH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

---

### **24 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.

### **25 Members' liability**

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