

Company Registration No. 08063683 (England and Wales)

KIBBLESWORTH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

KIBBLESWORTH ACADEMY

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KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Miss C Trainer
Mr R Irwin
Mr A Finley (Resigned 21 February 2015)
Mr K Dodd (Accounting Officer)
Mr C Steel (Staff Governor)
Mrs S Renton (Staff Governor)
Mrs G Coulson (Staff Governor)
Mrs A Dobinson
Mr D O'Leary
Mrs L Rutter
Mr C Mason (Chair of Governors)
Mr J Collins (Chair of Finance and Staffing Committee)

Members

Miss C Trainer
Miss L Dyer
Mr P Thompson

Senior management team

- Headteacher	Mr K Dodd
- Associate Head	Mr C Steel
- Assistant Head	Mrs S Renton
- Academy Business Manager	Mr K Etherington

Company secretary

Mrs D Allen

Company registration number

08063683 (England and Wales)

Registered office

West View
Kibblesworth
Gateshead
Tyne & Wear
NE11 0XP

Independent auditor

Evolution Business and Tax Advisors LLP
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

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

KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

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 2014 and 31 August 2015, 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.

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

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 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 action which he requires the governors to take in order to remedy those matters; and
- the period within which that action is to be taken by the governors ('the compliance period').

The Secretary of State may appoint such additional governors as he thinks fit if the Secretary of State has:

- given the governors a warning notice in accordance with Article 60; and
- the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

Policies and procedures adopted for the induction and training of trustees

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

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

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

The Headteacher is the Accounting Officer.

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 2015

Objectives and activities

Objects and aims

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

Dream, Believe, Achieve

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

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

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

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

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

We teach that bullying is never acceptable behaviour.

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

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

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

Principal activities

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

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

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

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

2014-15

The Academy has improved standards - in all areas considering pupils' starting points, demonstrating good progress and attainment.

Ofsted 2015 - Requires Improvement in all areas

Financial Management and Governance Evaluation (FMGE) - Rated as Good [May 2012]

Key performance indicators

Key Stage 1 Level 2+ Age expectation Level 3

2015	School National		School National	
Reading	84%	90%	32%	32%
Writing	84%	88%	11%	18%
Mathematics	89%	93%	26%	26%

Key Stage 2 Level 4+ Age expectation Level 5

2015	School National		School	National
Reading	91%	89%	45%	48%
Writing	77%	87%	36%	36%
Mathematics	95%	87%	45%	41%

School set aspirational targets for KS2 in 2015:

- 95% pupils made 2 levels+ progress in Maths, 86% in Reading and 86% in Writing

Value added:

Overall: 99.8 Reading: 99.7 Writing: 99.2 Mathematics: 100.2

- Attendance is high at 96.1%

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Most of the Academy's income is received from the Education Funding Agency [EFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 19. Details of all grants and income received can be found in notes 2 to 4.

During the period ended 31 August 2015 expenditure amounting to £913,054 was incurred or accrued, including depreciation. This was offset by grants receivable from the EFA, the Local Authority, Ofsted, NLE income and income from the breakfast club and after school club. In addition the academy have utilised unrestricted reserves brought forward.

At 31 August 2015 the net book value of fixed assets was £1,065,190. The assets were used exclusively to provide education and associated services to the students of the Academy.

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.

Financial review

The Academy suffered operating deficits in the period 1 September 2014 to 31 August 2015 of £8,748 on unrestricted funds and £9,962 on restricted general funds, before adjusting for the Local Government Pension Scheme movement. The in year deficit was supported by restricted and unrestricted funds brought forward at 1 September 2014. Fund balances held at 31 August 2015 were £115,755, comprising restricted reserves of £173 and unrestricted reserves of £115,582.

Total income in the period was £872,636 of which £739,884 came from the EFA revenue grants and £50,491 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and as that the school maintains its pupil numbers.

The governing body of the Academy Trust have adopted the following policies relating to Finance and Governance during 2014-2015:

- Revised Finance Handbook

The Academy Trust reserves at present are being held to expand the Academy to accommodate the needs of a growing number of pupils.

Reserves policy

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

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

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

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

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

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

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

Risk management

The Academy maintains a risk register which is reviewed by the Finance and Staffing Committee to ensure that satisfactory arrangements are in place to manage risk. There is an annual review of all risk management issues led by various staff e.g. Caretaker, Associate 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.

The risk management plan continues to be developed and risks have been reviewed regularly. Due to rising pupils numbers and a move to one form entry there is a need for additional classroom space and capital funding is to be sought; a strategy to secure funds needs to be developed.

The Business Manager has worked with Evolution Business and Tax Advisors LLP to ensure financial systems are secure.

Strategies to develop leadership have been successful with the appointment of a new school business manager. This developing leadership capacity is ensuring outcomes for pupils remain outstanding and the school's capacity to support improvement in other schools remains high.

Plans for future periods

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

In so far as the governors are aware:

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

A resolution proposing that Evolution Business and Tax Advisors LLP 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 10/10/15 and signed on its behalf by:



Mr C Mason
Chair of Governors

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The governing body 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 and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
Miss C Trainer	4	4
Mr R Irwin	2	4
Mr A Finley (Resigned 21 February 2015)	1	1
Mr K Dodd (Accounting Officer)	4	4
Mr C Steel (Staff Governor)	3	4
Mrs S Renton (Staff Governor)	3	4
Mrs G Coulson (Staff Governor)	1	4
Mrs A Dobinson	3	4
Mr D O'Leary	3	4
Mrs L Rutter	2	4
Mr C Mason (Chair of Governors)	4	4
Mr J Collins (Chair of Finance and Staffing Committee)	2	2

Annual review of governance

The school was inspected by Ofsted on 24/25 June 2015. As a result the school was rated as requiring improvement and a review of governance and pupil premium was recommended. The action plan resulting from the governance review was monitored by the National Leader of Governance (NLG) on 12 November 2015 who met with the Chair who reported the meeting was positive and she was very satisfied with the progress so far.

The inspection and subsequent report coincided with a period of change within the Governing Body, a number of vacancies existed or arose around the inspection period. The vacancies allowed the Governors to recruit new members with specific skills, predominantly people with Education backgrounds. The 'new profile' Governing Body is the strongest it has ever been with a good mix of appropriate skills and individuals able to challenge and support in an appropriate fashion. The headteacher's report, based on national guidance, now provides all information required for effective governance although there is still work to be done in ensuring summative assessment information presented is understood. The majority of action points on the plan have been addressed with the result that governors are much more knowledgeable about their role and challenging and senior leaders are better held to account.

As a corollary of the Ofsted inspection the Governing Body have adopted a much more rigorous approach to self-evaluation, ensuring all Governors are engaged in the assessment of the Academy's performance, leadership and financial probity. The GB are working with experts from the National Leaders of Governance to ensure appropriate rigor is adopted in their own evaluation. The next review of the governing body is scheduled for the Summer term to be undertaken by the Education committee.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The finance, staffing and premises committee is a sub-committee of the main Board of Trustees, its purpose is to:

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

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

The committee also acts as an audit committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr K Dodd (Accounting Officer)	3	3
Mrs A Dobinson	2	3
Mr C Mason (Chair of Governors)	3	3
Mr J Collins (Chair of Finance and Staffing Committee)	3	3

Review of value for money

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

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

The SBM appointed in October 2014 has fully settled into his role and undertaken a programme of training in the use of Sage 50 our accountancy package. He is now producing valuable key performance data for the monitoring and management of the Academy's finances and has fully adopted the devolved role of Finance Manager. Within the academic year 2014-15 several key financial initiatives have been implemented to ensure best value for money:

A zero tolerance to debt has been introduced resulting in the outstanding debt for school meals being reduced from £1k+ to a manageable level of circa £100 at any time. Some parents who were in considerable arrears but have agreed managed repayment programmes. A strict policy of no credit is now being pursued.

An on-going review of Breakfast Club and After School Club have resulted in price rises and carefully managed staffing levels has led to an improved service which is valued, well used and running at breakeven or even slightly in profit. Further work is in progress to make the after school club more efficient and attractive in the expectation that a small operating surplus can be achieved for reinvestment into school facilities.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The EFA have been approached for permission to apply for a loan to fund our much needed new classrooms. Our application has been turned down so we must fund the development from reserves. This project is still at early stages but is being carefully managed to ensure absolute value for money.

Senior Leadership Team are reviewing the deployment of staff to ensure best value for money, reduce the reliance on agency staff and ensure the most effective and efficient support for children with individual support needs.

The SLT will continue to monitor all requests for expenditure to ensure budgets are managed efficiently and expenditure is in line with school priorities and development needs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kibblesworth Academy for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body 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 governing body 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 ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Staffing Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties
- identification and management of risks.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However the governors have appointed Evolution Business and Tax Advisors LLP, the external auditor, to perform additional checks. The external auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. On a termly basis, the reviewer reports to the board of governors on the operation of the systems of control and on the discharge of the board's financial responsibilities including:

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

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

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The reviewer from Evolution Business and Tax Advisors LLP has visited the Academy on termly visits and carried out robust and searching reviews of financial practices and procedures which have resulted in helpful guidance for more effective and efficient management of the Academy's finances.


Review of effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

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

Approved by order of the board of trustees on 10/12/15..... and signed on its behalf by:



Mr K Dodd
Accounting Officer



Mr C Mason
Chair of Governors

KIBBLESWORTH ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As Accounting Officer of Kibblesworth Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on10/12/15..... and signed by:



Mr K Dodd
Accounting Officer

KIBBLESWORTH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The governors (who act as trustees for charitable activities and are also directors of Kibblesworth Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 15.12.15..... and signed on its behalf by:



Mr C Mason
Chair of Governors

KIBBLESWORTH ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KIBBLESWORTH ACADEMY

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2015 set out on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Kibblesworth Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

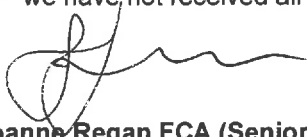
KIBBLESWORTH ACADEMY

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Joanne Regan FCA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants
Statutory Auditor
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Dated: ...16 December 2015

KIBBLESWORTH ACADEMY

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

In accordance with the terms of our engagement letter dated 28 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015, 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 2014 to 31 August 2015 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Kibblesworth Academy and the EFA 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 the Kibblesworth Academy and the EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 issued by the EFA. 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.

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 termly Internal Assurance reports;
- review of governing body and committee minutes;
- review of finance and other relevant policies;
- review of payroll, purchases and expenses on a sample basis;
- review of all leases in place; and
- consideration of transactions with related parties.

KIBBLESWORTH ACADEMY

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

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gordon

Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 10 December 2015

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	2,824	-	-	2,824	-
- Activities for generating funds	3	71,493	-	-	71,493	88,073
- Investment income	4	294	-	-	294	206
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	7,650	784,640	5,735	798,025	730,687
Total incoming resources		82,261	784,640	5,735	872,636	818,966
Resources expended						
<i>Costs of generating funds</i>						
- Fundraising trading	6	61,859	-	-	61,859	67,103
<i>Charitable activities</i>						
- Educational operations	7	29,150	763,366	28,007	820,523	746,477
Governance costs	8	-	30,672	-	30,672	30,079
Total resources expended	6	91,009	794,038	28,007	913,054	843,659
Net incoming/(outgoing) resources before transfers		(8,748)	(9,398)	(22,272)	(40,418)	(24,693)
Gross transfers between funds		-	1,436	(1,436)	-	-
Net income/(expenditure) for the year		(8,748)	(7,962)	(23,708)	(40,418)	(24,693)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	1,000	-	1,000	6,000
Net movement in funds		(8,748)	(6,962)	(23,708)	(39,418)	(18,693)
Fund balances at 1 September 2014		124,330	(65,865)	1,088,898	1,147,363	1,166,056
Fund balances at 31 August 2015		115,582	(72,827)	1,065,190	1,107,945	1,147,363

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

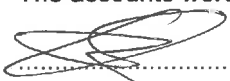
KIBBLESWORTH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		1,065,190		1,088,898
Current assets					
Debtors	12	66,250		64,095	
Cash at bank and in hand		156,718		149,721	
		<u>222,968</u>		<u>213,816</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(107,213)		(79,351)	
Net current assets			115,755		134,465
Net assets excluding pension liability			1,180,945		1,223,363
Defined benefit pension liability	17		(73,000)		(76,000)
Net assets			<u>1,107,945</u>		<u>1,147,363</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			1,065,190		1,088,898
- General funds			173		10,135
- Pension reserve			(73,000)		(76,000)
Total restricted funds			<u>992,363</u>		<u>1,023,033</u>
Unrestricted income funds	15		115,582		124,330
Total funds			<u>1,107,945</u>		<u>1,147,363</u>

The accounts were approved by order of the board of trustees and authorised for issue on 10/02/15


Mr C Mason
Chair of Governors

Company Number 08063683

KIBBLESWORTH ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	5,268	(12,378)
Returns on investments and servicing of finance			
Investment income		294	206
Net cash inflow/(outflow) from returns on investments and servicing of finance		294	206
		5,562	(12,172)
Capital expenditure and financial investments			
Capital grants received		5,735	5,676
Payments to acquire tangible fixed assets		(4,300)	(13,056)
Net cash flow from capital activities		1,435	(7,380)
Increase/(decrease) in cash	19	6,997	(19,552)

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including catering income, training and school clubs, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Computer equipment	2 years
Fixtures, fittings and equipment	4 years

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

1.6 Leasing and hire purchase commitments

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

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.7 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.

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 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 the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	2,824	-	2,824	-

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Clubs	21,670	-	21,670	8,423
Catering income	17,160	-	17,160	26,485
Training and OFSTED income	20,418	-	20,418	21,981
Trip income	3,092	-	3,092	5,807
Other income	9,153	-	9,153	25,377
	<u>71,493</u>	<u>-</u>	<u>71,493</u>	<u>88,073</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	294	-	294	206
	<u>294</u>	<u>-</u>	<u>294</u>	<u>206</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	659,166	659,166	609,135
Capital grants	-	5,735	5,735	5,676
Other DfE / EFA grants	-	74,983	74,983	44,961
	<u>-</u>	<u>739,884</u>	<u>739,884</u>	<u>659,772</u>
Other government grants				
Local authority grants	-	50,491	50,491	69,415
	<u>-</u>	<u>50,491</u>	<u>50,491</u>	<u>69,415</u>
Other funds				
Other incoming resources	7,650	-	7,650	1,500
	<u>7,650</u>	<u>-</u>	<u>7,650</u>	<u>1,500</u>
Total funding	<u>7,650</u>	<u>790,375</u>	<u>798,025</u>	<u>730,687</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	538,239	-	44,406	582,645	543,108
- Allocated support costs	82,722	51,047	104,109	237,878	203,369
	<u>620,961</u>	<u>51,047</u>	<u>148,515</u>	<u>820,523</u>	<u>746,477</u>
Other expenditure					
Costs of activities for generating funds	4,637	-	57,222	61,859	67,103
Governance costs	-	-	30,672	30,672	30,079
	<u>4,637</u>	<u>-</u>	<u>87,894</u>	<u>92,531</u>	<u>97,182</u>
Total expenditure	<u>625,598</u>	<u>51,047</u>	<u>236,409</u>	<u>913,054</u>	<u>843,659</u>

Net income/(expenditure) for the year includes:

	2015 £	2014 £
Operating leases		
- Plant and machinery	19,175	16,496
Fees payable to auditor		
- Audit	5,000	5,000
- Other services	16,800	13,199

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities				
	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	7,650	527,486	535,136	483,754
Technology costs	633	20,511	21,144	11,826
Educational supplies and services	13,867	5,778	19,645	31,305
Staff development	-	3,103	3,103	7,414
Educational consultancy	-	2,120	2,120	5,284
Other direct costs	-	1,497	1,497	3,525
	<u>22,150</u>	<u>560,495</u>	<u>582,645</u>	<u>543,108</u>
Allocated support costs				
Support staff costs	7,000	75,722	82,722	71,250
Depreciation	-	28,007	28,007	30,145
Maintenance of premises and equipment	-	23,040	23,040	28,239
Cleaning	-	2,114	2,114	1,634
Energy costs	-	13,538	13,538	12,407
Rent and rates	-	6,559	6,559	7,963
Insurance	-	20,442	20,442	25,708
Security and transport	-	5,509	5,509	6,707
Catering	-	41,831	41,831	1,977
Interest and finance costs	-	(3,000)	(3,000)	-
Other support costs	-	17,116	17,116	17,339
	<u>7,000</u>	<u>230,878</u>	<u>237,878</u>	<u>203,369</u>
Total costs	<u>29,150</u>	<u>791,373</u>	<u>820,523</u>	<u>746,477</u>
8 Governance costs				
	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Legal and professional fees	-	9,410	9,410	8,383
Auditor's remuneration				
- Audit of financial statements	-	5,000	5,000	5,000
- Other audit costs	-	15,408	15,408	13,199
Other governance costs	-	854	854	3,497
	<u>-</u>	<u>30,672</u>	<u>30,672</u>	<u>30,079</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	478,527	464,712
Social security costs	25,527	31,926
Other pension costs	76,886	73,776
	<u>580,940</u>	<u>570,414</u>
Supply teacher costs	37,166	1,300
Staff development and other staff costs	7,492	9,744
	<u>725,598</u>	<u>581,458</u>
Total staff costs	<u>625,598</u>	<u>581,458</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	8	8
Administration and support	9	9
Management	1	1
	<u>18</u>	<u>18</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£	<u>9,488</u>	<u>9,394</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

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, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

Mr K Dodd (headteacher and trustee):

Remuneration	£65,001 - £70,000 (2014: £65,001 - £70,000)
Employer's pension contributions	£5,001 - £10,000 (2014: £5,001 - £10,000)

Mr C Steel (staff governor):

Remuneration	£45,001 - £50,000 (2014: £40,001 - £45,000)
Employer's pension contributions	£5,001 - £10,000 (2014: £5,001 - £10,000)

Miss S Renton (staff governor):

Remuneration	£25,001 - £30,000 (2014: £35,001 - £40,000)
Employer's pension contributions	£5,001 - £10,000 (2014: £5,001 - £10,000)

Miss G Coulson (staff governor):

Remuneration	£15,001 - £20,000 (2014: £15,001 - £20,000)
Employer's pension contributions	£0,001 - £5,000 (2014: £0,001 - £5,000)

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £466 (2014: £1,050).

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2014	1,104,000	30,229	2,464	1,136,693
Additions	-	716	3,584	4,300
At 31 August 2015	1,104,000	30,945	6,048	1,140,993
Depreciation				
At 1 September 2014	27,937	18,627	1,232	47,796
Charge for the year	19,720	7,393	894	28,007
At 31 August 2015	47,657	26,020	2,126	75,803
Net book value				
At 31 August 2015	1,056,343	4,925	3,922	1,065,190
At 31 August 2014	1,076,063	11,603	1,232	1,088,898

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

12 Debtors

	2015 £	2014 £
Trade debtors	3,824	1,360
VAT recoverable	26,363	33,404
Prepayments and accrued income	36,063	29,331
	66,250	64,095

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	59,894	19,435
Taxes and social security costs	9,598	7,991
Other creditors	-	11,346
Accruals	11,184	11,453
Deferred income	26,537	29,126
	107,213	79,351

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	26,537	29,126
	Total deferred income at 1 September 2014	29,126	22,767
	Amounts credited to the statement of financial activities	(29,126)	(22,767)
	Amounts deferred in the year	26,537	29,126
	Total deferred income at 31 August 2015	26,537	29,126

At the balance sheet date the academy was holding funds received in advance for free school meals, training and Early Years funding.

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	10,135	659,166	(670,564)	1,436	173
Other DfE / EFA grants	-	74,983	(74,983)	-	-
Other government grants	-	50,491	(50,491)	-	-
Funds excluding pensions	10,135	784,640	(796,038)	1,436	173
Pension reserve	(76,000)	-	2,000	1,000	(73,000)
	(65,865)	784,640	(794,038)	2,436	(72,827)
Restricted fixed asset funds					
DfE / EFA capital grants	6,296	5,735	(5,590)	(3,371)	3,070
Inherited fixed asset fund	1,076,064	-	(19,721)	-	1,056,343
Capital expenditure from GAG or other funds	6,538	-	(2,696)	1,935	5,777
	1,088,898	5,735	(28,007)	(1,436)	1,065,190
Total restricted funds	1,023,033	790,375	(822,045)	1,000	992,363
Unrestricted funds					
General funds	124,330	82,261	(91,009)	-	115,582
Total funds	1,147,363	872,636	(913,054)	1,000	1,107,945

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 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 2015.

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

Other government grants includes early years funding.

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/EFA capital grants consist of the devolved capital grant received, £2,364 of which has been spent on equipment and the balance has been utilised against maintenance costs not capitalised.

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

Some capital expenditure has been funded by GAG or other funds. Transfers between these funds are reflected in the gains, losses and transfers column.

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 total £115,755 at 31 August 2015.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	1,065,190	1,065,190
Current assets	122,952	100,016	-	222,968
Creditors falling due within one year	(7,370)	(99,843)	-	(107,213)
Defined benefit pension liability	-	(73,000)	-	(73,000)
	<u>115,582</u>	<u>(72,827)</u>	<u>1,065,190</u>	<u>1,107,945</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions 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 the Tyne and Wear Pension Fund. Both are 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 2014 and of the LGPS 31 March 2013.

Contributions amounting to £nil (2014: £11,346) were payable to the schemes at 31 August 2015 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £44,768 (2014: £45,643).

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.8% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £23,000.

As the LGPS is in deficit, the academy has agreed to make additional contributions over a 1 year period. The additional amount payable in the year ended 31 August 2016 will be £4,000.

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.

Contributions made	2015 £	2014 £
Employer's contributions	29,000	26,000
Employees' contributions	9,000	7,000
Total contributions	38,000	33,000

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment	2.1	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.1	2.1

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

	2015 Years	2014 Years
Retiring today		
- Males	23.1	23.0
- Females	24.7	24.6
Retiring in 20 years		
- Males	25.1	25.0
- Females	27.0	26.9

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	n/a	151,598	7.5	124,320
Government bonds	n/a	8,244	2.9	6,660
Corporate bonds	n/a	26,564	3.3	21,275
Cash	n/a	7,328	1.1	4,810
Property	n/a	21,297	6.8	16,835
Other assets	n/a	13,969	7.5	11,100
Total market value of assets		229,000		185,000
Present value of scheme liabilities - funded		(302,000)		(261,000)
Net pension asset / (liability)		(73,000)		(76,000)

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at the accounting date.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	30,000	27,000
Past service cost	-	-
Total operating charge	30,000	27,000
Finance costs/(income)		
Expected return on pension scheme assets	(13,000)	(11,000)
Interest on pension liabilities	10,000	11,000
Net finance costs/(income)	(3,000)	-
Total charge/(income)	27,000	27,000

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	7,000	3,000
Experience (gains)/losses on liabilities	(8,000)	(9,000)
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	<u>(1,000)</u>	<u>(6,000)</u>
Cumulative (gains)/losses to date	<u>(7,000)</u>	<u>(6,000)</u>

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(261,000)	(225,000)
Current service cost	(30,000)	(27,000)
Interest cost	(10,000)	(11,000)
Contributions by employees	(9,000)	(7,000)
Actuarial gains/(losses)	8,000	9,000
At 31 August 2015	<u>(302,000)</u>	<u>(261,000)</u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	185,000	144,000
Expected return on assets	13,000	11,000
Actuarial gains/(losses)	(7,000)	(3,000)
Contributions by employers	29,000	26,000
Contributions by employees	9,000	7,000
At 31 August 2015	<u>229,000</u>	<u>185,000</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17	Pensions and similar obligations	(Continued)			
History of experience gains and losses					
		2015	2014	2013	
		£	£	£	
	Present value of defined benefit obligations	(302,000)	(261,000)	(225,000)	
	Fair value of share of scheme assets	229,000	185,000	144,000	
		<u></u>	<u></u>	<u></u>	
	Surplus / (deficit)	(73,000)	(76,000)	(81,000)	
		<u></u>	<u></u>	<u></u>	
	Experience adjustment on scheme assets	(7,000)	(3,000)	10,000	
	Experience adjustment on scheme liabilities	8,000	9,000	(30,000)	
		<u></u>	<u></u>	<u></u>	
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2015	2014		
		£	£		
	Net income	(40,417)	(24,693)		
	Capital grants and similar income	(5,735)	(5,676)		
	Investment income	(294)	(206)		
	Defined benefit pension costs less contributions payable	1,000	1,000		
	Defined benefit pension finance costs/(income)	(3,000)	-		
	Depreciation of tangible fixed assets	28,007	30,145		
	(Increase)/decrease in debtors	(2,155)	(13,096)		
	Increase/(decrease) in creditors	27,862	148		
		<u></u>	<u></u>		
	Net cash inflow/(outflow) from operating activities	5,268	(12,378)		
		<u></u>	<u></u>		
19	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
	Increase/(decrease) in cash	6,997	(19,552)		
	Net funds at 1 September 2014	149,721	169,273		
		<u></u>	<u></u>		
	Net funds at 31 August 2015	156,718	149,721		
		<u></u>	<u></u>		
20	Analysis of net funds	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
		£	£	£	£
	Cash at bank and in hand	149,721	6,997	-	156,718

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	2,800	2,309
- Between two and five years	11,411	12,648
	<u>14,211</u>	<u>14,957</u>

22 Related parties

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

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

23 Members' liability

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