

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 2016

KIBBLESWORTH ACADEMY

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KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr T Rutter (Chair of Governors and Finance and Staffing Committee) (Appointed 27 January 2016)
Mrs L Rutter
Mr C Mason (Vice Chair of Governors)
Mr M Ashford (Chair of Education Committee)
Mr C Steel (Accounting Officer)
Mrs S Renton (Staff Governor)
Mrs G Coulson (Staff Governor) (Resigned 5 May 2016)
Mrs A Dobinson (Resigned 26 September 2016)
Mr J Collins (Resigned 27 November 2015)
Mrs K Binns (Appointed 24 September 2015)
Mr J Cochrane (Appointed 1 September 2015)
Mrs K Collins (Appointed 1 September 2015)
Mrs C Davis (Appointed 23 May 2016)
Mrs R Mugnai (Appointed 28 January 2016)
Miss J Robson
Mrs R Thomas (Appointed 23 November 2015 and resigned 23 November 2016)
Mr K Dodd (Resigned 31 December 2015)

Members

Mr E Withycombe
Mrs M Hunter
Mr P Tomlinson

Senior management team

- Headteacher
- Acting Headteacher
- Acting Deputy Headteacher
- Academy Business Manager

Mr K Dodd (Resigned 31 December 2015)
Mr C Steel
Mrs S Renton
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

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

KIBBLESWORTH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Solicitors

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

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 184 in the school census in May 2016.

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 2015 and 31 August 2016, 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 2016

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 Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of governors. The Headteacher 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 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 2016

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 Headteacher. 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.

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 Head teacher, approving or rejecting pay progression accordingly. Senior Academic staff; Head Teacher and Deputy Head, remuneration is similarly determined by reference to Nationally 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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties and other connected charities and organisations

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

There are no related parties to Kibblesworth Academy.

Objectives and activities

Objects and aims

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

Dream, Believe, Achieve

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

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 2016

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

2015-16

The Academy has improved standards across all key stages in all subjects. Attainment is above national and local averages in most cases. This indicates the school is rapidly approaching the Ofsted judgment of good.

Ofsted 2015 - Requires Improvement in all areas

Key performance indicators

Exit Early Years GLD %		
2015 school	2015 national	2016 school
68%	61%	79%

Year 1 Phonics test	
2016 school	2016 national
87%	81%

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

	KS1 Expected Standard	
	2016 national	2016 school
Reading	74%	83%
Writing	65%	70%
Maths	73%	77%

	KS1 Greater Depth	
	2016 national	2016 school
Reading	24%	27%
Writing	13%	17%
Maths	18%	20%

	KS2 Expected Standard	
	2016 school	2016 national
Reading	94%	66%
Writing	81%	74%
SPaG	94%	72%
Maths	94%	70%
Combined RWM	75%	53%

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

	KS2 Greater depth	
	2016 school	2016 national
Reading	13%	19%
Writing	15%	19%
SPaG	38%	22%
Maths	17%	19%
Combined RWM	6%	5%

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 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Details of all grants and income received can be found in notes 2 to 5.

During the period ended 31 August 2016 expenditure amounting to £942,578 was incurred or accrued, including depreciation and LGPS interest cost. This was offset by grants receivable from the EFA, the Local Authority, income from the breakfast club, after school club and teacher led after school clubs. In addition the academy have utilised unrestricted reserves brought forward in the current year.

At 31 August 2016 the net book value of fixed assets was £1,125,674. 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.

At 31 August 2016 the academy held a deficit general reserve of £7,837 as a result of costs incurred in the summer holidays to provide adequate accommodation for its existing pupils in the 2016/17 academic year. The majority of costs were funded from unrestricted reserve brought forward.

The academy is predicting a very small surplus in the 2016/17 year and the trustees are taking all reasonable steps to ensure that actual outturn meets the budget. The trustees are aware that reserves are depleted and will be looking to build on reserves in the long term, however this cannot be to the detriment of its pupils.

Financial review

The Academy suffered operating deficits in the period 1 September 2015 to 31 August 2016 of £77,108 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 2015 but still resulted in deficit reserves being carried forward of £7,837 as a result of investment in accommodation provision during the summer holidays for pupils returning in 2016/17.

Total income in the period was £865,470 of which £736,754 came from the EFA revenue grants and £60,121 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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The governing body of the Academy Trust have adopted the following policies relating to Finance and Governance during 2015-2016:

- Revised Finance Handbook (reviewed annually)

The Academy Trust reserves have been utilised to expand the Academy to accommodate the needs of a growing number of pupils. Two additional classrooms were purchased, delivered and commissioned in August 2016.

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.

At 31 August 2016 the academy was carrying deficit reserves of £7,837 as a result of costs incurred during the summer holidays on provision of suitable accommodation for pupils in 2016/17. The academy is predicting a small surplus in 2016/17 which will rectify current reserves levels but in the current economic climate, the trustees do not envisage accumulating significant reserves. The trustees' focus is on providing exceptional education to current pupils within the means of annual funding and reserves will not be accumulated at the detriment of this intention.

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

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.

KIBBLESWORTH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

The Business Manager has worked with Baldwins Audit Services Limited (formerly Evolution Business and Tax Advisors LLP) to ensure financial systems are secure.

Changes in senior leadership occurred mid-year when Mr K Dodd the Head Teacher retired at 31 December 2015 and Mr C Steel, Associate Head Teacher, stepped up to be Acting Head Teacher. Mr Steel will continue as acting until a permanent appointment is made for September 2017.

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.

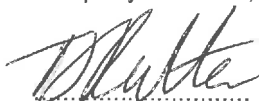
Auditor

In so far as the governors are aware:

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

A resolution proposing that Baldwins Audit Services Limited 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 12/02/2016 and signed on its behalf by:



Mr T Rutter

Chair of Governors and Finance and Staffing Committee

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustees	Meetings attended	Out of possible
Mr T Rutter (Chair of Governors and Finance and Staffing Committee) (Appointed 27 January 2016)	4	4
Mrs L Rutter	3	5
Mr C Mason (Vice Chair of Governors)	5	5
Mr M Ashford (Chair of Education Committee)	4	5
Mr C Steel (Accounting Officer)	5	5
Mrs S Renton (Staff Governor)	5	5
Mrs G Coulson (Staff Governor) (Resigned 5 May 2016)	0	3
Mrs A Dobinson (Resigned 26 September 2016)	5	5
Mr J Collins (Resigned 27 November 2015)	1	1
Mrs K Binns (Appointed 24 September 2015)	5	5
Mr J Cochrane (Appointed 1 September 2015)	5	5
Mrs K Collins (Appointed 1 September 2015)	5	5
Mrs C Davis (Appointed 23 May 2016)	1	1
Mrs R Mugnai (Appointed 28 January 2016)	2	3
Miss J Robson	5	5
Mrs R Thomas (Appointed 23 November 2015 and resigned 23 November 2016)	2	4
Mr K Dodd (Resigned 31 December 2015)	1	1

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.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 including detailed information on attainment and achievement, both at the end of Key Stages, and other year groups through in house assessment and tracking. 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. During the 2015 – 2016 academic year we received two monitoring inspections from HMI. On the first visit we were judged to not be making sufficient progress against the agreed targets, but on the second visit we were judged to be taking effective action to address the issues requiring improvement. A school development plan has been drafted as a result of the feedback from HMI with the governing body.

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 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 T Rutter (Chair of Governors and Finance and Staffing Committee) (Appointed 27 January 2016)	4	4
Mrs L Rutter	3	4
Mr C Mason (Vice Chair of Governors)	3	4
Mr C Steel (Accounting Officer)	4	4
Mrs S Renton (Staff Governor)	4	4
Mrs G Coulson (Staff Governor) (Resigned 5 May 2016)	0	4
Mrs A Dobinson (Resigned 26 September 2016)	3	4
Mr J Collins (Resigned 27 November 2015)	1	1
Mrs R Thomas (Appointed 23 November 2015 and resigned 23 November 2016)	4	4
Mr K Dodd (Resigned 31 December 2015)	1	1

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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:

Within the academic year 2015-16 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 being reduced and held at a manageable level. Parents are encouraged to use our on-line payment system, ParentPay which reduces the cash flow through the school office. A strict policy of no credit is being pursued.

Work begun in 2014-15 to review Breakfast Club and After School Club has continued resulting in further price rises and carefully managed staffing levels which has led to further improvements in service which is valued, well used and running at a slight profit.

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kibblesworth Academy for the period ended 31 August 2016 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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 Baldwins Audit Services Limited (formerly 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

The latest report identified 3 high risk recommendations and 5 medium risk recommendations. All items from the internal insurance reports are being actioned and the schedule of work was delivered as planned.

The reviewer 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.

KIBBLESWORTH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 12/12/2016 and signed on its behalf by:



Mr T Rutter
Chair of Governors and Finance and
Staffing Committee



Mr C Steel
Accounting Officer

KIBBLESWORTH ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Kibblesworth Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I was appointed as the Accounting Officer of the Academy on 1 January 2016 following the resignation of the previous Head Teacher. Having made appropriate enquiries, 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 2015.

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 EFA.

Mr C Steel
Accounting Officer



12/12/16.

KIBBLESWORTH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Kibblesworth Academy and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 EFA/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 board of trustees on 12/12/2016 and signed on its behalf by:



Mr T Rutter
Chair of Governors and Finance and Staffing
Committee

KIBBLESWORTH ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF KIBBLESWORTH ACADEMY

We have audited the accounts of Kibblesworth Academy for the year ended 31 August 2016 set out on pages 23 to 43. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 18, 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' Report including the incorporated strategic 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

KIBBLESWORTH ACADEMY

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

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)
for and on behalf of Baldwins Audit Services Limited

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated: 13 December 2016

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 23 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2016, 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 2015 to 31 August 2016 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2016 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.

KIBBLESWORTH ACADEMY

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under EFA 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwins

Reporting Accountant
Baldwins Audit Services Limited

Dated: 13 December 2016

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	4,469	-	5,856	10,325	8,559
Charitable activities:						
- Funding for educational operations	3	22,981	796,875	-	819,856	808,920
Other trading activities	4	35,162	-	-	35,162	54,863
Investments	5	127	-	-	127	294
Total income and endowments		<u>62,739</u>	<u>796,875</u>	<u>5,856</u>	<u>865,470</u>	<u>872,636</u>
Expenditure on:						
Raising funds	6	28,639	-	-	28,639	45,229
Charitable activities:						
- Educational operations	7	22,981	865,046	25,912	913,939	873,825
Total expenditure	6	<u>51,620</u>	<u>865,046</u>	<u>25,912</u>	<u>942,578</u>	<u>919,054</u>
Net income/(expenditure)		11,119	(68,171)	(20,056)	(77,108)	(46,418)
Transfers between funds		(126,701)	46,161	80,540	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(173,000)	-	(173,000)	7,000
Net movement in funds		<u>(115,582)</u>	<u>(195,010)</u>	<u>60,484</u>	<u>(250,108)</u>	<u>(39,418)</u>
Reconciliation of funds						
Total funds brought forward		115,582	(72,827)	1,065,190	1,107,945	1,147,363
Total funds carried forward		<u>-</u>	<u>(267,837)</u>	<u>1,125,674</u>	<u>857,837</u>	<u>1,107,945</u>

KIBBLESWORTH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	2	2,824	-	5,735	8,559
Charitable activities:					
- Funding for educational operations	3	24,280	784,640	-	808,920
Other trading activities	4	54,863	-	-	54,863
Investments	5	294	-	-	294
Total income and endowments		82,261	784,640	5,735	872,636
Expenditure on:					
Raising funds	6	45,229	-	-	45,229
Charitable activities:					
- Educational operations	7	45,780	800,038	28,007	873,825
Total expenditure	6	91,009	800,038	28,007	919,054
Net income/(expenditure)		(8,748)	(15,398)	(22,272)	(46,418)
Transfers between funds		-	1,436	(1,436)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	7,000	-	7,000
Net movement in funds		(8,748)	(6,962)	(23,708)	(39,418)
Reconciliation of funds					
Total funds brought forward		124,330	(65,865)	1,088,898	1,147,363
Total funds carried forward		115,582	(72,827)	1,065,190	1,107,945

KIBBLESWORTH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		1,125,674		1,065,190
Current assets					
Debtors	12	69,741		66,250	
Cash at bank and in hand		89,037		156,718	
		158,778		222,968	
Current liabilities					
Creditors: amounts falling due within one year	13	(166,615)		(107,213)	
Net current assets			(7,837)		115,755
Net assets excluding pension liability			1,117,837		1,180,945
Defined benefit pension liability	17		(260,000)		(73,000)
Net assets			857,837		1,107,945
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			1,125,674		1,065,190
- Restricted income funds			(7,837)		173
- Pension reserve			(260,000)		(73,000)
Total restricted funds			857,837		992,363
Unrestricted income funds	15		-		115,582
Total funds			857,837		1,107,945

The accounts set out on pages 23 to 43 were approved by the board of trustees and authorised for issue on 12/12/2016 and are signed on its behalf by:



Mr T Rutter
Chair of Governors and Finance and Staffing
Committee

Company Number 08063683

KIBBLESWORTH ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		12,732		5,268
Cash flows from investing activities					
Dividends, interest and rents from investments		127		294	
Capital grants from DfE and EFA		5,856		5,735	
Payments to acquire tangible fixed assets		(86,396)		(4,300)	
			(80,413)		1,729
Change in cash and cash equivalents in the reporting period					
			(67,681)		6,997
Cash and cash equivalents at 1 September 2015			156,718		149,721
Cash and cash equivalents at 31 August 2016			89,037		156,718

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts for the year ended 31 August 2016 are the first accounts of Kibblesworth Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

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 increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds together with depleted cash reserves held by the academy at the balance sheet date. However cash reserves have been utilised to provide adequate accommodation for current pupils and those enrolled in the 2016/17 academic year. The 2016/17 budget predicts a small surplus which will rectify the deficit reserves position brought forward however the trustees are aware that they are required to retain tight control on spending for the foreseeable future and are committed to this.

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 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 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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 when there is entitlement 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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including 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 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

Governance costs

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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

1.6 Liabilities

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

1.7 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 2016

1 Accounting policies

(Continued)

1.8 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 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.

1.11 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.

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	5,856	5,856	5,735
Other donations	4,469	-	4,469	2,824
	<u>4,469</u>	<u>5,856</u>	<u>10,325</u>	<u>8,559</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	661,574	661,574	659,166
Other DfE / EFA grants	-	75,180	75,180	74,983
	<u>-</u>	<u>736,754</u>	<u>736,754</u>	<u>734,149</u>
Other government grants				
Local authority grants	-	60,121	60,121	50,491
	<u>-</u>	<u>60,121</u>	<u>60,121</u>	<u>50,491</u>
Other funds				
Catering income	20,481	-	20,481	16,630
Other incoming resources	2,500	-	2,500	7,650
	<u>22,981</u>	<u>-</u>	<u>22,981</u>	<u>24,280</u>
Total funding	<u>22,981</u>	<u>796,875</u>	<u>819,856</u>	<u>808,920</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Clubs	21,094	-	21,094	21,670
Catering income	660	-	660	530
Training and OFSTED income	5,000	-	5,000	20,418
Trip income	3,054	-	3,054	3,092
Other income	5,354	-	5,354	9,153
	<u>35,162</u>	<u>-</u>	<u>35,162</u>	<u>54,863</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	127	-	127	294
	<u>127</u>	<u>-</u>	<u>127</u>	<u>294</u>

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	555,834	-	47,702	603,536	582,645
- Allocated support costs	120,479	51,729	138,195	310,403	291,180
	<u>676,313</u>	<u>51,729</u>	<u>185,897</u>	<u>913,939</u>	<u>873,825</u>
Other expenditure					
Raising funds	15,958	-	12,681	28,639	45,229
	<u>15,958</u>	<u>-</u>	<u>12,681</u>	<u>28,639</u>	<u>45,229</u>
Total expenditure	<u>692,271</u>	<u>51,729</u>	<u>198,578</u>	<u>942,578</u>	<u>919,054</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	5,000	5,000
- Other services	8,012	16,800
Operating lease rentals	17,494	19,175
Depreciation of tangible fixed assets	25,912	28,007
	<u>56,418</u>	<u>68,982</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	2,500	601,036	603,536	582,645
Support costs - educational operations	20,481	289,922	310,403	291,180
	<u>22,981</u>	<u>890,958</u>	<u>913,939</u>	<u>873,825</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	120,479	83,722
Depreciation and amortisation	25,912	28,007
Premises costs	44,318	45,251
Other support costs	93,538	103,528
Governance costs	26,156	30,672
	<u>310,403</u>	<u>291,180</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	490,462	478,527
Social security costs	32,415	25,527
Operating costs of defined benefit pension schemes	85,602	77,886
Staff costs	<u>608,479</u>	<u>581,940</u>
Supply staff costs	39,846	37,166
Staff restructuring costs	34,362	-
Staff development and other staff costs	9,584	7,492
Total staff expenditure	<u>692,271</u>	<u>626,598</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	16	14
Administration and support	7	9
Management	1	1
	<u>24</u>	<u>24</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £34,000 (2015: £nil). Individually, the payments were: £34,000.

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 pension contributions) received by key management personnel for their services to the academy trust was £189,115 (2015: £196,251).

9 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 - resigned 31 December 2015):

Remuneration	£55,001 - £60,000 (2015: £65,001 - £70,000)
Employer's pension contributions	£0,001 - £5,000 (2015: £5,001 - £10,000)

Mr C Steel (acting headteacher - appointed 1 January 2016):

Remuneration	£45,001 - £50,000 (2015: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2015: £5,001 - £10,000)

Miss S Renton (assistant headteacher):

Remuneration	£35,001 - £40,000 (2015: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2014: £5,001 - £10,000)

Miss G Coulson (teaching assistant):

Remuneration	£15,001 - £20,000 (2015: £15,001 - £20,000)
Employer's pension contributions	£1- £5,000 (2015: £1- £5,000)

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

10 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 2016 was £475 (2015: £466).

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	1,104,000	30,945	6,048	1,140,993
Additions	86,396	-	-	86,396
At 31 August 2016	1,190,396	30,945	6,048	1,227,389
Depreciation				
At 1 September 2015	47,657	26,020	2,126	75,803
Charge for the year	19,720	4,682	1,510	25,912
At 31 August 2016	67,377	30,702	3,636	101,715
Net book value				
At 31 August 2016	1,123,019	243	2,412	1,125,674
At 31 August 2015	1,056,343	4,925	3,922	1,065,190

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

	2016 £	2015 £
Trade debtors	1,500	3,824
VAT recoverable	33,659	26,363
Other debtors	904	-
Prepayments and accrued income	33,678	36,063
	69,741	66,250

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	115,482	59,894
Other taxation and social security	13,716	9,598
Accruals and deferred income	37,417	37,721
	166,615	107,213

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	15,339	26,537
	Deferred income at 1 September 2015	26,537	29,126
	Released from previous years	(26,537)	(29,126)
	Amounts deferred in the year	15,339	26,537
	Deferred income at 31 August 2016	15,339	26,537

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

15	Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	173	661,574	(715,745)	46,161	(7,837)
	Other DfE / EFA grants	-	75,180	(75,180)	-	-
	Other government grants	-	60,121	(60,121)	-	-
	Funds excluding pensions	173	796,875	(851,046)	46,161	(7,837)
	Pension reserve	(73,000)	-	(14,000)	(173,000)	(260,000)
		(72,827)	796,875	(865,046)	(126,839)	(267,837)
	Restricted fixed asset funds					
	DfE / EFA capital grants	3,070	5,856	(2,149)	-	6,777
	Inherited funds	1,056,343	-	(19,720)	-	1,036,623
	Capital expenditure from GAG	5,777	-	(4,043)	80,540	82,274
		1,065,190	5,856	(25,912)	80,540	1,125,674
	Total restricted funds	992,363	802,731	(890,958)	(46,299)	857,837
	Unrestricted funds					
	General funds	115,582	62,739	(51,620)	(126,701)	-
	Total funds	1,107,945	865,470	(942,578)	(173,000)	857,837

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016.

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 of which has been fully spent during the year.

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

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 a deficit of £7,837 at 31 August 2016.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,125,674	1,125,674
Current assets	-	158,778	-	158,778
Creditors falling due within one year	-	(166,615)	-	(166,615)
Defined benefit pension liability	-	(260,000)	-	(260,000)
	-	(267,837)	1,125,674	857,837

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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 (2015: £11,346) were payable to the schemes at 31 August 2016 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £48,282 (2015: £44,768).

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 FRS 102, 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 14.6% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £28,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions	23,000	29,000
Employees' contributions	10,000	9,000
Total contributions	33,000	38,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.6
Rate of increase for pensions in payment	1.9	2.1
Discount rate	2.0	3.8
Inflation assumption (CPI)	1.9	2.1

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27.0

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	202,215	151,598
Government bonds	11,590	8,244
Corporate bonds	35,075	26,564
Cash	9,150	7,328
Property	30,500	21,297
Other assets	16,470	13,969
Total market value of assets	305,000	229,000
Actual return on scheme assets - gain/(loss)	44,000	7,000
Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	34,000	31,000
Net interest cost	3,000	2,000
Changes in the present value of defined benefit obligations	2016 £	2015 £
Obligations at 1 September 2015	302,000	261,000
Current service cost	34,000	31,000
Interest cost	12,000	10,000
Employee contributions	10,000	9,000
Actuarial gain	208,000	(8,000)
Benefits paid	(1,000)	(1,000)
At 31 August 2016	565,000	302,000

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	229,000	185,000
Interest income	9,000	8,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	35,000	(1,000)
Employer contributions	23,000	29,000
Employee contributions	10,000	9,000
Benefits paid	(1,000)	(1,000)
At 31 August 2016	305,000	229,000
18 Reconciliation of net expenditure to net cash flows from operating activities	2016	2015
	£	£
Net expenditure for the reporting period	(77,108)	(46,417)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(5,856)	(5,735)
Investment income	(127)	(294)
Defined benefit pension costs less contributions payable	11,000	2,000
Defined benefit pension net finance cost/(income)	3,000	2,000
Depreciation of tangible fixed assets	25,912	28,007
(Increase)/decrease in debtors	(3,491)	(2,155)
Increase/(decrease) in creditors	59,402	27,862
Net cash provided by operating activities	12,732	5,268
19 Commitments under operating leases		
At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:		
	2016	2015
	£	£
Amounts due within one year	13,410	17,143
Amounts due in two and five years	6,747	19,974
	20,157	37,117

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 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.

21 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.

22 Reconciliations on adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliation of funds for the previous financial period

		1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		1,147,363	1,107,945
Change in recognition of LGPS interest cost	1	-	-
Funds reported under FRS 102		<u>1,147,363</u>	<u>1,107,945</u>

Reconciliation of net loss for the previous financial period

	Notes	2015 £
Net loss previously reported under UK GAAP		(40,418)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	<u>(6,000)</u>
Net loss reported under FRS 102		<u>(46,418)</u>

KIBBLESWORTH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the credit to income/expense by £6,000 and decrease the credit in other recognised gains and losses in the SoFA by an equivalent amount.

