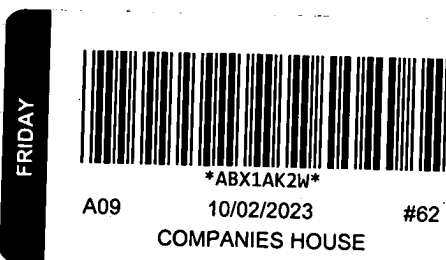


Company Registration Number: 08151355 (England & Wales)

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

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KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	B Barber N Cudmore I Watson
Governors	E Collins E Evans (appointed 22 June 2022) D Hobson, Staff Governor D Jones, Staff Governor (resigned 31 December 2021) P Lidbury, Head Teacher and Accounting Officer S Mumby-Croft (resigned 7 April 2022) C Romaine E Stead R Taylor S Topham I Watson, Chair of Governors
Company Registered Number	08151355
Company Name	Kidgate Primary Academy
Principal and Registered Office	Kidgate Primary Academy Kidgate Louth Lincolnshire LN11 9BX
Company Secretary	L Crew
Head Teacher and Accounting Officer	P Lidbury
Senior Leadership Team	P Lidbury, Head Teacher R Hopwood, Deputy Head Teacher L Crew, Business Manager
Independent Auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank plc 24 Mercer Row Louth Lincolnshire LN11 9JH

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors	Knights plc Olympic House Doddington Road Lincoln Lincolnshire LN6 3SE
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KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The charitable company operates as a standalone primary academy for pupils aged 4 - 11 serving a catchment area in Louth, Lincolnshire. It has a pupil capacity of 420 and had a roll of 422 in the school census in January 2022.

Structure, Governance and Management

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy. The governors are the directors of the charitable company for the purposes of company law and trustees of the charity for charity law. The charitable company is known as Kidgate Primary Academy.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

In accordance with common practice, the academy has purchased insurance to protect the governors and officers from claims arising from academy business activities.

Method of Recruitment and Appointment or Election of Governors

The number of governors shall not be less than three but not subject to any maximum. In terms of the appointment of governors:

- The members may appoint up to 8 governors.
- The members may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Head Teacher) who are employees of the academy does not exceed one third of the total of governors.
- The LA may appoint the LA governor.
- The Head Teacher 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 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 the opportunity to do so by post or, if he prefers, by having his ballot paper returned to the academy 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 candidate, and vote at the election, and given the 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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

- 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.
- 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 shall co-opt an employee of the academy as co-opted governor if thereby the number of governors who are employees of the academy would exceed one third of the total number of governors (including the Head Teacher).

Policies and Procedures Adopted for the Induction and Training of Governors

New governors receive the documentation below and are invited into school for a walk with the Head Teacher and to meet their mentor, an experienced governor to support them in their new role.

- Letter of Welcome – Select Mentor.
- Dates of Meetings.
- Structure of Governing Body and Governor List.
- Governance Handbook (link online).
- Terms of Reference for Committees.
- School Improvement Plan.
- Ofsted Report (link online).
- List of Acronyms.
- Terms of Reference for Governing Body.
- DBS Information.
- Declaration of Eligibility.
- Code of Conduct.
- Pecuniary Interest Form.
- Skills Audit.

Organisational Structure

The management structure of the academy consists of the Governing Body and its specific committees and the Senior Leadership Team.

The Governing Body takes a strategic role, acts as a critical friend to the academy and is accountable for its decisions. It sets the aims and objectives and agrees, monitors and review policies, targets and priorities. Detailed Terms of Reference exist for the Governing Body as a whole and the specific committees in place.

The Governing Body is headed up by the Chair of Governors whose role it is to ensure the business of the Governing Body is conducted properly, in accordance with the Articles of Association, to ensure meetings are run effectively, focusing on priorities and making the best use of time available and to ensure that all members have an equal opportunity to participate in discussion and decision making and to establish and foster an effective relationship with the Head Teacher based on trust and mutual respect for each other's roles. The Chair of Governors has an important role in ensuring that the Governing Body acts as a sounding board to the Head Teacher.

The Head Teacher is the academy's Accounting Officer who has responsibility for the academy's overall management and staffing. The Accounting Officer, is personally responsible to Parliament, and to the Accounting Officer of the ESFA, for the resources under their control, and is responsible for assuring the governors that there is compliance with the Academy Trust Handbook, the academy's Funding Agreement and all relevant aspects of company and charitable law. The Accounting Officer also has responsibilities for keeping proper financial records and accounts, and for the management of opportunities and risks.

The delivery of the academy's detailed accounting processes is delegated to the Business Manager whose key responsibilities include: preparation of the annual accounts; preparation and monitoring of the budget; technical financial advice; and liaison with the academy's internal and external auditors.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governing Body sets the salary range for the senior teaching staff and business manager. Any progression is based on performance criteria as set within the performance management cycle of the academy pay policy. The Finance, Audit and Personnel Committee receive recommendations from the Head Teacher and the committee will consider them in line with the pay policy. Nominated Governor Reviewers undertake the Performance Management of the Head Teacher (with the assistance of an external adviser) and will make recommendations on any pay progression to the personnel committee.

Related Parties and other Connected Charities and Organisations

A register of business interests is completed annually by the governors and staff. The governors of the academy recognise that the Kidgate Primary Home and School Association works on behalf of the academy to raise additional funds for the benefit of the pupils within the academy.

Objectives and Activities

Objects and Aims

The principal object of the company is the operation of Kidgate Primary Academy to provide education for pupils of mixed gender and different abilities between the ages of 4 and 11. Children enter and exit the academy through Lincolnshire LA Admissions code of practice, having no selection criteria.

The main objectives of the academy are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care.
- To continue to raise the standard of educational achievement and progress of all our children.
- To improve the effectiveness of the academy, by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with the local Community and local area schools.
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The academy's main strategy is encompassed in its mission statement, 'Shaping Lives, Building Futures', and its aims are to:

- Provide an inspiring, creative education, encouraging all children to become the best they can be.
- Develop confident and successful life-long learners.
- Promote a safe, supportive and aspirational atmosphere.
- Develop happy, considerate, independent children; building respect and high self-esteem.

Activities provide:

- Teaching and learning for all children to ensure they reach their full potential.
- Tracking of pupil progress, especially those in receipt of Pupil Premium.
- Continued Professional Development opportunities for all staff, along with annual performance management.
- Extended school provision including Breakfast Club and a range of after-school activities.
- Promoting community cohesion.
- Supporting the welfare of staff, children and families through the challenges of a global pandemic.
- Providing a working and educational environment which operates under the Government Guidelines of 'Guidance for Full Opening: Schools'.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Public Benefit

The governors confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

Strategic Report

Achievements and Performance

We pride ourselves on our high standards across all areas including our continued outstanding overall effectiveness.

The academy will continue striving to improve the levels of progress achieved by all the children. The Governing Body will continue to monitor the Academy Development Plan and Self Evaluation to ensure Ofsted Outstanding criteria is maintained and built upon.

Key Performance Indicators

All reportable assessments were reinstated for the Academic year 2021-22 and Kidgate Primary Academy compares its performance against both local and national data, for end of Key Stage outcomes in EYFS, KS1 and KS2.

Attainment:

EYFS - 71.2% Good Level of Development, compared to Local Authority outcome of 64.1%

Year 1 Phonics - 80% working at the standard level, compared to Local Authority outcome of 74.1%

KS1 Reading - 66% at the Expected Standard (Local Authority 63%); 30% at Greater Depth (LA 16%)

KS1 Writing - 49% at the Expected Standard (Local Authority 53%); 23% at Greater Depth (LA 6%)

KS1 Maths - 64% at the Expected Standard (Local Authority 65%); 20% at Greater Depth (LA 13%)

KS2 Reading - 78% at the Expected Standard (National 74%); 31% at Greater Depth

KS2 Writing - 72% at the Expected Standard (National 69%); 16% at Greater Depth

KS2 Maths - 74% at the Expected Standard (National 71%); 16% at Greater Depth

KS2 Reading, Writing, Maths combined - 66% at the Expected Standard (National 59%); 7% at Greater Depth

KS2 SPAG - 72% at the Expected Standard (National 72%); 24% at the Higher Standard

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 Statement of Accounting Policies.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Financial Review

The academy's main source of recurrent income is from the ESFA. Other income is received from the Local Authority for Special Educational Needs funding.

For the year ended 31 August 2022, the academy has reported an overall deficit of £158,241 (2021 - £17,459). The deficit reported includes LGPS deficit adjustments of £200,000 (2021 - £137,000) and a capital surplus of £6,026 (2021 - £12). Fixed assets of £64,465 have been acquired from revenue funds meaning an overall reduction in academy revenue funds excluding pension of £28,732 (2021 - increase of £119,529).

The academy held fund balances at 31 August 2022 of £3,405,227 comprising £710,349 of restricted funds, a pension reserve deficit of £45,000, restricted fixed asset funds of £2,735,192 and unrestricted funds of £4,686. Of the total unrestricted funds, £3,424 has been designated towards an outdoor learning project.

Reserves Policy

The Capital and Reserves Policy adopted by governors states that the policy of the academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

At the year-end, the balance on restricted general funds (excluding pension reserve) plus unrestricted funds was £715,035 represented mostly by General Annual Grant and Pupil Premium Funding.

Of the total restricted fixed asset fund, a balance of £2,717,815 can only be realised by disposing of tangible fixed assets.

Investment Policy

During the period, the Governors have adopted an Investments Policy in order to meet the duties under the Academies Articles of Association and the Academy Trust Handbook, to invest monies surplus to operational requirements. The Finance and Personnel committee will monitor the cash flow position and investments and the policy will be reviewed on an annual basis.

Principal Risks and Uncertainties

Major risks to which the academy is exposed are constantly being identified and reviewed. Systems and procedures have been established to manage those risks. The internal control systems and the exposure to risks are matters that are considered on a regular basis by management and the governors.

Fundraising

There are two approaches to fundraising associated with Kidgate Primary Academy:

- Children embark upon an 'Enterprise' project where, through their learning, they generate a range of products to market to parents. The outcome of this is that the children are then able to invest in a range of enrichment activities.
- The Home School Association (parent association) is a charity in its own right which organises school-community events throughout the school year, outside of school hours. This generates income for the HSA which is then donated to the school to support a range of curricular / non-curricular provision. Decisions about the allocation of funding to the school is democratically voted upon by the HSA committee.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The nature of any expenditure is communicated to all stakeholders and there is complete transparency in how all monies are used. Strong consideration is given to the nature and amount of fundraising events, so as not to put undue pressure on children and parents.

Plans for Future Periods

1. Curriculum Provision:
 - Through our vibrant, knowledge and reading-rich project based curriculum, re-engage and enthuse pupils so they are 'ready to progress'.
 - Provide a curriculum which supports children to develop aspirations, be confident, independent, self-assured learners who display excellent attitudes to all aspects of school life.
2. Pastoral Support:
 - Embed the existing, effective provision of pastoral and welfare support and its capacity to meet the growing demand for children, families and staff.
 - Through the curriculum, children understand the importance of physical and mental health and know how to keep themselves healthy.
3. Leadership:
 - Further strengthen the local governing body by recruiting staff and director appointed governors to join existing members.
 - Develop the function of the Governor Committees to enable highly effective monitoring and evaluation of progress towards strategic priorities.
 - Develop middle leadership capacity and responsibilities.
4. Staff Development:
 - Use WALKTHRU's evidence based research teaching strategies to ensure high quality teaching in core strands in every year group.
 - Use WALKTHRU's CPD to support quality first teaching and develop a professional culture of collaborative reflection and self-improvement.
5. Site / Premises:
 - Maintain, develop and enhance the premises and site of Kidgate to ensure first-class facilities for staff, children and the wider community.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

Insofar 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.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on *24.11.22* and signed on its behalf by:



I Watson
Chair of Governors

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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 Kidgate Primary 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 3 times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
E Collins	2	3
E Evans	0	1
D Hobson, Staff Governor	3	3
D Jones, Staff Governor	1	1
P Lidbury, Head Teacher and Accounting Officer	2	3
S Mumby-Croft	0	2
C Romaine	3	3
E Stead	2	3
R Taylor	3	3
S Topham	2	3
I Watson, Chair of Governors	3	3

During the year, there was 1 governor appointment with 2 resignations.

Conflicts of Interest

The academy maintains an up-to-date register of interests which is visible on its website. Declarations of any interest in any agenda items are made at the beginning of any meetings. Governors are excluded from any decision-making where any interest exists.

The governors have confirmed that the Governing Body have sufficient expertise and resources during the year.

Whilst the Governing Body met less than 6 times during the year, this was supplemented by the provision of financial and other reports to keep governors informed of key financial and curriculum matters so that they can be assured funds are being adequately used.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Audit and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to:

- assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- to make appropriate comments and recommendations on such matters to the governing body on a regular basis.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
P Lidbury	2	3
E Stead	3	3
S Topham	3	3
I Watson	2	3

Review of value for money

As accounting officer, the Head Teacher has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

Educational Standards continue to be high. Where standards do not meet our expectations and aspirations, there are strategies and plans in place to address these. The Senior Leadership Team continues to strengthen with the roles of the Headteacher, Deputy Head Teacher and the School Business Manager firmly embedded and impacting. Teaching and support staff across the school continue to deliver high quality teaching and learning and this is underpinned by sound assessment procedures and active plans to review and improve. Subject Leadership continues to be re-focused and staff in new roles are empowered and engaged to lead their subject areas forwards through good quality monitoring and action-planning. The substantial overhaul of the curriculum provision across the whole school and the move to a project-based approach, with a far broader and enriching experience has seen the engagement and enthusiasm, as well as clearly planned skills and knowledge, improve significantly.

The Finance, Audit and Personnel Committee receive regular reports and updates regarding the financial position of the academy. Opportunity is given for questioning and interrogating expenditure. The academy's Finance Policy and Regulations are adhered to which ensures that all purchase orders are raised and have been authorised. The Business Manager ensures that best value is obtained from Suppliers by comparing prices and services offered. The Finance, Audit and Personnel Committee are regularly consulted regarding contracts and services purchased.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

There have been a number of improvements in the year as to how the Academy uses their resources to deliver better value for money, such as:

- 1) Increased usage of Virtual platforms such as MS Teams for meetings, rather than face to face has led to a more effective use of resources, both from a cost and time perspective.
- 2) Upgrading IT infrastructure such as the purchase of 100 Ipad and Interactive Screens for each classroom, to improve childrens learning experiences.
- 3) Review of Fixed Term and Temporary contracts has led to a more cost effective use of resources.

An internal auditor is appointed to audit the governance and financial operation and the report produced from the audit is examined by the Full Governing Body and followed through by the Finance, Audit and Personnel Committee. The Finance, Audit and Personnel Committee reviews and ensures that all recommendations have been implemented and are adhered to.

Services and contracts are appraised or renegotiated to get the best mix of quality and effectiveness for the least cost. The academy uses local suppliers and regularly renegotiates to ensure that prices are kept competitive for consumables. The academy also uses the internet to search for products at the best price. ESPO buying group works on behalf of the academy to obtain the best possible deal for Electricity, Gas and other contracts. A range of different options are always considered before making purchases, including an assessment of the costs and benefits of the alternatives. The academy invites companies to tender to get the best deal.

The academy follows the guidance and principals contained within the Academy Trust Handbook and the regular briefings received from the ESFA to ensure that best practice is followed at all times.

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 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 Kidgate Primary Academy for the year 1 September 2021 to 31 August 2022 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 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 ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Governing Body has decided to buy-in an internal audit service from Forrester Boyd

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the current period included:

- Review of Website.
- Review of Governance Structure.
- Review of Cash and Bank Controls.
- Review of Higher Level Controls and Month End Procedures.
- Review of Overtime Claims.

On an annual basis, the internal auditor reports to the Governing Body through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During the year, the internal auditor has delivered their schedule of work as planned. No material control issues arose as a result of the internal auditors' work. Other matters raised have been reviewed and are being addressed.

KIDGATE PRIMARY ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor;

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 Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on
their behalf by:

24/11/2020 and signed on



I Watson
Chair of Governors



P Lidbury
Accounting Officer

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Kidgate Primary Academy I have considered my responsibility to notify the academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academy Trust Handbook 2021.

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 governors and ESFA.



P Lidbury
Accounting Officer

Date: 24/11/22

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the Governing Body on
24.11.22 and signed on its behalf by:



I Watson
Chair of Governors

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KIDGATE PRIMARY ACADEMY**

Opinion

We have audited the financial statements of Kidgate Primary Academy (the 'academy') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KIDGATE PRIMARY ACADEMY (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KIDGATE PRIMARY ACADEMY (CONTINUED)**

Responsibilities of governors

As explained more fully in the Statement of governors' responsibilities, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy through discussions with the governors and other management, and from our commercial knowledge and experience of the academy and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety and pupil welfare legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KIDGATE PRIMARY ACADEMY (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed the allocation and recognition of significant income streams;
- agreed a sample of employees on the academy payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
KIDGATE PRIMARY ACADEMY (CONTINUED)**

Use of our report

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 14/12/22

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kidgate Primary Academy during the year 1 September 2021 to 31 August 2022 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 Kidgate Primary Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kidgate Primary Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kidgate Primary Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kidgate Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Kidgate Primary Academy's funding agreement with the Secretary of State for Education dated 30 August 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the academy finance policy; and
- a review of the Internal Audit report.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson
Streets Audit LLP
Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 14/2/22

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	1,673	26,101	27,774	11,378
Other trading activities	4	-	36,838	-	36,838	26,972
Investments	5	88	-	-	88	229
Charitable activities	6	40,938	2,072,004	-	2,112,942	2,042,431
Total income		41,026	2,110,515	26,101	2,177,642	2,081,010
Expenditure on:						
Charitable activities	7,8	45,232	2,270,576	20,075	2,335,883	2,098,469
Total expenditure		45,232	2,270,576	20,075	2,335,883	2,098,469
Net (expenditure) / income		(4,206)	(160,061)	6,026	(158,241)	(17,459)
Transfers between funds	17	-	(64,465)	64,465	-	-
Net movement in funds before other recognised gains/(losses)		(4,206)	(224,526)	70,491	(158,241)	(17,459)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,824,000	-	1,824,000	(214,000)
Net movement in funds		(4,206)	1,599,474	70,491	1,665,759	(231,459)

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward	8,892	(934,125)	2,664,701	1,739,468	1,970,927
Net movement in funds	(4,206)	1,599,474	70,491	1,665,759	(231,459)
Total funds carried forward	4,686	665,349	2,735,192	3,405,227	1,739,468

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 56 form part of these financial statements.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08151355

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	2,717,815	2,655,998
		<u>2,717,815</u>	<u>2,655,998</u>
Current assets			
Debtors	14	90,958	59,061
Cash at bank and in hand		890,652	851,479
		<u>981,610</u>	<u>910,540</u>
Creditors: amounts falling due within one year	15	(243,318)	(148,270)
Net current assets		<u>738,292</u>	<u>762,270</u>
Total assets less current liabilities		<u>3,456,107</u>	<u>3,418,268</u>
Creditors: amounts falling due after more than one year	16	(5,880)	(9,800)
Net assets excluding pension liability		<u>3,450,227</u>	<u>3,408,468</u>
Defined benefit pension scheme liability	25	(45,000)	(1,669,000)
Total net assets		<u><u>3,405,227</u></u>	<u><u>1,739,468</u></u>

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08151355

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	2,735,192	2,664,701
Restricted income funds	17	710,349	734,875
Restricted funds excluding pension asset	17	<u>3,445,541</u>	<u>3,399,576</u>
Pension reserve	17	<u>(45,000)</u>	<u>(1,669,000)</u>
Total restricted funds	17	3,400,541	1,730,576
Unrestricted income funds	17	4,686	8,892
Total funds		<u>3,405,227</u>	<u>1,739,468</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 56 were approved by the governors, and authorised for issue on 24/11/22 and are signed on their behalf, by:



I Watson
Chair of Governors

The notes on pages 29 to 56 form part of these financial statements.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	48,681	119,016
Cash flows from investing activities	21	(5,588)	10,432
Cash flows from financing activities	20	(3,920)	(3,920)
Change in cash and cash equivalents in the year		39,173	125,528
Cash and cash equivalents at the beginning of the year		851,479	725,951
Cash and cash equivalents at the end of the year	22, 23	<u>890,652</u>	<u>851,479</u>

The notes on pages 29 to 56 form part of these financial statements

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- No depreciation
Furniture and equipment	- 5 and 8 years straight line
Computer equipment	- 5 years straight line

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.

Long-term leasehold property is not depreciated on the grounds of immateriality. Long-term leasehold property is subject to regular maintenance and repair such that in the governors' opinion the residual value is not materially different from the value in the financial statements and have a long useful economic life. The governors consider the need for impairment at each period end.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand represents amounts held in current account facilities and petty cash only.

1.10 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 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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the governors.

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

KIDGATE PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	1,673	-	1,673
Capital Grants	-	26,101	26,101
	<u>1,673</u>	<u>26,101</u>	<u>27,774</u>

	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	1,175	-	1,175
Capital Grants	-	10,203	10,203
	<u>1,175</u>	<u>10,203</u>	<u>11,378</u>

4. Income from other trading activities

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff Absence and Other Insurance Claims	36,838	36,838	26,972
	<u>36,838</u>	<u>36,838</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank Interest Received	88	88	229

6. Funding for the academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational Operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	1,751,420	1,751,420
Other DfE/ESFA Grants			
Pupil Premium	-	160,361	160,361
Universal Infant Free School Meals (UIFSM)	-	47,041	47,041
PE and Sport Premium	-	9,371	9,371
Supplementary	-	22,182	22,182
Others	-	7,922	7,922
	-	1,998,297	1,998,297
Other Government Grants			
Local Authority Income	-	57,467	57,467
Other Income from the Academy's Educational Operations	40,938	-	40,938
COVID-19 Additional Funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 Funding	-	16,240	16,240
	40,938	2,072,004	2,112,942

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Funding for the academy's charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational Operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	1,604,646	1,604,646
Other DfE/ESFA Grants			
Pupil Premium	-	153,503	153,503
Universal Infant Free School Meals (UIFSM)	-	49,573	49,573
Teacher Pension Grant	-	55,514	55,514
Teacher Pay Grant	-	19,646	19,646
PE and Sport Premium	-	19,580	19,580
Others	-	11,372	11,372
	-	1,913,834	1,913,834
Other Government Grants			
Local Authority Income	-	54,064	54,064
Other Income from the Academy's Educational Operations	11,401	-	11,401
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	33,520	33,520
Other DfE/ESFA COVID-19 Funding	-	13,052	13,052
	-	46,572	46,572
COVID-19 additional funding (non-DfE/ESFA)			
Local Authority Income	-	16,560	16,560
	11,401	2,031,030	2,042,431

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct Costs	1,497,252	-	110,382	1,607,634
Support Costs	385,728	151,974	190,547	728,249
	<u>1,882,980</u>	<u>151,974</u>	<u>300,929</u>	<u>2,335,883</u>

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational Operations:				
Direct Costs	1,400,744	-	77,129	1,477,873
Support Costs	322,286	117,051	181,259	620,596
	<u>1,723,030</u>	<u>117,051</u>	<u>258,388</u>	<u>2,098,469</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Operations	<u>1,607,634</u>	<u>728,249</u>	<u>2,335,883</u>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational Operations	<u>1,477,873</u>	<u>620,596</u>	<u>2,098,469</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff Costs	1,463,663	1,399,035
Educational Supplies and Services	53,645	43,661
Other Direct Staff Costs	60,756	25,569
Educational IT Costs	16,625	12,897
Educational Trips and Visits	12,945	(3,289)
	<u>1,607,634</u>	<u>1,477,873</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Pension Finance Costs	27,000	22,000
Staff Costs	385,728	322,286
Depreciation	2,648	-
Maintenance	58,290	40,060
Cleaning	54,571	44,602
Utilities	22,563	16,561
Rates	7,322	7,322
Office Costs	17,827	17,335
Insurance	9,228	8,506
Non-Educational IT Costs	18,810	21,629
Catering	99,065	98,175
Other Support Costs	14,256	11,575
Governance Costs	10,941	10,545
	<u>728,249</u>	<u>620,596</u>

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9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	14,623	13,317
Depreciation of tangible fixed assets	2,648	-
Fees paid to auditor for:		
- audit	4,400	4,250
- other services	1,380	1,350
	<u>14,623</u>	<u>13,317</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	1,278,414	1,223,842
Social security costs	112,279	104,966
Pension costs	458,698	392,513
	<u>1,849,391</u>	<u>1,721,321</u>
Agency staff costs	12,089	-
Staff restructuring costs	21,500	1,709
	<u>1,882,980</u>	<u>1,723,030</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	1,709
Severance payments	21,500	-
	<u>21,500</u>	<u>1,709</u>

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10. Staff (continued)

b. Severance payments

The academy paid 1 severance payment in the year (2021 - none), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	1	-

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £21,500 (2021: £nil).

d. Staff numbers

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

	2022 No.	2021 No.
Teaching Staff	21	21
Administration and Support Staff	36	37
Management	3	4
	<u>60</u>	<u>62</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teaching Staff	20	20
Administration and Support Staff	24	23
Management	3	4
	<u>47</u>	<u>47</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

f. Key management personnel

The key management personnel of the academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £256,000 (2021 - £299,500).

11. Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The Head Teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment. The value of governors' remuneration and other benefits for the period they were governors was as follows:

		2022 £	2021 £
P Lidbury, Head Teacher	Remuneration	70,000 - 75,000	70,000 - 75,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
D Jones, Staff Governor	Remuneration	10,000 - 15,000	35,000 - 40,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000

During the year ended 31 August 2022, no governor expenses have been incurred (2021 - £NIL).

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is not separately identifiable from the total insurance cost paid by the academy.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	2,655,998	34,626	23,987	2,714,611
Additions	-	32,688	31,777	64,465
Disposals	-	-	(23,987)	(23,987)
At 31 August 2022	2,655,998	67,314	31,777	2,755,089
Depreciation				
At 1 September 2021	-	34,626	23,987	58,613
Charge for the year	-	-	2,648	2,648
On disposals	-	-	(23,987)	(23,987)
At 31 August 2022	-	34,626	2,648	37,274
Net book value				
At 31 August 2022	2,655,998	32,688	29,129	2,717,815
<i>At 31 August 2021</i>	<i>2,655,998</i>	<i>-</i>	<i>-</i>	<i>2,655,998</i>

Leasehold Property transferred on conversion is held under a 125 year lease and is stated at the valuation provided to the academy by the ESFA. Subsequent additions are stated at cost.

14. Debtors

	2022 £	2021 £
Due within one year		
VAT recoverable	18,794	7,665
Prepayments and accrued income	72,164	51,396
	90,958	59,061

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15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	3,920	3,920
Trade creditors	85,265	27,844
Other taxation and social security	27,053	24,990
Other creditors	56,215	30,494
Accruals and deferred income	70,865	61,022
	<u>243,318</u>	<u>148,270</u>

Other loans falling due within one year relates to an interest-free ESFA approved Salix loan. The loan is being repaid by two instalments per year and will be fully repaid by 1 September 2024. The loans are unsecured.

	2022 £	2021 £
Deferred income		
Deferred income at 1 September	40,075	29,826
Resources deferred during the year	38,998	40,075
Amounts released from previous periods	(40,075)	(29,826)
Deferred income at 31 August	<u>38,998</u>	<u>40,075</u>

At each year-end, the academy has received Universal Infant Free School Meals (UIFSM) funding in advance and income in advance for trips and breakfast club services.

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>5,880</u>	<u>9,800</u>

Other loans falling due after more than one year relates to an interest-free ESFA approved Salix loan. The loan is being repaid by two instalments per year and will be fully repaid by 1 September 2024. The loans are unsecured.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
Designated Funds						
Outdoor Learning	7,630	-	(4,206)	-	-	3,424
General Funds						
General Funds	1,262	41,026	(41,026)	-	-	1,262
Total Unrestricted Funds	8,892	41,026	(45,232)	-	-	4,686
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted General Funds						
General Annual Grant (GAG)	685,099	1,751,420	(1,688,849)	(64,465)	-	683,205
Pupil Premium	26,428	160,361	(159,645)	-	-	27,144
UIFSM	-	47,041	(47,041)	-	-	-
PE and Sport Premium	7,860	9,371	(17,231)	-	-	-
Supplementary	-	22,182	(22,182)	-	-	-
COVID-19 Catch Up Funding	15,488	-	(15,488)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	16,240	(16,240)	-	-	-
Other ESFA Grants	-	7,922	(7,922)	-	-	-
Local Authority Income	-	57,467	(57,467)	-	-	-
Other Income	-	38,511	(38,511)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Pension Reserve	(1,669,000)	-	(200,000)	-	1,824,000	(45,000)
	<u>(934,125)</u>	<u>2,110,515</u>	<u>(2,270,576)</u>	<u>(64,465)</u>	<u>1,824,000</u>	<u>665,349</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted Fixed Asset Funds						
NBV of Fixed Assets	2,655,998	-	(2,648)	64,465	-	2,717,815
Unspent DfE Grants	8,703	26,101	(17,427)	-	-	17,377
	<u>2,664,701</u>	<u>26,101</u>	<u>(20,075)</u>	<u>64,465</u>	<u>-</u>	<u>2,735,192</u>
Total Restricted Funds	<u>1,730,576</u>	<u>2,136,616</u>	<u>(2,290,651)</u>	<u>-</u>	<u>1,824,000</u>	<u>3,400,541</u>
Total Funds	<u><u>1,739,468</u></u>	<u><u>2,177,642</u></u>	<u><u>(2,335,883)</u></u>	<u><u>-</u></u>	<u><u>1,824,000</u></u>	<u><u>3,405,227</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Unrestricted Funds:

Designated Funds represents funding from the local Co-op which was designated by the governors to be spent on outdoor learning projects.

General Funds represent those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors.

Restricted Funds:

General Annual Grant (GAG) represents the annual funding from the ESFA to cover the running costs of the academy.

Other ESFA Grants have been split where material in the funds analysis above with each income stream representing funding from the ESFA received for specific purposes.

Other Government Income has been split between COVID-19 and non-COVID-19 funding from the local authority to be spent for specific purposes.

Other Income represents all other restricted funds received which must be used for the purpose intended.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme.

Restricted Fixed Asset Funds:

NBV of Fixed Assets represents the net book value of fixed assets acquired.

Unspent DfE Grants represents unspent funding received from the ESFA to be spent on qualifying capital expenditure.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2021</i> £
Unrestricted Funds						
Designated Funds						
Outdoor Learning	11,780	-	(4,150)	-	-	7,630
General Funds						
General Funds	3,279	11,630	(16,208)	2,561	-	1,262
Total Unrestricted Funds	15,059	11,630	(20,358)	2,561	-	8,892
	<i>Balance at 1 September 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2021</i> £
Restricted General Funds						
General Annual Grant (GAG)	571,060	1,604,646	(1,488,046)	(2,561)	-	685,099
Pupil Premium	25,365	153,503	(152,440)	-	-	26,428
UFSM	-	49,573	(49,573)	-	-	-
Teacher Pension Grant	-	55,514	(55,514)	-	-	-
Teacher Pay Grant	-	19,646	(19,646)	-	-	-
PE and Sport Premium	12,754	19,580	(24,474)	-	-	7,860
COVID-19 Catch Up Funding	-	33,520	(18,032)	-	-	15,488
Other DfE/ESFA COVID-19 Funding	-	13,052	(13,052)	-	-	-

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17. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Other ESFA Grants	-	11,372	(11,372)	-	-	-
Local Authority Income	-	54,064	(54,064)	-	-	-
Local Authority COVID Income	-	16,560	(16,560)	-	-	-
Other Income	-	28,147	(28,147)	-	-	-
Pension Reserve	(1,318,000)	-	(137,000)	-	(214,000)	(1,669,000)
	<u>(708,821)</u>	<u>2,059,177</u>	<u>(2,067,920)</u>	<u>(2,561)</u>	<u>(214,000)</u>	<u>(934,125)</u>
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted Fixed Asset Funds						
NBV of Fixed Assets	2,655,998	-	-	-	-	2,655,998
Unspent DfE Grants	8,691	10,203	(10,191)	-	-	8,703
	<u>2,664,689</u>	<u>10,203</u>	<u>(10,191)</u>	<u>-</u>	<u>-</u>	<u>2,664,701</u>
Total Restricted Funds	<u>1,955,868</u>	<u>2,069,380</u>	<u>(2,078,111)</u>	<u>(2,561)</u>	<u>(214,000)</u>	<u>1,730,576</u>
Total Funds	<u>1,970,927</u>	<u>2,081,010</u>	<u>(2,098,469)</u>	<u>-</u>	<u>(214,000)</u>	<u>1,739,468</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	2,717,815	2,717,815
Current assets	4,686	959,547	17,377	981,610
Creditors due within one year	-	(243,318)	-	(243,318)
Creditors due in more than one year	-	(5,880)	-	(5,880)
Provisions for liabilities and charges	-	(45,000)	-	(45,000)
Total	4,686	665,349	2,735,192	3,405,227

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,655,998	2,655,998
Current assets	8,892	892,945	8,703	910,540
Creditors due within one year	-	(148,270)	-	(148,270)
Creditors due in more than one year	-	(9,800)	-	(9,800)
Provisions for liabilities and charges	-	(1,669,000)	-	(1,669,000)
Total	8,892	(934,125)	2,664,701	1,739,468

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(158,241)	(17,459)
Adjustments for:		
Depreciation	2,648	-
Capital grants from DfE and other capital income	(26,101)	(10,203)
Interest receivable	(88)	(229)
Defined benefit pension scheme administration cost	1,000	1,000
Defined benefit pension scheme cost less contributions payable	172,000	114,000
Defined benefit pension scheme finance cost	27,000	22,000
Increase in debtors	(31,897)	(6,119)
Increase in creditors	62,360	16,026
Net cash provided by operating activities	48,681	119,016

20. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(3,920)	(3,920)
Net cash used in financing activities	(3,920)	(3,920)

21. Cash flows from investing activities

	2022 £	2021 £
Interest received	88	229
Purchase of tangible fixed assets	(31,777)	-
Capital grants from DfE Group	26,101	10,203
Net cash (used in)/provided by investing activities	(5,588)	10,432

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	890,652	851,479
Total cash and cash equivalents	890,652	851,479

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	851,479	39,173	890,652
Debt due within 1 year	(3,920)	-	(3,920)
Debt due after 1 year	(9,800)	3,920	(5,880)
	837,759	43,093	880,852

24. Contingent liabilities

In the event of Kidgate Primary Academy ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

25. Pension commitments

The academy'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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £30,834 were payable to the schemes at 31 August 2022 (2021 - £30,438) and are included within creditors.

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25. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £180,000 (2021 - £179,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £134,000 (2021 - £125,000), of which employer's contributions totalled £106,000 (2021 - £99,000) and employees' contributions totalled £28,000 (2021 - £26,000). The agreed contribution rates for future years are 19.6% for employers and a maximum of 12.5% for employees.

The LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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.

Principal actuarial assumptions

	2022	2021
	%	%
Salary Increase Rate	3.20	3.15
Pension Increase Rate	2.90	2.85
Discount Rate	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.7	23.6
<i>Retiring in 20 years</i>		
Males	22.1	22.0
Females	25.1	25.1

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25. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
0.1% Decrease in Real Discount Rate	51	94
0.1% Increase in Salary Increase Rate	7	14
0.1% Increase in Pension Increase Rate	45	78

The defined benefit pension scheme liability is based on the principal actuarial assumptions disclosed above as at the 31 August 2022. These can and do change after the year end. The sensitivity analysis above shows how the year-end position would change based on increases / decreases to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme liability by next year-end. Post year-end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts and would not be value for money.

Share of scheme assets

The academy's share of the assets in the scheme was:

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,339,000	1,207,000
Bonds	217,000	239,000
Property	232,000	174,000
Cash	43,000	64,000
Total market value of assets	1,831,000	1,684,000

The actual return on scheme assets was £3,000 (2021 - £283,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(278,000)	(213,000)
Interest income	29,000	23,000
Interest cost	(56,000)	(45,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(306,000)	(236,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2022 £	2021 £
At 1 September	3,353,000	2,619,000
Current service cost	278,000	213,000
Interest cost	56,000	45,000
Employee contributions	28,000	26,000
Changes in financial assumptions	(1,850,000)	474,000
Benefits paid	11,000	(24,000)
At 31 August	1,876,000	3,353,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	1,684,000	1,301,000
Interest income	29,000	23,000
Return on assets excluding amounts included in net interest	(26,000)	260,000
Employer contributions	106,000	99,000
Employee contributions	28,000	26,000
Benefits paid	11,000	(24,000)
Administrative expenses	(1,000)	(1,000)
At 31 August	1,831,000	1,684,000

26. Operating lease commitments

At 31 August 2022 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Not later than 1 year	13,094	14,623
Later than 1 year and not later than 5 years	3,609	16,703
	16,703	31,326

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27. 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

Owing to the nature of the academy and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income Related Party Transactions:

Kidgate Primary Home and School Association

Kidgate Primary Home and School Association is a charity that is closely linked to the academy. During the year, the academy received donations of £1,673 (2021 - £1,175) from the charity. There was no balance outstanding at either year-end.

Expenditure Related Party Transactions:

Darren Hobson Photography

Darren Hobson Photography is a business owned by a governor. During the year, the academy was charged £nil (2021 - £200) for services provided. There was no balance outstanding at either year-end.