
NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 12
Governance Statement	13 - 16
Statement of Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report on the Financial Statements	19 - 23
Independent Reporting Accountant's Report on Regularity	24 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26 - 27
Balance Sheet	28 - 29
Statement of Cash Flows	30
Notes to the Financial Statements	31 - 57

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Barrett J Burt D Salisbury (resigned 30 September 2025) J Sloan
Trustees	R Barrett M Finley H Hargreaves (appointed 25 March 2025) D Maier E Mobbs (appointed 20 May 2025) J Sloan, Chair of Trustees H Thomas, Head Teacher (appointed 1 September 2025) J Collinson (appointed 20 May 2025, resigned 15 July 2025) S Dale (appointed 20 May 2025, resigned 15 July 2025) D Mccran, Staff Trustee (resigned 4 February 2025) J Tunncliffe, Head Teacher (resigned 31 August 2025) J Sherwood S Bull (resigned 31 May 2025)
Company name	North Kesteven Academy
Principal and registered office	Moor Lane North Hykeham Lincoln Lincolnshire LN6 9AG
Company secretary	R Goldsworthy
Chief executive officer	H Thomas (appointed 01 September 2025) J Tunncliffe (Resigned 31 August 2025)
Independent auditors	Streets Audit LLP Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	Lloyds Bank PLC 202 High Street Lincoln Lincolnshire LN5 7AP
Solicitors	Wilkin Chapman Rollits The Maltings 11 - 15 Brayford Wharf Lincoln Lincolnshire LN5 7AY

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2024 to 31 August 2025. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic report under company law.

Structure, governance and management

a. Constitution

The Academy is a charitable 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 trust.

The Trustees of North Kesteven Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as North Kesteven Academy.

Details of the trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

b. 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.

c. Trustees' indemnities

The trustees of North Kesteven Academy are covered under the Professional Indemnity section of the Risk Protection Arrangement (RPA) administered by the Department for Education for academy trusts to the value of an unlimited amount. This cover applies to all trustees of the academy acting in accordance with the role and professional responsibilities of the academy.

d. Method of recruitment and appointment or election of Trustees

Potential new trustees are identified by the strategic committee, ensuring that the skills and experience of new trustees are complementary to those of existing board members. North Kesteven Academy has the power to appoint those trustees who are not subject to election.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary and appropriate the induction process will provide training on charity, educational, legal and financial matters. All new trustees are welcome to visit the academy and to meet with staff and students. All trustees are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally few new trustees a year, induction tends to be done informally and is tailored specifically to the individual trustees.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

f. Organisational structure

There is a clear management structure to control the way in which the academy is run. The structure consists of two levels: the directors and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The directors are responsible for the strategic direction of the academy. This includes ensuring accountability for roles and exploring efficiency and opportunity strategy across the academy to drive standards. This includes setting general policy, adopting an annual plan and budget, monitoring the academy's use of budgets and making major decisions about the direction of the Trust, capital expenditure and leadership staff appointments.

The senior leadership team control the school at an executive level implementing the policies laid down by the directors and reporting back to them. As a group the senior leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointments to the senior leadership team always involve a representative of the directors.

g. Arrangements for setting pay and remuneration of key management personnel

Any new Key Management Personnel (Senior Leadership Team) post will only be advertised with the prior approval of the board of trustees, who will set the appropriate pay range with reference to the Standard Teachers' Pay and Conditions Document (STPCD).

There is no right of appeal against the salary level to which a person is appointed.

Progression on the Leadership Pay Range by Key Management Personnel follows the STPCD guidance, and stipulates that there will be no progression unless there has been sustained high quality of performance judged against:

- Performance objectives.
- Specific job descriptions.
- The Teachers' Standards.

Under no circumstances may more than two points pay progression on the Leadership Pay Range be awarded in any one year and the award of two points will be exceptional and require detailed justification.

h. Connected organisations including related party relationships

The Trust does not have any related party or other connected charities or organisations in the financial year.

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities

a. Objectives and aims

North Kesteven Academy encourages high ambition in a supportive and stimulating environment. By celebrating individuals' achievements, the academy enables everyone to be happy, responsible, respectful, creative, and confident.

North Kesteven Academy's Mission statement aims to:

- Develop a love for life-long learning.
- Develop ambitious experts in a broad range of subjects, challenging all to be excellent – thinking creatively about solutions, overcoming barriers.
- Develop young people who are prepared for the world of work, equipped with qualifications and skills – providing choices about their future education and employment which results in success in any work environment.
- Develop the whole young person so they are able to become determined, resilient, confident and kind people, showing compassion and acting with integrity.

The academy aims to deliver this via its curriculum intent, creating a curriculum that is broad and balanced in approach, affording young people the opportunities, both in and out of the classroom, to develop core skills and knowledge.

Balanced

Develops knowledge across a generous breadth of academic, practical and creative subjects to develop students' curiosity, spark and broaden their interests and to encourage an enquiring mind in order to amaze us, and themselves.

Vertically integrated

Knowledge sticks to knowledge. Our curriculum must ensure that no learner is left behind and has the requisite knowledge for the next step, combatting cumulative dysfluency; it must also ensure that the steps are very carefully sequenced in order to aid progression.

The right narrative and the right questions unlock learning. We are fundamentally structuring our curriculum around very carefully sequenced 'big questions' that are a part of a clear overriding narrative that gives our curriculum a sense of purpose and direction.

We ensure that assessment opportunities are carefully planned and sequenced to support progression.

Focused

Our curriculum takes its time on deep learning that makes a difference and knows what matters. We have thought carefully about what to leave out and about the key questions that need to be asked and answered in order to develop expertise.

Coherent

We carefully plan for and sequence opportunities to develop, accelerate and widen knowledge and understanding through Home Learning.

We find opportunities for subjects to complement each other in order to present a coherent approach to shared concepts and vocabulary.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Rigorous

Via our curriculum, we give students a vault of subject-specific knowledge & vocabulary - both inter-disciplinary (tier 2) and discipline-specific (tier 3).

Our curriculum explicitly values and develops vocabulary and places it at the heart of learning.

Authentic

We are developing a curriculum that feels relevant and authentic for learners and helps them to make connections, making it clear why what they are doing is relevant; it exposes them to a world beyond their world and makes it clear why it matters.

All that the academy does is centered around "ThiNK Excellence, Be Excellent" and this, alongside our ThiNK Expert, ThiNK Challenge, ThiNK Creative and Ready, Respectful, Safe approaches enables the students to access high quality teaching and learning through high academic expectations together with strong pastoral support.

b. Objectives, strategies and activities

Quality of Education

Ensure all lessons are planned to challenge students and set an ethos of aspiration within and beyond the classroom.

Further develop the NK 5-part lesson: Entry Routine, Connect, Develop, Apply, Exit Routine

- Further develop how teachers plan how to adapt once their checking identifies:
 - i) which students do not understand or remember the key knowledge underpinning the lesson or
 - ii) which students can be stretched and challenge in their thinking and learning.
- Further develop formal assessment processes and reporting mechanisms, to include the spiral effect of previous content, to support secure, deep knowledge and understanding.
- Clearly identify the extra-curricular opportunities on offer within each subject area and beyond to identify and close gaps in opportunities offered to engage students with a wide variety of interests.
- Further develop the programmed Personal Development Time and ensure its consistency across the academy.
- Further enhance our reading strategy to build on reading for pleasure.

Behaviour and Attendance

- Ensure consistency of high standards underpinned by a robust behaviour policy through understanding of core values.
- Ensure data for behaviour and attendance is used effectively and in a timely manner to ensure barriers are removed swiftly and appropriate support is in place.
- Establish an effective whole academy attendance strategy to improve the attendance of students, reducing persistent absenteeism significantly alongside clear and consistent rewards for high and improved attendance.
- Improve punctuality among students by ensuring clear communication systems alongside clear and consistent rewards and sanctions.

SEND & Disadvantaged

- Further develop the data we use to identify students with SEND to ensure that students are identified as quickly as possible for the full range of potential SEND.
- Ensure that teachers understand the individual needs of students in their classrooms and use identified strategies to meet those needs.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

- Establish a simple method of identifying which students are engaging in extra-curricular clubs, trips, visits and other opportunities in order to target those who are not engaging and devise an effective strategy to engage these identified groups.

Leadership

- Further develop high quality professional development and reflection opportunities.
- Further develop quality assurance processes across all areas of the academy.
- Further develop student leadership to ensure that students in Years 7 to 11 have more leadership opportunities and enhance the house system – cultivating a culture of belonging.
- Recruit higher numbers into our academy by enhancing links with all stakeholders, gathering the voice of all and effectively taking action in order to ensure a higher regard for NK in the community.
- Ensure all middle leaders are able to articulate the impact of their curriculum and explicitly share leading practice.
- Ensure our technological provision is sufficiently up to date to provide high quality education for all.

Safeguarding Systems

- To ensure that the academy has outstanding safeguarding systems and practices.
- To constantly review and improve the academy site and safeguarding practice.

Environment

- To ensure the academy's site is at a safe and a high standard, and is continuously maintained and improved.
- To offer a high quality teaching and learning environment.

c. Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy trust's objectives and aims and in planning future activities for the year. The trustees consider that the trust's aims are demonstrably to the public benefit.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report

Achievements and performance

a. Key performance indicators

KS4 Key Performance Indicators

	2024/25
4+ E&M	53.7%
5+ E&M	23.9%
4+ Eng	67.9%
5+ Eng	51.5%
4+ Ma	56.0%
5+ Ma	29.1%
Ebacc 4+	15.7%
Ebacc 5+	8.2%

KS5 Key Performance Indicators

A-Level	2024/25
% A*/A	8.8%
% A* - B	20.6%
% A* - C	44.1%
% A* - E	98.5%

Applied General	2024/25
Ave. Pt. Score per entry	29.02
Ave. Grade per entry	Merit+

Key non-financial performance indicators

Other Successes:

We have completed the work we had been undertaking with the Behaviour Hub and successfully “graduated” from this programme in April 2025. Our work in this area was validated by the improved Ofsted rating to “good” at the inspection in October 2024.

This academic year has seen trips to London for theatre events, A Level History and Politics & Criminology trips to Westminster, Maths trips and visits to various sporting events including Wimbledon and international football fixtures. Visits to universities also took place as well as other local visits.

We have completed our two year Embedding Formative Assessment programme and this is starting to have impact on student progress. This is evidenced by demonstrable improvement in results in the Summer of 2025.

The academy invested in the refurbishment of the 3G pitch and this is being successfully let to external community groups to generate income, alongside the benefit to our students. The Academy continues to expand its facilities lettings to other community groups including Alive Church and Hykeham Baton Twirlers.

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The trustees reviewed the options available in relation to transferring the academy to a multi-academy trust and have begun due diligence to join a trust which is expected within 12 months of the approval of the financial statements. When this occurs, the assets and liabilities of the academy will be transferred on a going concern basis and the academy will have no further purpose. The governors will then start the process of dissolving the academy.

The trustees do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis. However, as the academy will transfer on a going concern basis, no amendment has been required to the figures.

Financial review

Most of the academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2025 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE. In accordance with the Charities SORP, grants and donations received for specific capital purposes are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period was more than grants from the DfE and other income, such as voluntary income and activities for generating funds. During the year ended 31 August 2025 total expenditure of £6,107,580 was less than recurrent grant funding from the DfE together with other incoming resources. After adjusting for the gain on the Local Government Pension Scheme the Academy Trust had a deficit of £605,252 during the year.

During the year, the academy trust has continued to manage its resources carefully in a challenging funding environment. At 31 August 2025, the General Annual Grant (GAG) fund was in a surplus position of £55,133 (2024: £99,536). This surplus has decreased primarily due to lower pupil numbers and associated funding reductions, combined with unavoidable cost pressures.

The trustees have considered the implications of this reduced surplus on the academy's financial sustainability. After reviewing forecasts and available options, the trustees have agreed that the academy will join a Multi-Academy Trust (MAT) within the next twelve months. This decision has been approved in principle by the Department for Education, and the transfer process is underway. Joining the MAT will provide access to additional financial support, shared services, and economies of scale, which will address the current deficit and strengthen the academy's long-term viability.

At 31 August 2025, the net book value of fixed assets was £10,954,244 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets are used primarily for providing the academy's educational operations and associated support service to the students of the academy.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances. The Academy has an approved Risk Policy and a Risk Register in place. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, security of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover through the Risk Protection Arrangement (RPA).

The Academy Trust's exposure to financial risks is minimal, due to the fact that the financial instruments that it deals with are largely bank balances, cash and trade creditors, with limited trade and other debtors. There is a deficit on the Local Government Pension Scheme, as described in note 26 to the financial statements but this is subject to periodic actuarial review and is regularly monitored by the Trustees.

Reference is also made to the Local Government defined benefit pension scheme which shows an asset in the year which has been derecognised of £1,137,000. (2024: £244,000)

a. Reserves policy

The Academy Trust, continues to analyse student numbers over a 5-year period in feeder primary schools as well as changes to formula funding and has planned to cover these eventualities. The reserves are split into categories of restricted general funds and unrestricted funds. The unrestricted funds are the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its planned expenditure.

The Academy's revenue reserves at 31 August 2025 total reserves of £55,133 compared to £111,027 reserves in 2024.

The Finance, Risk and Audit Committee, in conjunction with the Full Trustees Committee, aims to work towards to having sufficient funds to meet the Academy Trust's long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. The Trustees have recognised that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £500,000.

The unrestricted general funds as at 31 August 2025 amounted to £nil (2024: 21,090). The Academy expects that as student numbers increase, building up the reserves will be difficult due to the lagged funding system. As numbers stabilise and where possible anyhow, the academy intends to increase revenue reserve to the above figure. Further support will be provided to improve the reserves due to the academy joining a multi-academy trust during the 2025-26 financial year.

b. Investment policy

The Trustees discuss and agree to any investments made by the academy. Investments are currently limited to a current account held with Lloyds Bank plc. Any future investments will be made with regard to Charity Commission guidance in relation to investments.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities, financial, and other operational areas of the Academy, and its finances. The Academy has in place a detailed risk register which is used to identify and mitigate risks as far as possible. The management of risks to the Academy is undertaken in accordance with the Funding Agreement, the Academies Handbook and the Academy Finance Policy.

The governing body is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. It is advised in this role by the Finance, Risk and Audit Committee and both are advised and informed by the Senior Leadership Team.

The governing body fulfils its role by establishing the system of internal control, approving and reviewing a series of policies that underpin the internal control process and agreeing objectives, plans and resources by means of the budget and annual Academy Improvement Plan.

Risk Management

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances. The academy has an approved Risk Policy and a Risk Register in place which is updated on an annual basis. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, security of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover through the Risk Protection Arrangement (RPA).

Financial and Risk Management Objectives and Policies

The academy trust's exposure to financial risks is minimal, due to the fact that the financial instruments that it deals with are largely bank balances, cash and trade creditors, with limited trade and other debtors. There is a deficit on the Local Government Pension Scheme, as described in note 26 to the financial statements, but this is subject to periodic actuarial review and is regularly monitored by the trustees.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Plans for future periods

Following the Ofsted inspection in October 2024 the academy will be focusing on the two areas for improvement within the report, namely:

- Teachers do not always check pupils' learning carefully enough to identify gaps or misconceptions. They do not always provide pupils with the guidance they need to improve their work. Pupils do not always learn as well as they should. The school needs to ensure that teachers check pupils' learning routinely and give pupils clear direction so that they know how to get better at a subject.
- The curriculum is not delivered consistently well across all areas of the school. Teachers' explanations are not always clear. Pupils are not always given enough opportunities to practice and apply their learning. When this happens, pupils' knowledge is insecure and lacks depth. The school needs to ensure that the planned curriculum is delivered consistently well in all subjects so that all pupils gain the knowledge they need to be successful.

The academy has already taken part in the Embedding Formative Assessment programme and will continue to embed these principles, ensuring that all new teachers to the academy receive a comprehensive induction which includes these principles.

The academy introduced a 3-part lesson in September 2024 which consists of "Connect", "Develop", "Apply". Further training on this was delivered at the end of October and subject areas continue to work on embedding these principles into their schemes of learning and resourcing.

This approach, coupled with our continued focus on Quality Assurance practices as well as our annual subject reviews will ensure that this continues to improve across the academy.

Whilst the academy successfully moved to a good Ofsted judgement for behaviour, this is an area in which focus must still remain in order to at least maintain the standards we have established.

Financial resources must continue to focus on improving these areas of the academy. The employment of specialist subject teachers is key to this success and, in areas where recruitment is challenging, resource is needed to upskill and support any non-specialists in order to secure consistently good teaching across the academy. As one of our challenges remains mid-year admissions, resource must also focus on supporting these, and all of our disadvantaged students, including those with SEND.

Financial resource must also be focused on improving our IT facilities in the next three years. Another element of focus for the future is to ensure that the Shared Use Agreement between the academy and NKDC and their provider GLL is successfully established and that this is working well for the benefit of our students.

The trustees' priority for the coming year is to ensure a smooth transition into a MAT. This will involve working closely with the MAT leadership and the Department for Education to complete the legal and operational arrangements. The trustees believe that this strategic move will secure the academy's future and enable continued delivery of high-quality education for pupils.

Funds held as custodian on behalf of others

There are no funds held by the academy as custodian trustee or on behalf of others.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on _____ and signed on its behalf by:



J Sloan
Chair of Trustees



H Thomas
Accounting Officer

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Guide.

The Board of Trustees has delegated the day-to-day responsibility to the trustee, 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 North Kesteven Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Barrett	5	7
M Finley	7	7
H Hargreaves	3	3
D Maier	6	7
E Mobbs	2	2
J Sloan, Chair of Trustees	7	7
J Collinson	1	1
S Dale	1	1
D Mccran, Staff Trustee	3	3
J Tunncliffe, Head Teacher	7	7
J Sherwood	7	7
S Bull	4	7

Key changes in the composition of the board of trustees is detailed on Page 1.

Trustees share the leaders' ambitions for pupils' success. They are passionate about the school and are fully committed to supporting continued improvements.

Trustees understand the requirements and responsibilities of their role. They are actively involved in supporting aspects of the school's work, not only in their strategic capacity, but by attending many of the school's events. They are also keen to develop and are active in a variety of relevant training that will support the development of the school.

There is a wide range of knowledge and expertise among the trustees, and the chair of trustees ensures that all skill sets are matched to meet the needs of the school. There are regular committee and full board meetings, where trustees ask challenging questions to hold senior leaders to account.

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve and monitor the Academy Budget, oversee and regulate controls and procedures, and approve and monitor the internal control systems. This includes both internal and external audit reports with management response and actions to be taken. It is also responsible for risk management and pay recommendations. Staff members on this committee attend but do not vote on audit committee matters. Attendance at meetings during the year was as follows:

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Sloan	4	6
R Barrett	6	6
J Sherwood	5	6
M Finley	6	6
J Tunnicliffe	6	6

Review of value for money

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Using in-house site staff extensively for improvement projects and routine maintenance activities
- Expanding the Academy's lettings of sports and other facilities
- Limiting recruitment to teachers in first-phase of their career
- Creating in-house solutions to staffing changes wherever possible
- Ensuring key projects were managed extremely carefully and efficiently
- Making key strategic decisions to mitigate risk and limit financial commitments
- Maintaining the school's three key curriculum strands of vocational, academic and creative pathways
- Capitalising fully on the strong Ofsted report
- Maintaining the school's positive destinations data.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in North Kesteven Academy for the year ended 31 August 2025 and up to the date of approval of the annual report and financial statements.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes 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.

This option has been chosen because it provides full transparency and safeguards that allows the Academy to forward plan effectively from a position of strong financial understanding and to make decisions based on a full assessment of cost/risk analysis.

On a termly basis, the auditor reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities and annually prepares an annual 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.

The Board of Trustees has decided to employ Forrester Boyd Robson Limited as internal auditor.

This option has been chosen because it provides full transparency and safeguards that allows the Academy to forward plan effectively from a position of strong financial understanding and to make decisions based on a full assessment of cost/risk analysis.

On a termly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the internal auditor 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.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the trustee 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 financial management and governance self-assessment process.
- the school resource management self-assessment tool.
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors.
- correspondence from DfE e.g. FNTI/NtI and 'minded to' letters.

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

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on
on their behalf by:

and signed



J Sloan
Chair of Trustees



H Thomas
Accounting Officer

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of North Kesteven Academy, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the academy trust board of trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I, and the board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and DfE.



H Thomas
Accounting Officer
Date:

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2024 to 2025;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on
and signed on its behalf by:



J Sloan
Chair of Trustees

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTH KESTEVEN ACADEMY**

Opinion

We have audited the financial statements of North Kesteven Academy (the 'academy') for the year ended 31 August 2025 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 2024 to 2025 issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2025 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 2024 to 2025 issued by the Department for Education.

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 Auditors' 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.

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTH KESTEVEN ACADEMY (CONTINUED)**

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Academy has begun due diligence to joining a multi academy trust. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the Academy's ability to continue to adopt the going concern basis of accounting included garnering an understanding of the Academy's position in the due diligence process including the likelihood of the transfer taking place.

The trustees reviewed the options available in relation to transferring the academy to a multi academy trust and have started due diligence to join a trust which is expected within 12 months of the approval of the financial statements. When this occurs, the assets and liabilities of the academy will be transferred on a going concern basis and the academy will have no further purpose.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTH KESTIVEN ACADEMY (CONTINUED)**

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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees 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 Trustees 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 Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTH KESTIVEN ACADEMY (CONTINUED)**

Auditors' 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 Auditors' 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:

- 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 company through discussions with directors and other management, and from our commercial knowledge and experience of the charity 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 company, including the Companies Act 2006, SORP 2015 (FRS 102) taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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 company'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.

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;
- 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.
- reviewed Trustee meeting minutes for evidence of appropriate decision-making and management controls.

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; and
- enquiring of management as to actual and potential litigation and claims.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTH KESTIVEN ACADEMY (CONTINUED)**

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 directors 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 Auditors' Report.

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 Auditors' 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.

Lizzie Saunby MAAT ACA BFP

for and on behalf of

Streets Audit LLP

Lucy Tower Street

Lincoln

Lincolnshire

LN1 1XW

Date:

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH KESTEVEN ACADEMY AND THE SECRETARY OF STATE FOR EDUCATION

In accordance with the terms of our engagement letter dated 22 August 2025 and further to the requirements of the Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by North Kesteven Academy during the year 1 September 2024 to 31 August 2025 have not been applied to the purposes identified by Parliament and that the financial transactions do not conform to the authorities which govern them.

This report is made solely to North Kesteven Academy and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North Kesteven Academy and the Secretary of State for Education 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 North Kesteven Academy and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of North Kesteven Academy and the reporting accountant

The accounting officer is responsible, under the requirements of North Kesteven Academy's funding agreement with the Secretary of State for Education dated 8 July 2011 and the Academy Trust Handbook, extant from 1 September 2024, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts 2024 to 2025. 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 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by DfE, which requires a limited assurance engagement as set out 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.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH
KESTEVEN ACADEMY AND THE SECRETARY OF STATE FOR EDUCATION (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 2024 to 31 August 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Lizzie Saunby MAAT ACA BFP
Streets Audit LLP
Chartered Accountant and Statutory Auditor

Date:

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:						
Donations and capital grants	3	489	-	152,129	152,618	1,585,850
Other trading activities	5	176,174	-	-	176,174	147,587
Investments	6	-	20,000	-	20,000	12,000
Charitable activities		42,899	5,236,637	-	5,279,536	5,062,684
Total income		219,562	5,256,637	152,129	5,628,328	6,808,121
Expenditure on:						
Raising funds		35,441	-	-	35,441	1,628
Charitable activities	8	142,872	5,256,357	672,910	6,072,139	6,027,590
Total expenditure		178,313	5,256,357	672,910	6,107,580	6,029,218
Net income/(expenditure)		41,249	280	(520,781)	(479,252)	778,903
Transfers between funds	19	(62,339)	90,916	(28,577)	-	-
Net movement in funds before other recognised gains/(losses)		(21,090)	91,196	(549,358)	(479,252)	778,903
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	26	-	1,011,000	-	1,011,000	115,000
Derecognition of pension asset		-	(1,137,000)	-	(1,137,000)	(244,000)
Net movement in funds		(21,090)	(34,804)	(549,358)	(605,252)	649,903

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

	Unrestricted funds 2025 £	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	21,090	89,937	11,754,760	11,865,787	11,215,884
Net movement in funds	(21,090)	(34,804)	(549,358)	(605,252)	649,903
Total funds carried forward	<u>-</u>	<u>55,133</u>	<u>11,205,402</u>	<u>11,260,535</u>	<u>11,865,787</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 57 form part of these financial statements.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER:

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	10,954,244	10,979,594
		<u>10,954,244</u>	<u>10,979,594</u>
Current assets			
Stocks	15	2,096	2,096
Debtors	16	314,715	792,963
Cash at bank and in hand		287,096	1,358,563
		<u>603,907</u>	<u>2,153,622</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(269,619)	(1,224,759)
		<u>334,288</u>	<u>928,863</u>
Net current assets			
		<u>11,288,532</u>	<u>11,908,457</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	18	(27,997)	(42,670)
		<u>11,260,535</u>	<u>11,865,787</u>
Net assets excluding pension asset			
		<u>11,260,535</u>	<u>11,865,787</u>
Total net assets		<u>11,260,535</u>	<u>11,865,787</u>

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER:

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	11,205,402	11,754,760
Restricted income funds	19	55,133	89,937
Total restricted funds	19	11,260,535	11,844,697
Unrestricted income funds	19	-	21,090
Total funds		11,260,535	11,865,787

The financial statements on pages 26 to 57 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



J P Sloan
Chair of Trustees

The notes on pages 31 to 57 form part of these financial statements.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	21	(722,105)	<i>(110,413)</i>
Cash flows from investing activities	23	(334,689)	<i>1,049,282</i>
Cash flows from financing activities	22	(14,673)	<i>(52,385)</i>
Change in cash and cash equivalents in the year		(1,071,467)	<i>886,484</i>
Cash and cash equivalents at the beginning of the year		1,358,563	<i>472,079</i>
Cash and cash equivalents at the end of the year	24, 25	287,096	<i>1,358,563</i>

The notes on pages 31 to 57 form part of these financial statements

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by DfE, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

The trustees reviewed the options available in relation to transferring the academy to a multi academy trust and have signed an agreement in principle to join a trust which is expected within 12 months of the approval of the financial statements. When this occurs, the assets and liabilities of the academy will be transferred on a going concern basis and the academy will have no further purpose. The governors will then start the process of dissolving the academy. These financial statements have been prepared on a non-going concern basis because the academy trust expects to transfer to a multi-academy trust within 12 months. However, as the academy will transfer on a going concern basis, no amendment has been required to the figures.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Academy'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.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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:

The estimated useful lives are as follows:

Long-term leasehold property	- 10 - 50 years
Furniture and equipment	- 10 years
Computer equipment	- 5 years
Motor vehicles	- 7 years

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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.

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 16. 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 17 and 18. 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 Finance leases and hire purchase

Leasing agreements, which transfer to the academy trust substantially all the risks and rewards incidental to ownership of an asset, are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset or, if lower, the present value of minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated over the shorter of the lease term and the estimated useful economic life of the asset and assessed for impairment losses in the same way as for owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated to the statement of financial activities, over the period of the lease, in proportion to the capital element outstanding.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

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 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 based on 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.

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 Trustees.

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.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. 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.

3. Income from donations and capital grants

	Unrestricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations	489	50,000	50,489	1,004
CIF	-	(80,663)	(80,663)	1,568,170
DFC	-	15,436	15,436	16,676
Connect the classroom	-	167,356	167,356	-
Total 2025	<u>489</u>	<u>152,129</u>	<u>152,618</u>	<u>1,585,850</u>
<i>Total 2024</i>	<u>1,004</u>	<u>1,584,846</u>	<u>1,585,850</u>	

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

4. Funding for the Academy's charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Educational Operations				
DfE grants				
General Annual Grant (GAG)	-	4,076,541	4,076,541	3,596,945
Other DfE grants				
Rates Relief	-	29,757	29,757	16,277
Pupil Premium	-	205,292	205,292	202,063
Teachers' Pay and Pension Grant	-	155,859	155,859	137,305
16-19 Funding	-	297,794	297,794	657,163
Other DfE Grants	-	185,852	185,852	147,050
	-	4,951,095	4,951,095	4,756,803
Other Government grants				
SEN Funding	-	160,385	160,385	139,401
Other Local Authority Funding	-	42,150	42,150	55,573
	-	202,535	202,535	194,974
Other income from educational operations	42,899	83,007	125,906	63,297
COVID-19 additional funding (DfE)				
Catch-up Premium	-	-	-	47,610
	-	-	-	47,610
Total Educational Operations	42,899	5,236,637	5,279,536	5,062,684
	42,899	5,236,637	5,279,536	5,062,684
<i>Total 2024</i>	36,874	5,025,810	5,062,684	

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Hire of facilities	29,858	29,858	238
Catering income	134,883	134,883	132,607
Sale of goods and uniform	11,433	11,433	14,742
Total 2025	<u>176,174</u>	<u>176,174</u>	<u>147,587</u>

6. Investment income

	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Pension income	20,000	20,000	12,000

7. Expenditure

	Staff Costs 2025 £	Premises 2025 £	Other 2025 £	Total 2025 £	Total 2024 £
Expenditure on raising voluntary income:					
Direct costs	-	-	35,441	35,441	1,628
Educational Operations:					
Direct costs	3,513,521	321,822	269,285	4,104,628	4,002,249
Allocated support costs	702,671	1,004,120	260,720	1,967,511	2,025,341
	<u>4,216,192</u>	<u>1,325,942</u>	<u>565,446</u>	<u>6,107,580</u>	<u>6,029,218</u>
Total 2024	<u>4,147,203</u>	<u>1,264,857</u>	<u>617,158</u>	<u>6,029,218</u>	

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	<i>Total 2024 £</i>
Educational Operations	142,872	5,929,267	6,072,139	6,027,590
<i>Total 2024</i>	165,984	5,861,606	6,027,590	

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Educational Operations	4,104,628	1,967,511	6,072,139	6,027,590
<i>Total 2024</i>	4,002,249	2,025,341	6,027,590	

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	3,513,521	3,513,521	3,443,447
Depreciation	321,822	321,822	246,368
Educational Supplies	67,300	67,300	80,338
Examination Fees	82,617	82,617	88,739
Technology Costs	39,524	39,524	37,777
Educational Consultancy	16,568	16,568	22,469
Other Direct Costs	36,265	36,265	58,394
Indirect Employee Expenses	27,011	27,011	24,717
	<hr/> 4,104,628 <hr/>	<hr/> 4,104,628 <hr/>	<hr/> 4,002,249 <hr/>

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Staff costs	702,671	702,671	703,756
Depreciation	22,990	22,990	24,276
Technology Costs	21,008	21,008	26,445
Indirect Employee Expenses	4,845	4,845	12,358
Repairs and Maintenance	391,031	391,031	519,285
Rates	29,961	29,961	28,672
Energy	180,797	180,797	208,340
Insurance	20,348	20,348	18,631
Cleaning & Caretaking	160,100	160,100	160,997
Operating Leases	37,145	37,145	40,195
Security	7,431	7,431	5,385
Other Premises Costs	219,241	219,241	55,921
Other Support Costs	14,914	14,914	40,291
Transport	3,525	3,525	6,625
Catering	102,613	102,613	127,605
Professional Fees and Governance Costs	29,461	29,461	35,889
Audit and Accountancy fees	19,430	19,430	10,670
Total 2025	<u>1,967,511</u>	<u>1,967,511</u>	<u>2,025,341</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2025 £	<i>2024 £</i>
Operating lease rentals	37,145	40,195
Depreciation of tangible fixed assets	344,812	270,644
Fees paid to auditors for:		
- audit	9,750	9,000
- other services	2,000	4,640
	<u>9,750</u>	<u>9,000</u>

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

11. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	3,057,156	2,959,725
Social security costs	343,587	290,913
Pension costs	749,208	671,056
	4,149,951	3,921,694
Agency staff costs	66,241	225,509
	4,216,192	4,147,203

b. Severance payments

The Academy paid 2 severance payments in the year (2024 - -), disclosed in the following bands:

	2025	2024
	No.	No.
£0 - £25,000	2	-

c. Staff numbers

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

	2025	2024
	No.	No.
Teachers	40	42
Administration and support	42	45
Management	1	1
	83	88

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

11. Staff (continued)

d. Higher paid staff

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

	2025	2024
	No.	No.
In the band £60,001 - £70,000	7	10
In the band £70,001 - £80,000	5	1
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,000 - £120,000	1	-
	=====	=====

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £810,306 (2024 - £740,689).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2025	2024
		£	£
J Tunnicliffe (resigned 31 August 2025)	Remuneration	85,000 -	100,000 -
		90,000	105,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
D Mccran (resigned 4 February 2025)	Remuneration	10,000 -	30,000 -
		15,000	35,000
	Pension contributions paid	0 - 5,000	5,000 -
			10,000

During the year ended 31 August 2025, no Trustee expenses have been incurred (2024 - £NIL).

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2024	12,924,484	331,799	177,162	16,500	13,449,945
Additions	319,462	-	-	-	319,462
Disposals	-	(33,707)	(19,400)	-	(53,107)
At 31 August 2025	13,243,946	298,092	157,762	16,500	13,716,300
Depreciation					
At 1 September 2024	1,976,943	301,499	175,409	16,500	2,470,351
Charge for the year	321,822	21,587	1,403	-	344,812
On disposals	-	(33,707)	(19,400)	-	(53,107)
At 31 August 2025	2,298,765	289,379	157,412	16,500	2,762,056
Net book value					
At 31 August 2025	10,945,181	8,713	350	-	10,954,244
At 31 August 2024	10,947,541	30,300	1,753	-	10,979,594

Included in the cost of freehold land and buildings of £13,243,946 is £1,410,000 of land which is not depreciated.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

15. Stocks

	2025	2024
	£	£
Finished goods and goods for resale	2,096	2,096

16. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	1,621	4,845
Prepayments and accrued income	272,275	672,333
Tax recoverable	40,819	115,785
	314,715	792,963

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

17. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	56,887	673,175
Loans	18,444	19,568
Other creditors	172,538	180,123
Accruals and deferred income	21,750	351,893
	269,619	1,224,759

Loans of £18,444 (2024: £19,568) from Lincolnshire City council are included in creditors less than one year. These loans relate to two separate capital loans that transferred to the trust on conversion and are repayable over 25 years, with interest rates of 5.625% and 6.00% respectively.

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

	2025	2024
	£	£
Loans	27,997	42,670

Loans of £27,997 (2024: 42,670) from Lincolnshire City council are included in creditors greater than one year. These loans relate to two separate capital loans that transferred to the trust on conversion and are repayable over 25 years, with interest rates of 5.625% and 6.00% respectively.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
Unrestricted general funds	21,090	219,562	(178,313)	(62,339)	-	-
Restricted general funds						
General Annual Grant (GAG)	99,536	4,076,541	(4,165,421)	90,916	-	101,572
Pupil Premium	33,831	205,292	(239,123)	-	-	-
Local Authority Grants	-	168,235	(168,235)	-	-	-
Other restricted income	18,807	117,307	(136,114)	-	-	-
Other DfE grants	-	215,609	(215,609)	-	-	-
Teachers Pay Grant	-	155,859	(155,859)	-	-	-
16 to 19	-	297,794	(297,794)	-	-	-
Inherited Loan	(62,237)	-	15,798	-	-	(46,439)
Pension reserve	-	20,000	106,000	-	(126,000)	-
	89,937	5,256,637	(5,256,357)	90,916	(126,000)	55,133
Restricted fixed asset funds						
DfE Capital Grants	2,098,842	152,129	(672,910)	(28,577)	-	1,549,484
Capital expenditure from GAG or other funds	532,542	-	-	-	-	532,542
Assets transferred on conversion	7,427,141	-	-	-	-	7,427,141
Other reserves	1,696,235	-	-	-	-	1,696,235

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds (continued)

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
	11,754,760	152,129	(672,910)	(28,577)	-	11,205,402
Total Restricted funds	11,844,697	5,408,766	(5,929,267)	62,339	(126,000)	11,260,535
Total funds	11,865,787	5,628,328	(6,107,580)	-	(126,000)	11,260,535

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

Restricted general funds -

General Annual Grant (GAG), other DfE grants and local authority grants are applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters.

Restricted fixed asset funds -

The restricted fixed asset funds relate predominantly to the assets acquired on conversion to an Academy Trust, being the property.

The other reserve represents the unrealised gain on revaluation of the main school buildings.

Unrestricted funds -

Unrestricted funds represent other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

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 2025.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
Unrestricted funds						
Unrestricted general funds	3,240	185,463	(167,613)	-	-	21,090
Restricted general funds						
General Annual Grant (GAG)	372,345	4,254,108	(4,491,770)	(35,147)	-	99,536
Pupil Premium	33,830	202,063	(202,062)	-	-	33,831
Local Authority Grants	-	187,307	(187,307)	-	-	-
Other restricted income	-	34,090	(15,283)	-	-	18,807
Other DfE grants	-	348,242	(348,242)	-	-	-
Inherited Loan	(108,531)	-	(5,529)	51,823	-	(62,237)
Pension reserve	-	12,000	117,000	-	(129,000)	-
	297,644	5,037,810	(5,133,193)	16,676	(129,000)	89,937
Restricted fixed asset funds						
DfE Capital Grants	1,259,082	1,584,846	(728,410)	(16,676)	-	2,098,842
Capital expenditure from GAG or other funds	532,542	-	-	-	-	532,542
Assets transferred on conversion	7,427,141	-	-	-	-	7,427,141
Other reserves	1,696,235	-	-	-	-	1,696,235

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds (continued)

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
	<u>10,915,000</u>	<u>1,584,846</u>	<u>(728,410)</u>	<u>(16,676)</u>	<u>-</u>	<u>11,754,760</u>
Total Restricted funds	<u>11,212,644</u>	<u>6,622,656</u>	<u>(5,861,603)</u>	<u>-</u>	<u>(129,000)</u>	<u>11,844,697</u>
Total funds	<u><u>11,215,884</u></u>	<u><u>6,808,119</u></u>	<u><u>(6,029,216)</u></u>	<u><u>-</u></u>	<u><u>(129,000)</u></u>	<u><u>11,865,787</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Restricted fixed asset funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	10,954,244	10,954,244
Current assets	352,749	251,158	603,907
Creditors due within one year	(269,619)	-	(269,619)
Creditors due in more than one year	(27,997)	-	(27,997)
Total	<u><u>55,133</u></u>	<u><u>11,205,402</u></u>	<u><u>11,260,535</u></u>

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Restricted fixed asset funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	-	10,979,594	10,979,594
Current assets	21,090	1,357,366	775,166	2,153,622
Creditors due within one year	-	(1,224,759)	-	(1,224,759)
Creditors due in more than one year	-	(42,670)	-	(42,670)
Total	21,090	89,937	11,754,760	11,865,787

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(479,252)	778,903
Adjustments for:		
Depreciation	344,812	270,644
Capital grants from DfE and other capital income	15,227	(1,584,846)
Interest payable	-	6,093
Defined benefit pension scheme cost less contributions payable	193,000	(115,000)
Defined benefit pension scheme finance cost	(319,000)	(14,000)
Decrease in debtors	478,249	91,589
(Decrease)/increase in creditors	(955,141)	456,204
Net cash used in operating activities	(722,105)	(110,413)

NORTH KESTEVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

22. Cash flows from financing activities

	2025 £	2024 £
Repayments of borrowing	(14,673)	(52,385)
Net cash used in financing activities	(14,673)	(52,385)

23. Cash flows from investing activities

	2025 £	2024 £
Purchase of tangible fixed assets	(319,462)	(535,564)
Capital grants from DfE Group	(15,227)	1,584,846
Net cash (used in)/provided by investing activities	(334,689)	1,049,282

24. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand and at bank	287,096	1,358,563
Total cash and cash equivalents	287,096	1,358,563

25. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	1,358,563	(1,071,467)	287,096
Inherited Loan	(62,238)	15,797	(46,441)
	1,296,325	(1,055,670)	240,655

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

26. 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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £64,688 were payable to the schemes at 31 August 2025 (2024 - £87,411) and are included within creditors.

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £565,897 (2024 - £500,442).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy has taken advantage of the exemption in FRS 102 and 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.

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 2025 was £353,000 (2024 - £342,000), of which employer's contributions totalled £294,000 (2024 - £286,000) and employees' contributions totalled £59,000 (2024 - £56,000). The agreed contribution rates for future years are 26.6 per cent for employers and varying per cent for employees.

As described in note 1.13 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

Principal actuarial assumptions

Lincolnshire Pension Fund

	2025	2024
	%	%
Rate of increase in salaries	3.50	3.80
Rate of increase for pensions in payment/inflation	2.50	2.80
Discount rate for scheme liabilities	5.95	5.05

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

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

26. Pension commitments (continued)

	2025 Years	<i>2024 Years</i>
<i>Retiring today</i>		
Males	21.40	19.50
Females	23.40	22.70
<i>Retiring in 20 years</i>		
Males	23.00	20.70
Females	25.10	24.10

Sensitivity analysis

Lincolnshire Pension Fund

	2025 £000	<i>2024 £000</i>
Discount rate +0.1%	(77,000)	(95,000)
Discount rate -0.1%	79,000	97,000
Mortality assumption - 1 year increase	123,000	170,000
Mortality assumption - 1 year decrease	(120,000)	(165,000)
CPI rate +0.1%	80,000	96,000
CPI rate -0.1%	(78,000)	(94,000)

Share of scheme assets

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

	At 31 August 2025 £	<i>At 31 August 2024 £</i>
Equities	3,624,000	3,284,000
Corporate bonds	808,000	832,000
Property	499,000	425,000
Cash and other liquid assets	183,000	200,000
Infrastructure	300,000	252,000
Absolute return fund	1,160,000	997,000
Total market value of assets	6,574,000	5,990,000

The actual return on scheme assets was £143,000 (2024 - £282,000).

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

26. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2025 £	2024 £
Current service cost	(188,000)	(169,000)
Interest income	301,000	286,000
Interest cost	(281,000)	(274,000)
Total amount recognised in the Statement of Financial Activities	(168,000)	(157,000)

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

	2025 £	2024 £
At 1 September	5,634,000	5,235,000
Current service cost	188,000	169,000
Interest cost	281,000	274,000
Employee contributions	59,000	56,000
Actuarial (gains)/losses	(868,000)	167,000
Benefits paid	(213,000)	(267,000)
At 31 August	5,081,000	5,634,000

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

	2025 £	2024 £
At 1 September	5,990,000	5,347,000
Interest income	306,000	288,000
Actuarial gains	143,000	282,000
Employer contributions	294,000	286,000
Employee contributions	59,000	56,000
Benefits paid	(213,000)	(267,000)
Administration expenses	(5,000)	(2,000)
At 31 August	6,574,000	5,990,000

NORTH KESTIVEN ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

26. Pension commitments (continued)

At 31 August 2024 and 31 August 2025, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

On the basis that the separate triennial valuation is used to calculate future contribution rates on a different valuation basis there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements. The asset and liability movements as included in the FRS 102 valuation report has been disclosed above for transparency.

27. Operating lease commitments

At 31 August 2025 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	32,925	14,202
Later than 1 year and not later than 5 years	13,772	35,506
	<u>46,697</u>	<u>49,708</u>

28. 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.

29. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for DfE. In the accounting period ending 31 August 2025 the academy trust received £4,622 (2024: £13,177) and disbursed £283 (2024: £1,517) from the fund. As at 31st August 2025, there were funds £15,687 (2024: £11,348) carried forward to be disbursed in the new academic year.

