

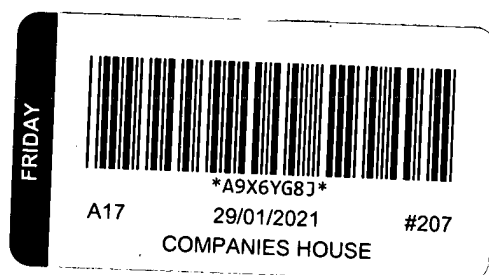
THE KITE ACADEMY TRUST

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER: 09785186 (ENGLAND & WALES)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Members

J G Allan
R H Murton
S G Thomas
M R Devitt
A M Johnson

Trustees

J G Allan	Chair
D L Andrews	Vice Chair
K D Findlay	Vice Chair
L Quinn	
M Kershaw	
M Rees	
M Ellis	
P Evans	(resigned 19/09/19)
L Anstey	(resigned 08/09/19)
D Warwick	(term ended 30/09/19)
C Jayasekera	(resigned 25/05/20)
J Langley	(appointed 19/03/20)
G Williams	(appointed 25/08/20)
Y Bell-Russell-Jones	(appointed 28/08/20)

Executive Team

C Dickinson	Chief Executive Officer
J Godolphin	Director of Operations
J Coleman	Director of Finance & Chief Financial Officer (resigned 11/10/19)
S Shajpal	Director of Finance & Chief Financial Officer (appointed 01/11/19; resigned 20/7/20)
J Rogers	Executive Head Teacher (appointed 01/09/19)
S Meakin	Executive Head Teacher (appointed 01/09/19)
J Ibbotson	Head of Improvement (appointed 01/09/19)

Senior Management

S Willans	Head Teacher – Mytchett
K Money	Head Teacher – Sandringham
M Wilson	Head Teacher – Wyke
J Titley-Rawson	Head Teacher – Cross Farm (appointed 01/09/19)
N Slater	Head Teacher – Fernhill (appointed 01/09/19)
C Freeman	Head Teacher – Hale (appointed 01/09/19)
S Armstrong	Head Teacher – Lakeside (appointed 01/09/19)
C Dancer	Head Teacher – Holly Lodge (appointed 01/09/19)
L Wicksey	Head Teacher – The Grove (appointed 01/09/19)
K Lye	Improvement Advisor (appointed 01/09/19)
S Andrews	Lead Inclusion Manager (appointed 01/09/19)
T Wisnia	Improvement Advisor (appointed 01/09/19)

Company Registered Number

09785186

Company Name

The Kite Academy Trust

Principal & Registered Office

Holly Lodge Primary Academy
Stratford Road
Ash Vale
Surrey
GU12 5PX

Independent Auditor

Wise & Co
Chartered Accountants & Statutory Auditors
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

Bankers

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust also trades under the names Kite Academy and Kite.

The Trust was incorporated on 18 September 2015 and converted on 1 October 2015. The Trust was formed when five local primary schools converted to Academy Trust status under the Academies Act 2010. Since that date four other schools have joined the Trust:

1st December 2016 - Holly Lodge Primary School

1st August 2018 - Wyke Primary School

1st June 2019 - Fernhill Primary School

1st October 2019 – Hale Primary School

The Trust operates academies for children aged 2-11 serving a catchment area around Frimley, Mytchett, Ash, Normandy, Farnborough and Farnham.

The capacity of the Trust is 2670 primary aged children with two 25 place and two 48 place Nurseries, including 2- year old FEET funded children, across the Trust.

The Trust comprised of nine academies as at August 31st 2020:

Cross Farm Infant (4-7 year olds)

Fernhill Primary (4-11 year olds)

Hale Primary (2-11 year olds)

Holly Lodge Primary (4-11 year olds)

Lakeside Primary and Nursery (2-11 year olds)

Mytchett Primary and Nursery (2- 11 year olds)

Sandringham Infant & Nursery (2-7 year olds)

The Grove Primary (4-11 year olds with a specialist COIN Centre)

Wyke Primary (4-11 year olds)

STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

The Kite Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of the Kite Academy Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the period are included in the reference and administrative details on page 1.

The Trust was incorporated on 18 September 2015 and converted to an Academy on 1 October 2015.

The principal object is to advance for the public benefit of education in the United Kingdom.

Members' Liability

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

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The Board of Trustees at August 2020 comprised three founder Trustees and four co-opted Trustees. Over the year, three more independent Trustees were appointed, co-opted by the Trustees with the ratification of the Members. Trustees are appointed through a process whereby they are interviewed by Trustees and Members followed by a recommendation to the Members for ratification. Both local experts and Academy Ambassadors have been consulted for the recruitment pool.

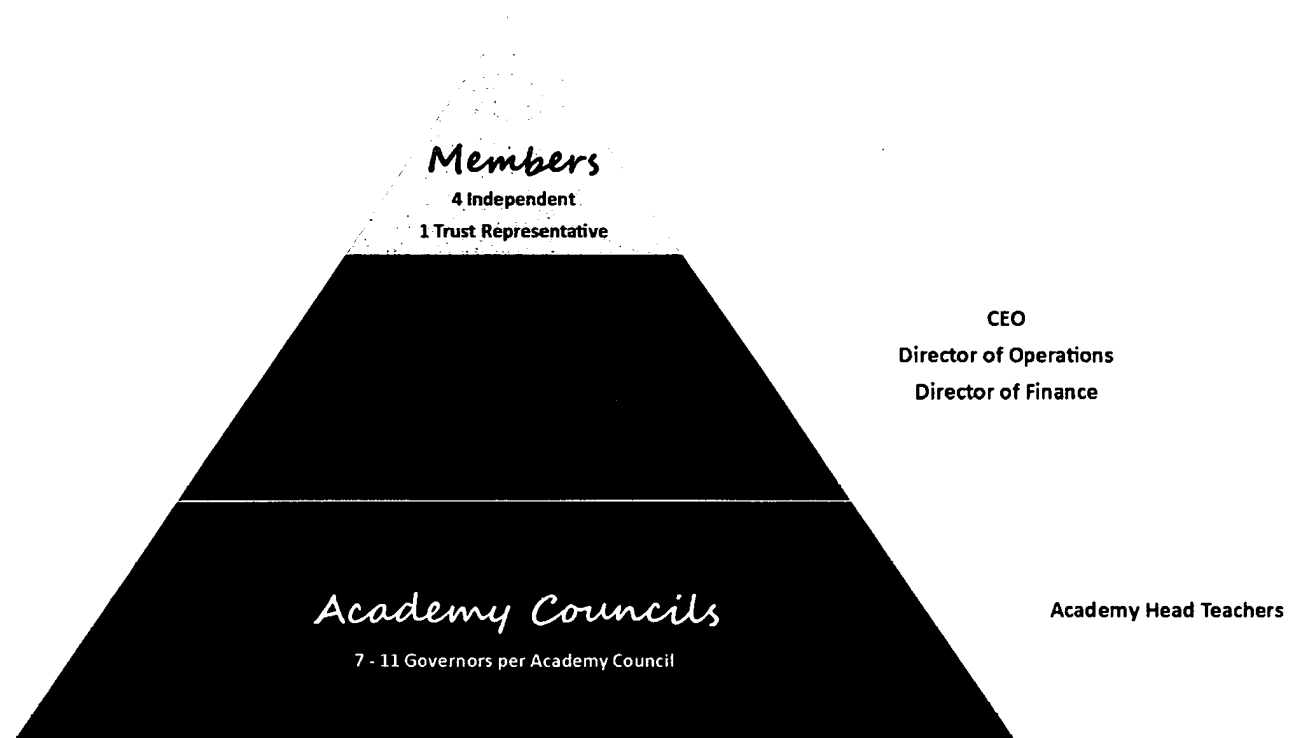
Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review, the Board of Trustees met 13 times. Three new Trustees were recruited during this time. New Trustees are provided with an induction session with the Chair and Vice Chairs of the Trust Board.

All Trustees have attended relevant training courses for their role and a record of continuous professional development is kept by the Clerk. The Trust seeks external support from agencies such as the Education & Skills Funding Agency, National Governors Association, GovernEd, DfE and Executive Educators for guidance on best practice. Trustees share feedback at Board Meetings and through Advisory Body meetings.

In October, all Trustees, Governors, members of the Executive Team and Senior Leaders were invited to a training session led by the Executive Team of a larger MAT to consider the structures of the Kite Academy Trust and how these reflected the growth that Trust had undergone. A new approach towards governance was piloted last year and was subsequently implemented for all academies from September 2019. The new structure gives a consistent approach towards both monitoring the academy and reporting to the Trust. Academy Council Governors were provided with regular training sessions throughout the year to support them with the new approach. The new structure was reviewed at the end of the academic year with very positive feedback from Governors and Leaders.

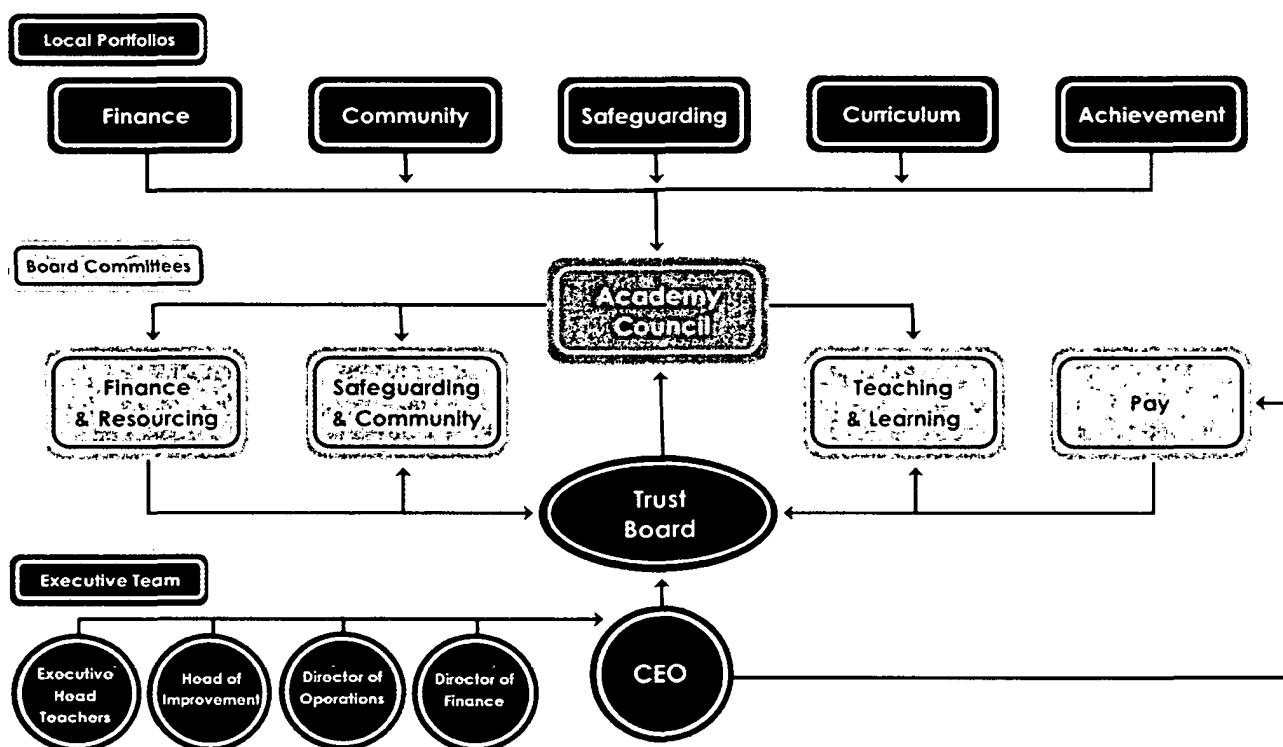
Organisational Structure



The Members of the Kite Academy Trust hold an Annual General Meeting each year, along with further meetings. This year, the Members have met on a termly basis with the Chair of the Trust Board and CEO.

During the period of review, the Trust Board have met 13 times. The increase in frequency of meetings this year was to ensure that we addressed any issues that arose from the COVID-19 pandemic. The Trustees have established an overall framework for governance of the academies and has determined membership, terms of reference and delegated powers. The Scheme of Delegation clearly identifies the delegated powers and responsibilities of each group. The Executive Team report to and answer questions from the Trustees at Board meetings and Academy Head Teachers at their Academy Councils meetings.

Governance across the Trust



Each Academy has an Academy Council comprising 7-11 Governors. Five Governors become Portfolio Holders and monitor an aspect of the academy. Their Portfolio Reports are discussed at the Academy Council meeting and an Executive Summary is written by the Chair. The Executive Summary is then reviewed and discussed by the relevant Trust Board Committee.

The Committees are made up of three or four Trustees and one or two elected Portfolio Holders from across the academies. Risks are identified to the Trustees and information is sent to either the Trust Board or the Executive Team (as appropriate) to ensure that everyone is informed and appropriate action taken. Following the Trust Board meeting, feedback is shared with Academy Councils, through the Academy Council Chair, to ensure that everyone is informed of actions.

All Committees (with the exception of the Pay Committee) meet each term to discuss the Executive Summary. The Finance & Resources Committee also meets for a second time each term to provide strategic direction of finances, which is then recommended to the whole Trust Board. The Pay Committee meets at least once a year to agree salaries and cost of living increases across the Trust.

A number of working parties have also been created with specific areas of focus; currently these relate to IT and Marketing.

Finance & Resources Committee

Responsible for:

- Supporting the Board of Trustees by recommending a framework for establishing and maintaining for optimised employment given the resources available to the Trust;
- Advising the Trust Board on financial planning, systems and controls to enable the proper management of the financial resources;
- Make recommendations to the Board for the use of reserves;
- Developing strategies for the employment of staff, communications, procurement, value for money, health & safety and facilities management;
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of financial performance across the Trust and the performance of other consolidated services;
- Ensure that the Trust Board is informed and make financial recommendations;
- Monitoring the risk register and reporting high priority issues to the Trust Board;
- Consider the areas that will be monitored by internal audit over the year;
- Reviewing the auditor's report and consider recommendations to the Trust Board.

Teaching & Learning Committee

Responsible for:

- Advising the Board of Trustees about the standards across the Trust and particularly identifying any support that may be needed in a specific academy;
- Make recommendations to the Trust Board on curriculum development;
- Leading discussions at the Trust Board on school improvement initiatives and the impact;
- Advising the Trust Board on equality for all children across the Trust;
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of standards and performance across the Trust.

Safeguarding & Community Committee

Responsible for:

- Advising the Board on any safeguarding concerns across the Trust and recommendations for any actions required;
- Supporting the Trust to ensure compliance in all academies for Health and Safety;
- Advising the Board on the academy culture and if it is in line with Trust vision and values;
- Supporting the Board in providing an added level of scrutiny on the reputation of academy communities;
- Consider use of buildings in the Trust supporting income streams.

Pay Committee

Responsible for:

- Supporting the Board of Trustees by recommending a framework for establishing and maintaining optimised employment within the resources available to the Trust;
- Recommending to the Trust Board staffing salaries including cost of living increases for staff;
- Leading the professional growth consultation with the CEO;
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of the application of the pay policy in a fair and transparent way.

Chairs of Academy Councils meet with the Chair of the Trust Board termly to ensure that there is good communication between academies and the Trust Board. They review, recommend and implement best governance practice. Portfolio Holders also meet to discuss issues and solutions across the Trust.

The Management Board comprises all academy Head Teachers, the Executive Team and the Academies' Improvement & Support Team (AsIST). They meet regularly to ensure that standards across the academies are high and academies are supported if there are any concerns. They look at ways to ensure consistencies across the academies and their day-to-day operations. Since lockdown these meetings have been weekly to ensure a consistent approach; all were well informed and supported.

The Trustees are responsible for adopting an annual plan and budget, approving the statutory accounts, monitoring the use of budgets and data, and making major decisions about the direction of the Trust and capital expenditure.

The Trustees have delegated to the Executive Team the day-to-day responsibility for ensuring the financial controls of the Trust conform to the requirements of both propriety and good financial management of the agreement between the Kite Academy Trust and the Secretary of State for Education, along with the day-to-day management of the Trust. The Accounting Officer is responsible for reporting to the Board of Trustees any material weaknesses or break downs in financial controls. The Head Teachers of each academy have delegated authority for the functions of internal organisation, management and control of the academy and implementation of agreed policies.

The Head Teacher, working with the Executive Team, is responsible for the appointment of staff in their academy. The Executive Team, working with the Chair of Academy Council, is responsible for the appointment of a Head Teacher of an academy. This needs to be ratified by the Board of Trustees.

Pay Policy for Key Management Personnel

The pay structure for the Executive Team has been reviewed as the Trust has grown. The pay structure has been benchmarked by Trustees against similar roles and responsibilities of personnel in other academies and companies; external advice is also sought for all key personnel in the Central Team.

The National Teachers' Pay & Conditions have been adopted for all teaching staff across the Trust. The Trust has implemented its own Support Staff pay structure which ensures a consistent approach to pay

Incremental pay increases are given through the Trust's Professional Growth Policy which is applied to all staff. With the exception of any staff subject to Capability procedures, all staff are rewarded for identifying an area of their work for development during the year, researching and progressing this area and reporting the growth at the end of the review period. The Pay Policy is reviewed annually and shared with all staff via the Trust's intranet.

Engagement with Employees & Trade Union Facility Time

We currently do not have any union officials in the Trust and there is therefore no facility time to report. We do, however, engage with our employees through "Kite Strings" which is a group constituted of non-leadership staff representatives across the Trust. We have a separate fund for wellbeing which, in addition to supporting academies with long term sickness, is used to release staff for a number of activities including facilities time, TA training and jury service.

Engagement with Suppliers, Customers and Others in Business Relationship with the Trust

Our Managers work closely with suppliers to ensure best value for money and contribute to developing some services. These have included FSE, PSF and Tucasi.

Connected Organisations, Including related Party Relationships

The Kite Academy Trust has strong links with:

- The Anchor Group of Surrey CEOs
- The schools in the Surrey Heath Learning Partnership
- The South Farnham Teaching School (SCITT programme)
- Salesian College (NQT programme)
- Local Universities (teaching practice students)
- SJB Maths hub (working on Maths Mastery with academy staff)

- Local secondary schools (work experience students)
- Two local junior schools (where the children from our two Infant schools move to)
- A local infant school requiring financial skills
- Surrey County Council Childcare and Early Years Services
- Surrey County Council Education Department
- SaFE (Schools Alliance for Excellence)
- Each Academy has its own PTA who support the academy through fundraising

No Trustee received any remuneration in respect of their services as a Trustee during the year, nor for any work undertaken on behalf of the Trust.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense (RPA) to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. This is provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust. The limit of this indemnity is £10,000,000 per academy.

OBJECTIVES & ACTIVITIES

Mission

Our motto, *Flying high together*, underpins the vision of the Trust to work collaboratively to achieve our mission:

"Together we inspire a lifelong love of learning, which enables all our children to achieve more than they ever believed possible."

The main objectives of the Kite Academy Trust during the year ended on 31st August 2020 were:

- To be a first class, collaborative and forward thinking family of local schools ensuring excellence in Primary Education;
- Our children will thrive and achieve as confident, caring, local, national and global citizens;
- Families will embrace opportunities across Kite, helping to promote the best outcomes for all children;
- Empowered and nurtured teams will enhance expertise, share best practice and have the professional courage to explore possibilities;
- With strategies in place for growth, the Multi Academy Trust will develop sustainability, delivering excellent Primary Education in local communities.

Activities for Achieving Objectives

The Key activities for achieving these objectives are summarised below:

- Regular meetings for leaders at Executive meetings, Management Board meetings and network meetings;
- Development of new Executive Team consisting of CEO, Director of Finance, Director of Operations, Executive Head Teachers and Head of Academy Improvement;
- Development of new leadership structure with two experienced Executive Head Teachers and Head of Academy Improvement, providing consistent support for leaders across the Trust;
- Development of AsIST to support school improvement in all academies;
- Use of AsIST to support identified teachers by working alongside, coaching and training. Also brokering support in the form of staff observing in other academies to learn from best practice;
- Academy Improvement led by Executive Team working with each academy;

- One identified academy receiving extra support from London school with NLE leader;
- Inclusion leader employed centrally to support all Inclusion leads;
- Whole Trust staff meetings and INSET days, including a Wellbeing Day;
- Programme of training opportunities for all staff led by AsIST;
- Consistent assessment system used across the Trust;
- Further development of Central Business Team to provide consistency for the business elements of the Trust and giving more time to the leadership of the academy to improve educational standards for the children;
- Development of an asset management system to track assets and compliance in all academies;
- Successful application for Condition Improvement Funding (CIF) bids to ensure high quality estates;
- Development of an HR system across the Trust providing a consistent approach towards employment with efficiency of reporting into the HR team;
- Implementation of IT strategy across the Trust to ensure consistency of technology;
- Central document storing system for all members of staff to access key documents and share across the Trust;
- CEO developing networks with other CEOs;
- Recruitment of a PA to work with Executive Team and develop role of Clerk to the Trust Board;
- New governance system to ensure that there is consistent communication across the Trust, with a clear scheme of delegation;
- Further development of pastoral team with a further FSW and new Welfare Support Officer to support families;
- Attending annual MAT review with the RSC.

Activities during COVID-19

During the COVID-19 pandemic the Trust worked collaboratively. The strength of the MAT came to the fore and were driven by the Kite objectives. These activities included:

- Keeping hubs open throughout the closure to enable families to use academies close to home and to ensure sufficient staffing for the numbers of children attending;
- Staff working together to ensure good quality provision for the children;
- An Executive Team who met regularly and supported the leadership in the academies by making consistent decisions across the Trust;
- Regular leadership meetings for Executive Team, Head Teachers and AsIST to discuss strategy and next steps;
- Staff working together to provide high quality home learning to children at home;
- A team of FSWs working together to support vulnerable families;
- Inclusion leader who supported academy inclusion leads and Head Teachers with policy on supporting vulnerable children;
- HR support and advice for Head Teachers from our in-house HR team;
- Support to ensure health and safety measures consistently in place from the in-house Estates team;
- IT support to setup and support use of IT for sharing files between staff, information to families, setting home learning for children and the ability for staff to work from home;
- Central Business Team who were able to continue all business elements throughout the pandemic;
- Central Business Team to update policies appropriately for the Trust and streamline work load;
- Opportunities to share resources across the Trust;
- Good support locally from Academy Councils and across the Trust from the Board of Trustees.

Review of Activities

During the year, the Trust's achievements were as follows:

- One academy had a section 5 inspection and was rated as 'good';
- Hale School converted to join the Trust on 1st October 2019;
- To implement the IT strategy across the Trust (*achieved*);
- To set up Integrated Financial Planning (ICFP) to support benchmarking across the Trust (*achieved*);

- To develop a new leadership structure to provide consistencies and to be financially viable for the future (*achieved*);
- To provide opportunities for staff to develop within the Trust by providing movement across academies (*achieved*);
- To support a school waiting to convert with finance (*achieved*);
- To develop and train new staff on new assessment system (*achieved*);
- To provide training opportunities for staff and Governors across the Trust (*achieved*);
- To provide Trust-wide training for all staff to hear the same message from high quality speakers (*achieved*);
- To employ a member of staff to support staff, children and families across the Trust with children with specific behavioural needs (*achieved*);
- To implement and develop a technical solution to introduce a more efficient system for HR (*achieved*);
- To implement and develop a technical solution to introduce a more efficient system for Estate Management (*achieved*);
- To develop the more robust system of governance across the Trust (*achieved*);
- To offer secondments across the Trust to provide further opportunities for staff and spread good practice (*achieved*);
- To develop an efficient and consistent leadership structure across the Trust (*achieved*);
- To grow the Trust to 10+ local primary schools by 2020 (*COVID-19 slowed this growth*);
- To continue to engage with schools interested in joining the Trust (*COVID-19 has reduced discussions*);
- To continue to develop economies of scale and consistencies across the MAT through development of Central Business Team (*on track*);
- To develop an Improvement Team (AsIST) across the MAT to support all academies (*achieved*);
- To further develop our Inclusion Team to support children, staff and families (*achieved*);
- To consider expansion of places to support the new housing development within the area (*on track*);
- To complete the replacement of existing buildings that have been identified by the DfE as in poor condition at Lakeside Primary Academy (*achieved*);
- To develop a new financial structure to ensure the financial viability of the Trust (*on track*);
- To undertake a feasibility study of the swimming pool site at Fernhill Primary and then other academy sites (*COVID-19 slowed this development*);
- To increase in-house extended day provision for our children (*on track*);
- To implement the new Kite Income & Lettings Policy to increase letting potential across our academies (*on track*);
- To embed the new governance structure across the Trust (*achieved*).

Public Benefit

In setting the Trust's objectives and activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Main Activities Undertaken to Further the Charity's Purposes for the Public Benefit

The academies work with other schools in the Surrey Heath Learning Partnership to share practice and moderate learning

- We support the South Farnham Teaching School by training SCITT students and local Universities by supporting training opportunities for student teachers;
- We support local secondary schools by giving work experience opportunities for students and to support aspects of training for different courses;
- Working with other new MATs to support setting up systems.

STRATEGIC REPORT

Achievements & Performance

The exceptional circumstances of the COVID-19 pandemic resulted in children not taking SATs, the results of which would usually inform achievement and performance data. It is therefore not possible to report these results for this academic year.

Key Financial Performance Indicators

	CRO	FRN	GRO	HAL	HLG	LAK	MYT	SAN	WYK
Pupil No. (on Roll)	171	109	410	365	416	396	202	164	199
Pupil Capacity	180	210	434	420	420	420	210	180	210
Nursery Places	0	0	0	25	0	66	49	40	0
Capacity	0	0	0	30	0	80	50	50	0
Adjusted Pupil Nos	171	109	410	390	416	462	251	204	199
Staff Pay as % Total Expend	79%	81%	85%	86%	79%	84%	83%	82%	82%
Pupil to Teacher Ratio	26	18	19	24	18	23	22	23	22
Average Teaching Staff Expend per pupil	2,500	3,318	2,662	2,456	2,502	2,243	2,390	2,385	2,621
Total Staff Expend per pupil	3,709	4,691	3,941	3,545	3,481	3,308	3,468	3,746	3,989
Non-Staff Expend per pupil	985	1,127	697	567	907	613	687	825	861
GAG funding per pupil	3,772	4,779	3,704	3,638	3,512	3,712	3,971	4,010	4,047
Self-generated income per pupil	264	128	102	45	278	132	124	303	153
Total Income per pupil	4,921	5,956	4,993	4,580	4,401	4,335	4,594	4,885	5,253

We intend to use the financial data to evaluate performance across academies within the Kite Academy Trust, and to benchmark with other similar size academies. We will use this information to identify areas of best practice which will help us continually improve what we do for the benefit of our children.

FINANCIAL REVIEW

Going Concern

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

Financial Report for the Year

The majority of Kite Academy Trust's income is obtained from the Education Skills & Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2019/2020 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The net movement in funds for the year was an increase of £4.9m including depreciation and amortisation of £508k and adjustments to pension schemes. Total fund balances before fixed asset fund and pension reserves totalled £1.4m. This is outlined in more detail in note 19.

The overall financial position was in line with budget and reflects a number of exceptional items including:

- Hale balance bought forward on conversion
- School improvement grants
- Completion of new build at Lakeside
- IT investment across academies
- Development of centralised services

Impact of COVID-19 on the 19/20 Operating Position

An impact of the Coronavirus pandemic was the loss of income of Extended day trading income following the closure of the Extended day clubs. Extended day club staff were furloughed and 80% of staff salaries claimed under the Coronavirus Job Retention Scheme. Funding was received for exceptional support of £20k, for costs relating to additional cleaning, premises costs and free school meals.

Reserves Policy

The policy of the Kite Academy Trust is to carry forward a prudent level of resources designed to meet the capital programme, long term development plans, cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

Plans are in place to spend restricted and unrestricted reserves on the following projects:

- Trust contribution to successful CIF bids
- IT investment across the Trust
- Complete building development at Lakeside Nursery & Primary Academy
- The Staff Wellbeing Fund to support academies with long term absence cover, employment support, facilities time, jury service etc.
- A Trust contingency fund for estates
- Marketing project across the Trust
- Investment in Academy Improvement across the Trust.

All this work will benefit the children who attend our Kite Academies.

Investment Policy and Performance

The Trustees are committed to ensuring that all funds under their control are managed in a way as to maximise return whilst minimising risk. The Trust's investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements;
- Only invest funds surplus to operational need based on all financial commitments being met without the bank account becoming overdrawn;
- To ensure there is no risk of loss in the capital value of any cash funds invested;
- To protect the capital value of any invested funds against inflation;
- To optimise returns on invested funds.

Surplus funds can be invested in the short term in cash management accounts, deposit accounts, bills of exchange, certificates of deposit or money market funds.

Deficit

The Kite Academy Trust currently has a projected deficit on the Local Government Pension scheme of £7.6m. Details of this are outlined in Note 25.

Material Investments Policy

The Kite Academy Trust is able to invest any excess funds (over and above the required day-to-day funds) in the following types of investment:

- Cash Management accounts;
- Term deposit accounts or instant access deposit account;
- Accepted or endorsed bills of exchange;
- Negotiable, convertible or transferrable certificates of deposit;
- Money market funds.

The investment of school funds in shares or other financial products is not allowed due to the higher risk attached to these investments.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £300,000 (per academy) with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA). Whilst this exceeds the protection limit of £85,000 provided by the FSCS it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

Principal Risks and Uncertainties

The Kite Academy Trust has made a considered choice about its desired risk profile, taking account of its legal obligations, business objectives and public expectations. The recognised risks, and arrangements for managing present and future risks are recorded in KAT's Risk Register.

The main financial risks for the Trust are the considerable reliance on continued government funding through the ESFA and the concerns that the funding may change and leave a shortfall for the Trust. Other risks include the following:

- Under capacity within academies;
- Changes in funding formulas;
- Increase in staffing costs through salary increases and increased employer pension contributions;
- Failure to recruit and retain high quality staff;
- Failure to grow the MAT in accordance with strategic plans;
- Failure of key infrastructure leading to unplanned closures;
- Poor performance of IT infrastructure impacting on the quality of teaching

The Board of Trustees is also aware that the Local Government Pension scheme represents a potential liability. However, the Trustees consider that the Trust will be able to meet its known annual contribution commitment.

Fundraising

The Kite Academy Trust does not currently undertake any fundraising activities.

Streamlined Energy & Carbon Reporting

As the Trust is a large company, as determined by sections 465 and 466 of the Companies Act 2006, and consumes more than 40,000 KWh of energy (in the UK) in a reporting period, we have included our UK energy use and associated greenhouse gas emissions, relating to gas, electricity, burning oil and transport fuel in the period. The following summarises the energy and carbon use for The Kite Academy Trust for the academic year 2019/20. The MAT is comprised of nine academies, employs 397 staff members (actual staff) and has 2,432 pupils registered.

UK Greenhouse Emissions & Energy Use Data for Period 1 st September 2019 to 31 st August 2020	
Energy Consumption used to Calculate Emissions (kWh)	2,608,041
Scope 1 Emissions in metric tonnes CO ₂ e	Gas Consumption: 374.433 Heating Oil: 60.969 Owned transport -Minibus: 129 Total: 435.531
Scope 2 Emissions in metric tonnes CO ₂ e	Purchased Electricity: 142.292
Scope 3 Emissions in metric tonnes CO ₂ e	Business Travel in Employee-Owned Vehicles: 3.135
Total Gross Emissions in metric tonnes CO ₂ e	580.958
Intensity Ratio	0.23888 tonnes per pupil

Quantification & Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Measures taken to improve Energy Efficiency

We have installed smart meters, and efficient lighting in some of our academies and plan to roll this out across the Trust. We have increased video conferencing technology for staff meetings, leadership meetings and training to reduce the need for travel between sites.

Future Developments

The future plans for the Trust include the following objectives:

- Development of staff to support succession planning, through the introduction of pathways for all staff at different levels of their career;
- Introduction of a new financial structure, with pooled funding, which will ensure that all children across the Trust get the best possible opportunities fairly;
- To continue investigating the development of the swimming pool site at Fernhill Primary and then another academy site;
- To review the numbers of children needing school places due to new housing developments and develop a strategy for growth;
- To develop in house extended services in our academies;
- To increase the pastoral team by employing a Welfare Support Officer to support families and improving attendance, particularly with COVID-19;

- To implement a marketing strategy to increase the numbers on roll in our academies;
- To develop capital projects through funding received through CIF bids;
- To use pooled reserves to develop projects across the Trust that will enhance the educational provision for children across the academies;
- To further develop training programmes, both remote and in person, for our staff and sell to other schools.

Equal Opportunities

The Trustees aim to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of everyone are fully valued.

Funds Held as Custodian

The Kite Academy Trust and its Trustees do not act as the Custodian Trustees of any other charity.

Disclosure of Information to Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Kite Academy Trust are retendering for auditors for the next academic year as we have been with this company since the inception of the Trust.

This report was approved by order of the Board of Trustees as the company directors, on 15th December 2020 and signed on its behalf by:



Allan
Chair of Trustees

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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 13 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Name	Attendance	
J. Allan (Chair)	12 out of 13	
K. Findlay	11 out of 13	
D. Andrews	12 out of 13	
D. Warwick	0 out of 0	End of Term 30/09/19 – Leave of Absence Taken
L. Quinn	10 out of 13	
L. Anstey (Dunn)	0 out of 0	Resigned 08/09/19
P. Evans	0 out of 1	Resigned 19/09/19
M. Kershaw	11 out of 13	
C. Jayasekera	3 out of 9	Resigned 25/05/20
M. Rees	13 out of 13	
M. Ellis	11 out of 13	
J. Langley	5 out of 8	Appointed 19/03/20
Y. Bell-Russell-Jones	0 out of 0	Appointed 28/08/20
G. Williams	0 out of 0	Appointed 25/08/20
C Dickinson (CEO)	13 out of 13	(In Attendance)
J Godolphin (DoO)	2 out of 2	(In Attendance)
J Coleman (DoF)	0 out of 0	(Resigned 11/10/19)
S.Shapal (DoF)	3 out of 3	(In Attendance)(Appointed 01/11/19; Resigned 20/7/20)
J.Ibbotson (Hol)	2 out of 2	(In Attendance)
J. Rogers (EH)	1 out of 1	(In Attendance)
S. Meakin (EH)	3 out of 3	(In Attendance)

There have been three resignations from the Board during the period of review. One Trustee finished her term. Three new Trustees have been appointed.

Coverage of Work

This year the Trustees have developed the Governance structure as explained on p5. To try to improve the pupil numbers on roll in each academy the decision was made to embark on a marketing campaign across the Trust. This has been vital because of the challenges presented by COVID-19 this year, meaning that new parents cannot come on site. Work has been on going through the year to restructure our finances so that they are pooled rather than having a levy for central services. Our new school improvement team (AsIST) has worked with academies to focus on high quality teaching and learning. We have also developed the pastoral team to provide support to families. Our Family Support Workers have increased which was essential during the COVID-19 lockdown period. There had been an emphasis on developing our IT strategy across the Trust and the IT team had worked hard to bring all academies up to a standard level. This was paramount during the lockdown period and put us in a strong position to quickly establish remote learning and remote working in March.

Challenges

COVID-19 has been a challenge but the academies have worked together to support each other. We are aware that the expenses are going to be higher because of purchasing necessary items and services to protect our school communities as we move forward and anticipate this being an ongoing challenge.

Finance & Resources Committee

The Finance & Resources Committee is a sub-committee of the Board of Trustees. The purpose of the Committee is to scrutinise the finances, recommend the auditors for the year to the Board and review and report on any audit reports that have been completed. The Finance & Resources Committee has formally met four times during the period. Attendance at meetings of the Committee was as follows:

Name	Attendance
M Rees (Chair)(Trustee)	4 out of 4
J Allan (Trustee)	4 out of 4
J Clague (Governor)	4 out of 4
C Dickinson (CEO)	4 out of 4
J Coleman (Director of Finance)	0 out of 0 (Resigned 11/10/19)
S Shajpal (Director of Finance)	3 out of 3 (In Attendance)(Appointed 01/11/19; Resigned 20/7/20)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Kite 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 Trust has delivered improved value for money during the year by:

- Staff cost saving resulting from the LGPS pooled MAT fund;
- Generating efficiencies through the creation of a Kite Central Business Team service to deliver financial, HR and estates services across Kite academies;
- Cost savings from a review of the leadership structure across the Trust which has provided high calibre leaders working across all academies;
- Investment in cloud-based IT systems to enable future growth and centralisation of business systems, e.g. Finance, HR and Assets;

- Use of 'Buying for Schools' and other government recommended frameworks to deliver value-for-money procurement;
- Investing surplus cash balances on 32-day notice deposit with Lloyds Bank Plc;
- Collaboration of teaching expertise and resources, to deliver the best learning environment and experience for our children;
- Performing business functions in-house previously procured externally, e.g. finance, premises and GDPR.

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 Kite 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 the Kite Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Kite 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 Trust's significant risks, which has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The Risk & Control Framework

The Kite 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function. An audit was completed by RPA, examining risk assessment procedures across the Trust. This was particularly important this year with the COVID-19 pandemic. The report concluded that the Trust should further develop the risk assessment procedures in place with a plan to include evaluations and a documented Stress Policy with risk assessments.

Due to the change in Finance Director and the COVID-19 pandemic, were not able to complete any further audits in 2019/20. The Trust Board are planning to increase these in 2020/21.

Review of Effectiveness

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


- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the Executive Managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 15th December 2020 and signed on their behalf, by:



J Allan (Chair)
Chair of Trustees



C Dickinson (CEO)
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Kite Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms & conditions of funding, under the funding agreement in place between the Kite Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Kite Academy Trust Board of Trustees are able to identify any material irregularity or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



C Dickinson (CEO)

Accounting Officer

15th December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who act as governors of The Kite Academy Trust and 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 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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:

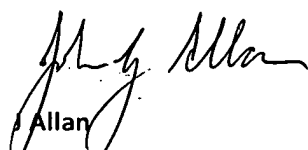
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2017 and the Annual Accounts Direction 2019 to 2020;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

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



J. Allan
Chair of Trustees

15th December 2020

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

OPINION

We have audited the financial statements of The Kite Academy Trust (the 'trust') for the year ended 31 August 2020 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2020 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 Trustees' responsibilities statement, the Trustees (who are also the directors of The Kite Academy Trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

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.

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



Mark Dickinson FCA

Senior Statutory Auditor

for and on behalf of Wise & Co

Chartered Accountants and Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

Dated: 22/01/2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KITE ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 15/12/2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Kite Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE KITE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Kite Academy's Trust's funding agreement with the Secretary of State for Education dated 30 September 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

The reporting accountant's report on regularity must include the following text: 108 A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

As a firm we have taken the decision to use the Mercia work programme for regularity assurance work as approved by the ICAEW. The work undertaken to draw our conclusions includes:

- an assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry;
- identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

CONCLUSION

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

M. Dickinson

Mark Dickinson FCA

Senior Statutory Auditor

for and on behalf of Wise & Co

Chartered Accountants and Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

Dated: 22/01/2021

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Restricted Fixed Asset Fund 2020	Total Funds 2020	Total Funds 2019
	Note	£	£	£	£	£
Income from:						
Donations & Capital Grants:						
Transfer from Local Authority on Conversion	2	90,415	(768,000)	7,075,000	6,397,415	3,469,856
Other Donations and Capital Grants	2	21,774	20,240	986,517	1,028,531	195,952
Charitable Activities	3	197,693	12,285,056		12,482,749	10,183,578
Other Trading Activities	4	373,502			373,502	406,657
Investments	5	5,950			5,950	8,186
Total Income		689,334	11,537,296	8,061,517	20,288,147	14,264,229
Expenditure on:						
Charitable Activities	6,7,19	203,913	13,558,312	510,753	14,272,978	11,699,317
Total Expenditure		203,913	13,558,312	510,753	14,272,978	11,699,317
Net Income/(Expenditure) before Transfers		485,421	(2,021,016)	7,550,764	6,015,169	2,564,912
Transfers between Funds	19	(450,174)	469,135	(18,961)	-	-
Net Income/(Expenditure) before Other Recognised Gains & Losses		35,247	(1,551,881)	7,531,803	6,015,169	2,564,912
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes	25		(1,101,000)		(1,101,000)	(1,150,000)
Net Movement in Funds		35,247	(2,652,881)	7,531,803	4,914,169	1,414,912
Reconciliation of Funds:						
Total Funds Brought Forward		1,196,848	(4,957,000)	39,228,257	35,468,105	34,053,193
Total Funds Carried Forward		1,232,095	(7,609,881)	46,760,060	40,382,274	35,468,105

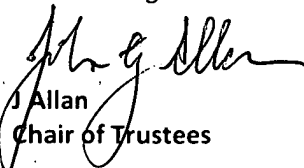
All the Trust's activities relate to continuing operations and the prior period covers the period from incorporation on 18 September 2015 to 31 August 2020.

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Note	£	£
Fixed Assets			
Intangible Assets	15	10,203	20,407
Tangible Assets	16	46,076,149	39,084,519
		46,086,352	39,104,926
Current Assets			
Debtors	17	1,037,877	387,376
Cash at Bank and in Hand	22	2,171,796	2,179,122
		3,209,673	2,566,498
Liabilities			
Creditors: amounts falling due within one year	18	(1,216,751)	(1,226,319)
Net current assets		1,992,922	1,340,179
Total assets less current liabilities		48,079,264	40,445,105
Defined Benefit Pension Scheme Liability	25	(7,697,000)	(4,977,000)
Total Net Assets		40,382,274	35,468,105
Funds of the Trust			
Restricted Funds			
School Improvement Grant	19	-	20,000
Life Long Learning	19	30,000	-
Sport Grant	19	23,546	-
Devolved Formula Capital Grant	19	33,573	-
Capital Grants	19	673,708	-
Restricted Fixed Asset Fund	19	46,760,060	39,228,257
Pension Reserve	19	(7,697,000)	(4,977,000)
Total Restricted Funds		39,150,179	34,251,257
Unrestricted Income Funds	19	1,232,095	1,196,848
Total Funds		40,382,274	35,468,105

The financial statements were approved by the Board of Trustees and authorised for issue on 15th December 2020 and were signed on their behalf by:


J Allan
Chair of Trustees

The notes on pages 30 to 51 form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020	2019
		£	£
Cash Flows from Operating Activities			
Net Cash provided by Operating Activities	21	(727,269)	223,765
Cash Flows from Investing Activities:			
Purchase of Intangible Fixed Assets			(17,000)
Purchase of Tangible Fixed Assets		(427,019)	(204,712)
Sale of Tangible Fixed Assets		12,996	
Capital Funding Received from Sponsors & Others		1,037,601	296,984
Cash Transferred from Local Authority on Conversion		90,415	52,856
Net Cash provided by Investing Activities		713,993	128,128
Interest Received	5	5,950	8,186
Net Cash provided by Financing Activities		5,950	8,186
Change in Cash & Cash Equivalents in the Period		(7,326)	360,079
Cash & Cash Equivalents Brought Forward		2,179,122	1,819,043
Cash & Cash Equivalents Carried Forward	22	2,171,796	2,179,122

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting Policies

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

1.1 Basis of Preparation of Financial Statements

The Financial Statements of the Kite Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Kite Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company Status

The Kite Academy Trust is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.3 Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Kite Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

1.4 Income

All income is recognised once the Kite Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes, but not expended, during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 an entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating income and expenditure account in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Other income, including the hire of facilities, extended day and nursery fees is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 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.

Charitable activities and Governance costs are costs incurred on the Kite Academy Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Intangible Fixed Assets and Amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

Amortisation is provided at the following rates:

Software	-	20% straight line
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1.8 Tangible Fixed Assets and Depreciation

One or more assets costing more than £1,000 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	15% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line

1.9 Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

1.10 Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

1.11 Debtors

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

1.12 Cash at Bank and in Hand

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

1.13 Liabilities and Provisions

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 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.

1.15 Taxation

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

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating income and expenditure account 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.

1.17 Critical Accounting Estimates and Areas of Judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the

net cost (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 was performed at 31 August 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from Donations and Capital Grants

	Unrestricted Funds 2020	Restricted Funds 2020	Restricted Fixed Asset Fund 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Transfer from Local Authority on Conversion	90,415	(768,000)	7,075,000	6,397,415	3,469,856
Donations	21,774	20,240	-	42,014	28,238
Capital Grants		-	986,517	986,517	167,714
Total Donations & Capital Grants	<u>112,189</u>	<u>(747,760)</u>	<u>8,061,517</u>	<u>7,425,946</u>	<u>3,665,808</u>
	Unrestricted Funds 2019	Restricted Funds 2019	Restricted Fixed Asset Fund 2019	Total Funds 2019	
	£	£	£	£	
Total 2019 donations & Capital Grants	<u>57,519</u>	<u>(99,425)</u>	<u>3,707,714</u>	<u>3,665,808</u>	

3. Funding for the Kite Academy Trust's Educational Operations

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
DfE/EFSA Grants				
General Annual Grant (GAG)		9,188,358	9,188,358	7,525,287
Start Up Grants				50,000
Other EFSA/DfE Grants		473,550	473,550	66,495
MAT Development & Improvement Fund				102,000
School Improvement Grant				20,000
Devolved Formula Capital Grant		51,076	51,076	129,270
Condition Improvement Fund		532,216	532,216	326,026
DfE Project Delivery Grant				
Pupil Premium		507,943	507,943	363,620
Rates Relief		50,295	50,295	41,945
Sports Grant		162,675	162,675	129,990
Universal Infant Free School Meals		357,142	357,142	358,403
		<u>11,323,255</u>	<u>11,323,255</u>	<u>9,113,036</u>

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Other Government Grants				
Special Educational Needs		378,115	378,115	297,057
SCITT Funding		16,005	16,005	23,685
Other Local Authority		567,681	567,681	505,958
		<u>961,801</u>	<u>961,801</u>	<u>826,700</u>
Other Income from the Trust's Educational Operations				
Other Income	<u>197,693</u>		<u>197,693</u>	<u>243,842</u>
	197,693		197,693	243,842
	<u>197,693</u>	<u>12,285,056</u>	<u>12,482,749</u>	<u>10,183,578</u>
Total 2019 Funding for Educational Operations	243,842	9,939,733	10,183,575	

The Academy has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak.

The funding received for coronavirus exceptional support covers £20,163 of reclaimed costs relating to additional cleaning costs, premises costs and free school meals. These costs are included in note 6 and 7 below, as appropriate.

4. Other Trading Activities

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Other Income	60,279		60,279	34,285
Schooling Services	246,360		246,360	294,521
Rental Income	66,863		66,863	77,851
	<u>373,502</u>		<u>373,502</u>	<u>406,657</u>

In the prior year, all income was unrestricted.

5. Investment Income

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Short Term Deposits	<u>5,950</u>		<u>5,950</u>	<u>8,186</u>

In the prior year, all income was unrestricted.

6. Direct Costs

	Governance	Educational Operations	Total 2020	Total 2019
	£	£	£	£
Pension Finance Cost		109,000	109,000	95,000
Teaching & Educational Support		26,836	26,836	28,749
Staff Related Insurance				-
Educational Supplies		290,098	290,098	356,270
Technology Costs		92,540	92,540	88,266
Educational Consultancy		86,722	86,722	86,047
Staff Development		52,304	52,304	66,844
Travel & Subsistence		1,719	1,719	4,096
Depreciation		497,403	497,403	448,183
(Gain)/Loss on Disposal of Fixed Assets		3,146	3,146	-
Wages & Salaries		6,605,491	6,605,491	5,370,166
National Insurance		593,768	593,768	479,453
Pension Cost		2,266,976	2,266,976	1,415,763
		<u>10,626,003</u>	<u>10,626,003</u>	<u>8,438,837</u>

7. Support Costs

	Governance	Educational Operations	Total 2020	Total 2019
	£	£	£	£
Catering		450,363	450,363	411,315
Other Support Costs		222,714	222,714	222,046
Bank Charges & Interest		406	406	414
Operating Lease Rentals		10,240	10,240	23,358
Recruitment & Support		7,819	7,819	8,651
Premises Costs		1,310,065	1,310,065	1,126,260
Technology Costs		105,107	105,107	156,984
Travel & Subsistence		3,611	3,611	2,011
Audit & Accountancy Fees	37,900		37,900	32,850
Legal & Professional	3,093	809	3,902	52,200
Amortisation		10,204	10,204	10,204
Wages & Salaries		1,151,921	1,151,921	950,452
National Insurance		84,214	84,214	65,562
Pension Cost		248,509	248,509	198,173
	<u>40,993</u>	<u>3,605,982</u>	<u>3,646,975</u>	<u>3,260,480</u>

8. Expenditure

	Staff Costs 2020	Premises 2020	Other 2020	Total 2020	Total 2019
	£	£	£	£	£
Educational Operation (excluding Governance):					
Direct Costs	9,602,071	290,098	733,834	10,626,003	8,438,837
Support Costs	<u>1,484,644</u>	<u>1,310,065</u>	<u>852,266</u>	<u>3,646,975</u>	<u>3,195,754</u>
	<u>11,086,715</u>	<u>1,600,163</u>	<u>1,545,107</u>	<u>14,272,978</u>	<u>11,634,591</u>

9. Net Incoming Resources/(resources expended) (stated after charging)

	Note	2020 £	2019 £
Depreciation of Tangible Fixed Assets	6	497,403	448,183
Amortisation of Intangible Fixed Assets	7	10,204	10,204
Governance Internal Costs	7		2,200
Governance Audit Costs	7	37,900	30,650
Operating Lease Rental	7	10,240	23,358

10. Staff Costs

	Note	2020 £	2019 £
Wages & Salaries	6,7	7,757,412	6,320,618
Social Security Costs	6,7	677,982	545,014
Operating Costs of Defined Benefit Pension Schemes	6,7	<u>2,515,485</u>	<u>1,583,936</u>
		10,950,879	8,479,569
Supply Teacher Costs	6	<u>26,836</u>	<u>28,749</u>
		<u>10,977,715</u>	<u>8,508,318</u>

Included in the previous year staffing costs is a settlement within a compromise agreement payment totalling £4,176.

The average number of persons employed by the Kite Academy Trust:

HEADCOUNT	2020	2019	FTE	2020	2019
Teachers	134.5	114	Teachers	110.5	95
Administration	239.5	207	Administration	160.5	136
Management	<u>19</u>	<u>13.5</u>	Management	<u>18</u>	<u>13</u>
	<u>393</u>	<u>334.5</u>		<u>289</u>	<u>244</u>

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

	2020	2019
In band £60,001-£70,000	3	2
In band £70,001-£80,000	2	3
In band £80,001-£90,000	1	0

Six of the above employees participated in the Teachers' Pension Scheme with one participating in the LGPS.

During the period ended 31 August 2020, pension contributions to the Teachers' Pension Scheme for these staff amounted to £85,797 (2019: £57,332) and pension contributions to the LGPS for these staff amounted to £13,068 (2019: £nil).

Key management comprise the Senior Leadership Team.

During the period the ended 31 August 2020 the aggregate key management personnel remuneration (including employer pension and N.I. contributions) was £526,514 (2019: £730,654).

11. Central Services

The Kite Academy Trust has provided the following central services to its academies during the period:

- Legal Services;
- Financial Services;
- Chief Executive Services;
- HR Services;
- Estate Management;
- GDPR Compliance

The Trust charges for these services on the following basis:

8% of GAG from each academy with effect from September 2019, based only on academy allocation of income.

The actual amounts charged during the period were as follows:

	2020 £	2019 £
Cross Farm Infant Academy	51,588	49,668
Fernhill Primary Academy	41,796	10,341
The Grove Primary Academy	122,868	121,488
Hale Academy	97,372	-
Holly Lodge Primary Academy	116,892	114,084
Lakeside Nursery & Primary Academy	117,600	116,448
Mytchett Primary & Nursery Academy	64,176	64,752
Sandringham Infant & Nursery Academy	52,608	54,000
Wyke Primary Academy	63,360	66,000
Total	728,260	596,781

12. Trustees' and Officers' Insurance

The Kite Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where the 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 Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

13. Trustees' Remuneration and Expenses

The Chief Executive Officer has been paid remuneration or has received other benefits from an employment with the Kite Academy Trust. They only receive remuneration in respect of services they provide undertaking the role of Chief Executive Officer under their contract of employment.

During the period ended 31 August 2020, there were no Trustee expenses reimbursed or paid directly to any Trustee (2019: nil).

14. Other Finance Income

	Surrey £	Hampshire £	2020 Total £	2019 £
Interest Income on Pension Scheme Assets	92,000	4,000	96,000	95,000
Interest on Pension Scheme Liabilities	(198,000)	(7,000)	(205,000)	(190,000)
	<u>(106,000)</u>	<u>(3,000)</u>	<u>(109,000)</u>	<u>(71,000)</u>

15. Intangible Fixed Assets

	Note	Software £
Cost		
At 1st September 2019		51,021
Additions		<u>-</u>
At 31st August 2020		
Amortisation		
At 1st September 2019		30,614
Charge for the Period	7	<u>10,204</u>
At 31st August 2020		40,818
Carrying Amount		
At 31st August 2020		<u><u>10,203</u></u>
At 31st August 2019		<u><u>20,407</u></u>

16. Tangible Fixed Assets

	Long-Term Leasehold Property	Asset Under Construction	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total Fixed Assets
	£	£	£	£	£	£
Cost						
At 1 September 2019	40,033,158	113,269	38,897	237,820	27,990	40,451,134
Additions	7,464,584			37,435		7,502,019
Disposals					(14,995)	(14,995)
Transfers between classes	113,269	(113,269)				
As at 31st August 2020	47,611,011	-	38,897	275,255	12,995	47,938,158
Depreciation						
At 1 September 2019	1,197,424		17,299	142,086	9,796	1,366,615
Charge for the Period	432,524		5,835	56,445	2,599	497,403
Disposals					(1,999)	(1,999)
As at 31st August 2020	1,629,948	-	23,134	198,531	10,396	1,862,019
Net Book Value						
As at 31st August 2020	<u>45,981,063</u>	<u>-</u>	<u>15,763</u>	<u>76,724</u>	<u>2,599</u>	<u>46,076,149</u>
As at 31st August 2019	<u>38,835,723</u>	<u>113,269</u>	<u>21,598</u>	<u>95,734</u>	<u>18,194</u>	<u>39,084,518</u>

The land and buildings at Hale Academy are held under a 125-year lease agreement with Surrey County Council commencing on 1st October 2019 at nil cost. The land and buildings at Fernhill Primary School are held under a 125-year lease agreement with Hampshire County Council commencing 1st June 2019 nil cost. The land and buildings at the remaining academies are held under 125-year lease agreements with Surrey County Council commencing 1st October 2015; 1st December 2016 and 31st July 2018 at nil cost. Included in land and buildings is leasehold land valued at £25.2 million which is not depreciated.

17. Debtors

	2020	2019
	£	£
Trade Debtors	677,059	21,595
VAT Repayable	46,856	134,030
Other Debtors	2,437	4,991
Prepayments & Accrued Income	311,525	226,760
	<u>1,037,877</u>	<u>387,376</u>

Trade Debtors includes an invoice for £673,708, in relation to Section 106 Funds (paid in November 2020).

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade Creditors	260,276	506,924
Other Taxation & Social Security	156,721	133,768
Other Creditors	198,288	144,023
Accruals & Deferred Income	601,466	441,604
	<u>1,216,751</u>	<u>1,226,319</u>

Deferred Income

	£
Deferred Income at 1st September 2019	307,112
Resources Deferred during the Year	333,155
Amounts Released from Previous Year	<u>(307,112)</u>
Deferred Income at 31st August 2020	<u>333,155</u>

Deferred income includes Universal Free School Meals funding for 2020/21 of £200,562; DFC funding for 2020/21 £64,312, CIF funding for 2020/21 of £48,503 and other deferred income for 2020/21 £19,778.

19. Statement of Funds 2019 - 2020

	2019 Brought Forward (as restated)	2020 Income	2020 Expenditure	2020 Transfers in/out	2020 Gains/ (Losses)	2020 Carried Forward
	£	£	£	£	£	£
Unrestricted Funds						
General Fund	1,090,459	491,641	(16,007)	(450,174)		1,115,919
School Fund	106,389	197,693	(187,906)			116,176
	<u>1,196,848</u>	<u>689,334</u>	<u>(203,913)</u>	<u>(450,174)</u>		<u>1,232,095</u>
Restricted Funds						
Restricted Donations		20,240	(20,240)			
General Annual Grant (GAG)		9,188,358	(9,514,172)	325,814		
Other EFA/DfE Grants		473,550	(473,550)			
School Improvement Grant	20,000		(20,000)			
Life Long Learning		33,500	(3,500)			30,000
Devolved Formula Capital Grant		51,076	(17,503)			33,573
Condition Improvement Fund		532,216	(675,537)	143,321		
Pupil Premium		507,943	(507,943)			
Rates Relief		50,295	(50,295)			
Sports Grant		162,675	(139,129)			23,546
Universal Infant Free School Meals		357,142	(357,142)			
Other Local Authority Grants		534,181	(534,181)			
Special Educational Needs		378,115	(378,115)			
SCITT Funding		16,005	(16,005)			
Pension Reserve	(4,977,000)	(768,000)	(851,000)		(1,101,000)	(7,697,000)
	<u>(4,957,000)</u>	<u>11,537,296</u>	<u>(13,558,312)</u>	<u>469,135</u>	<u>(1,101,000)</u>	<u>(7,609,881)</u>
Restricted Fixed Asset Fund						
Assets Inherited on Conversion	38,798,322	7,075,000	(429,902)	-	-	45,443,420
ESFA Funded Assets	236,590	312,809	(2,622)	-	-	546,777
Other Capital Funding	193,345		(78,229)	(18,961)		96,155
S106 Funding	-	673,708				673,708
	<u>39,228,257</u>	<u>8,061,517</u>	<u>(510,753)</u>	<u>(18,961)</u>		<u>46,760,060</u>
Total Restricted Funds	<u>34,271,257</u>	<u>19,598,813</u>	<u>(14,069,065)</u>	<u>450,174</u>	<u>(1,101,000)</u>	<u>39,150,179</u>
Total Funds	<u>35,468,105</u>	<u>20,288,147</u>	<u>(14,272,978)</u>	<u>-</u>	<u>(1,101,000)</u>	<u>40,382,274</u>

Statement of Funds 2018 – 2019

	2018 Brought Forward	2019 Income	2019 Expenditure	2019 Transfers in/out	2019 Gains/ (Losses)	2019 Carried Forward
	(as restated)	£	£	£	£	£
Unrestricted Funds						
General Fund	1,237,582	489,340	(636,463)			1,090,459
School Fund	89,000	226,864	(209,475)			106,389
	<u>1,326,582</u>	<u>716,204</u>	<u>(845,938)</u>	<u>-</u>	<u>-</u>	<u>1,196,848</u>
Restricted Funds						
Restricted Donations		23,575	(23,575)			
General Annual Grant (GAG)		6,658,476	(6,528,252)	(130,224)		
Start Up Grant		50,000	(50,000)			
Other EFA/DfE Grants		933,306	(933,306)			
MAT Development & Improvement Fund		102,000	(102,000)			
School Improvement Fund		20,000				20,000
Devolved Formula Capital Grant		129,270	(25,951)	(103,319)		
DfE Project Delivery Grant	74,000			(74,000)		
Condition Improvement Fund		326,024	(456,250)	130,224		
Pupil Premium		363,620	(363,620)			
Rates Relief		41,945	(41,945)			
Sports Grant		129,990	(129,990)			
Universal Infant Free School Meals		358,403	(358,403)			
Other Local Authority Grants		505,958	(505,958)			
Special Educational Needs		297,057	(297,057)			
SCITT Funding		23,685	(23,685)			
Pension Reserve	(3,149,000)	(123,000)	(555,000)		(1,150,000)	(4,977,000)
	<u>(3,075,000)</u>	<u>9,840,311</u>	<u>(10,394,992)</u>	<u>(177,319)</u>	<u>(1,150,000)</u>	<u>(4,957,000)</u>
Restricted Fixed Asset Fund						
Assets Inherited on Conversion	35,629,806	3,540,000	(371,474)			38,798,322
ESFA Funded Asset Under Construction		162,590		74,000		236,590
Other Capital Funding	171,805	5,124	(86,913)	103,319		193,335
	<u>35,801,611</u>	<u>3,707,714</u>	<u>(458,387)</u>	<u>177,319</u>		<u>39,228,257</u>
Total Restricted Funds	<u>32,726,611</u>	<u>13,548,025</u>	<u>(10,853,379)</u>		<u>(1,150,000)</u>	<u>34,271,257</u>
Total Funds	<u>34,053,193</u>	<u>14,264,229</u>	<u>(11,699,317)</u>		<u>(1,150,000)</u>	<u>35,468,105</u>

Reserves - The Trust Board has decided that all reserves are held in a central fund and will be available to fund projects identified to the Trustee panel. All successful projects must make a valuable impact on the children.

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

Restricted Funds

The General Annual Grant (GAG) represents the core funding for the educational activities of the academy that has been provided to the Trust via the Education and Skills Funding Agency by the Department for Education. The General Annual Grant has been set up because the GAG must be used for the normal running costs of the Trust.

Under the funding agreement with the Secretary of State, the academies in the Trust are not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The Start-up Grant Fund represents grants from the ESFA for the start-up of new schools converting to the Kite Academy Trust.

Other DFE/ EFSFA grants represents funding from the EFSFA for exceptional and other factors.

Capital grants represents funding to be spent on capital projects. \$106 money was assigned by the developer to expand provision for extra children who will require school places because of a new housing development.

The MAT Development & Improvement Fund represents funding from the ESFA for developing and expanding the Trust.

School Improvement Grant represents funding from the ESFA for Fernhill School.

Local Learning Fund represents funding from Surrey County Council for LSA training to develop Speech and Language champions across the Trust and provide Elklan training.

Devolved Formula Capital Fund represents grants from the local authority for capital maintenance of the academy sites. This is based on student numbers.

Condition Improvement Fund represents grant funding from the ESFA for re-roofing and health & safety projects at three of our academies.

The Pupil Premium Fund represents the restricted Pupil Premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund.

The Rates Relief, Sports Grant and Universal Free School Meals Grants are self-explanatory.

Other Local authority grants represents funding received for provision of early years services, children's centre, other school improvement and confederation funding grants.

The SEN fund represents the specific funding received for named children with exceptional needs and the relevant expenditure is recorded against this.

SCITT funding is provided by the ESFA for initial teacher training.

DFE Project Delivery Grant represents the specific funding received for feasibility works at Lakeside Academy.

The Pension Reserve Fund has been created to separately identify the LGPS pension deficit inherited from the local authority upon conversion to Multi Academy Trust status and through which all the pension scheme movements are recognised.

Restricted Fixed Asset Funds

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Trust upon conversion which represent the academy site including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Other capital funding and specific donations recognise the tangible assets purchased with those funds and the relevant depreciation charges on those assets is allocated to the funds.

The S106 fund will be used for expansion works to meet the increased intake of pupils at the affected schools.

Analysis of Academies by Fund Balance

The Trust Board has decided that all reserves are held in a central fund and will be available to fund projects identified to the Trustee panel. All successful projects must make a valuable impact on the children.

Analysis of Academies by Cost

Expenditure incurred by each Academy during the Year:

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs excluding Depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Cross Farm	462,096	186,589	19,836	112,582	832,691	777,078
Fernhill	387,436	132,591	26,835	87,258	675,916	146,934
The Grove	1,254,815	385,479	88,136	207,873	2,059,172	1,910,280
Hale	975,565	308,655	38,419	224,970	1,644,981	-
Holly Lodge	1,100,665	374,088	70,877	324,407	1,986,930	1,887,678
Lakeside	1,179,069	373,656	92,651	496,786	2,259,762	2,004,169
Mytchett	647,621	237,432	49,197	130,713	1,129,138	1,178,304
Sandringham	545,772	234,229	25,727	131,834	990,170	934,612
Wyke	582,404	226,544	58,442	189,101	1,119,851	1,029,756
Central Services	39,893	1,650,906	(757)	108,464	1,070,241	821,948
Total	7,175,336	4,110,169	469,365	2,013,988	13,768,852	10,690,759

20. Analysis of Net Assets between Funds

	Unrestricted Funds 2020	Restricted Funds 2020	Restricted Fixed Asset Fund 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Intangible Fixed Assets			10,203	10,203	20,407
Tangible Fixed Assets			46,076,149	46,076,149	39,084,519
Current Assets	1,232,095	1,303,869	673,708	3,209,672	2,566,498
Creditors Due within One Year		(1,216,751)		(1,216,751)	(1,226,319)
Provisions for Liabilities & Charges		(7,697,000)		(7,697,000)	(4,977,000)
Total Net Assets between Funds	1,232,095	(7,609,882)	46,760,060	40,382,274	35,468,105

21. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2020	2019
	£	£
Net Income for the Year (as per Statement of Financial Activities)	6,015,169	2,564,912
Adjustment for:		
Depreciation Charges	497,403	448,183
Amortisation	10,204	10,204
Dividends, Interest & Rents from Investments	(5,950)	(8,186)
Reduction in Debtors	(650,501)	19,755
Increase in Creditors	(9,586)	400,737
Capital Grants from DfE & Other Capital Income	(1,037,593)	(296,984)
Net Gain on Assets & Liabilities from Local Authority on Conversion	(6,397,415)	(3,592,856)
Pension FRS102 Adjustment & Interest	851,000	555,000
Net Cash Provided by Operating Activities	(727,269)	223,765

22. Analysis of Cash and Cash Equivalents

	2020	2019
	£	£
Cash in Hand	1,395,488	717,691
Notice Deposits (less than 3 months)	776,308	1,461,431
Total	2,171,796	2,179,122

23. Analysis of Changes in Net Debt

	At 1 September 2019	Cash flows	Other non-cash changes	At 31 August 2020
	£	£	£	£
Cash	717,691	677,797		1,395,488
Cash Equivalents	1,461,431	(685,123)		776,308
Loans falling due within one year				
Finance lease obligations				
Total	2,179,122	(7,326)		2,171,796

24. Conversion to an Academy

On 1 October 2019 Hale School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Kite Academy Trust from Surrey County Council for £NIL consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as charitable activities – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds	Restricted funds	Restricted fixed asset fund	Total funds
	£	£	£	£
Freehold/leasehold land and buildings			7,075,000	7,075,000
Other assets	90,415			90,415
LGPS pension surplus/(deficit)		(768,000)		(768,000)
Net assets/(liabilities)	<u>90,415</u>	<u>(768,000)</u>	<u>7,075,000</u>	<u>6,397,415</u>

25. Pension Commitments

The Kite Academy Trust's employees belong to two principal pension schemes: the Teacher's 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 Surrey County Council. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and of the LGPS 31 March 2019. Contributions amounting to £198,112 were payable to the schemes at 31st August 2020 (2019: £143,592) and are included in 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 and provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

Valuation of the Teachers' Pension Scheme (continued)

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy;
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return of 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%. The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,154,606 (2019: £646,034).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £750,464 (2019: £643,952), of which employer's contributions totalled £591,509 (2019: £507,901) and employees' contributions totalled £158,955 (2019: £136,051). The agreed contribution rates for future years are 21.7% for employers and 5.5 - 12.5% for employees.

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

Principal Actuarial Assumptions

	Surrey 2020 %	Surrey 2019 %	Hampshire 2020 %	Hampshire 2019 %
Discount Rate for Scheme Liabilities	1.7	1.8	1.7	1.9
Rate of Increase in Salaries	3.1	2.6	3.3	3.6
Rate of Increase for Pensions in Payment/Inflation	2.2	2.3	2.3	2.1
Inflation Assumption (CPI)	2.2	2.3	2.3	2.1

The current mortality assumption includes sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	Surrey 2020	Surrey 2019	Hampshire 2020	Hampshire 2019
Retiring Today:				
Males	22.1	21.6	23.0	23.1
Females	24.3	23.6	25.5	25.8
Retiring in 20 Years:				
Males	22.9	22.5	24.7	24.7
Females	25.7	25.0	27.2	27.6

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in Assumptions at 31 August 2020	Approximate Increase to Defined Benefit Obligation (Surrey) %	Approximate Monetary Amount (Surrey) £000	Approximate Increase to Defined Benefit Obligation (Hampshire) %	Approximate Monetary Amount (Hampshire) £000
0.5% decrease in Real Discount Rate	12%	1,620	11%	55
0.5% increase in Salary Increase Rate	1%	98	2%	5
0.5% increase in Pension Increase Rate	11%	1,498	10%	50
1 year increase in Life Expectancy	4%	526	4%	18

Change in Assumptions at 31 August 2019	Approximate Increase to Defined Benefit Obligation (Surrey)	Approximate Monetary Amount (Surrey)	Approximate Increase to Defined Benefit Obligation (Hampshire)	Approximate Monetary Amount (Hampshire)
	%	£000	%	£000
0.5% decrease in Real Discount Rate	13	1,100	11	40
0.5% increase in Salary Increase Rate	2	149	4	15
0.5% increase in Pension Increase Rate	11	929	7	25
1 year increase in Life Expectancy		435		12

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

	Fair Value at 31 August 2020 (Surrey) £	Fair Value at 31 August 2019 (Surrey) £	Fair Value at 31 August 2020 (Hampshire) £	Fair Value at 31 August 2019 (Hampshire) £
Equities	4,088,880	2,763,000	146,850	118,000
Debt Instruments	965,430	701,000	50,250	60,000
Property	454,320	311,000	15,540	14,000
Cash	170,370	117,000	4,140	4,000
Other			42,220	
Total Market Value of Assets	<u>5,679,000</u>	<u>3,892,000</u>	<u>259,000</u>	<u>196,000</u>

The actual return on scheme assets was £172,000 (2019: £122,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	Surrey 2020	Surrey 2019	Hampshire 2020	Hampshire 2019
	£	£	£	£
Past Service Cost	-	-	-	(30,000)
Current Service Cost	(1,299,000)	(919,000)	(58,000)	(22,000)
Interest Income	92,000	94,000	4,000	-
Interest Cost	(198,000)	(188,000)	(7,000)	(1,000)
Total	<u>(1,405,000)</u>	<u>(1,013,000)</u>	<u>(61,000)</u>	<u>(53,000)</u>

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

	Surrey 2020	Surrey 2019	Hampshire 2020	Hampshire 2019
	£	£	£	£
Opening Defined Benefit Obligation	8,699,000	6,221,000	366,000	296,000
Upon Conversion	1,715,000	-		
Current Service Cost	1,299,000	919,000	58,000	22,000
Interest Cost	198,000	188,000	7,000	2,000
Contributions by Employees	158,000	134,000	6,000	2,000
Changes and Assumptions	1,142,000	1,267,000	35,000	14,000
Benefits Paid	(65,000)	(30,000)	17,000	-
Closing Defined Benefit Obligation		-		
Past Service Costs		-		30,000
	<u>13,146,000</u>	<u>8,699,000</u>	<u>489,000</u>	<u>196,000</u>

Movements in the fair value of the Trust's share of scheme assets were as follows:

	Surrey 2020	Surrey 2019	Hampshire 2020	Hampshire 2020
	£	£	£	£
Opening Fair Value of Scheme Assets	3,892,000	3,072,000	196,000	173,000
Upon Conversion	947,000	-		
Interest	92,000	94,000	4,000	1,000
Return on Plan Assets	67,000	122,000	9,000	9,000
Employer Contributions	588,000	500,000	27,000	11,000
Employee Contributions	158,000	134,000	6,000	2,000
Benefits Paid	(65,000)	(30,000)	17,000	
Closing Defined Benefit Obligation	<u>5,679,000</u>	<u>3,892,000</u>	<u>259,000</u>	<u>196,000</u>

26. Operating Lease Commitments

At 31 August 2020, the total of the Kite Academy Trust's future minimum lease payment under non-cancellable operating leases was:

	2020 £	2019 £
Amounts Payable:		
Within 1 Year	42,205	6,284
Between 1 and 5 Years	64,252	4,906
Total	<u>106,457</u>	<u>11,190</u>
	2020 £	2019 £
Amounts Receivable:		
Within 1 Year	5,798	5,750
Between 1 and 5 Years	5,649	11,447
After More Than 5 Years	-	-
Total	<u>11,447</u>	<u>17,197</u>

27. Capital Commitments

At year end, there were no capital commitments (2019: £314,954).

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

Owing to the nature of the Kite Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust financial regulations and normal procurement procedures.

L Byrne, spouse of C Byrne, a governor of The Grove Primary Academy, is employed by the academy trust as a teacher. L Byrne's appointment predates C Byrne's appointment as a governor. L Byrne is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

C Roberts, spouse of D Roberts, a governor at Sandringham Infant and Nursery Academy, is employed by the academy trust as an LSA. C Roberts's appointment was made in open competition and D Roberts was not involved in the decision-making process regarding appointment. C Roberts is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

J Houghton, daughter of N Houghton, a governor of The Grove Primary Academy, is employed by the academy trust as a teacher. J Houghton's appointment predates the appointment of N Houghton as a governor. J Houghton is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a governor.

30. Legal Status

The Kite Academy Trust is an incorporated exempt charity registered in England and Wales. The principal office is located at Holly Lodge Primary Academy, Stratford Road, Ash Vale, Surrey GU12 5PX.