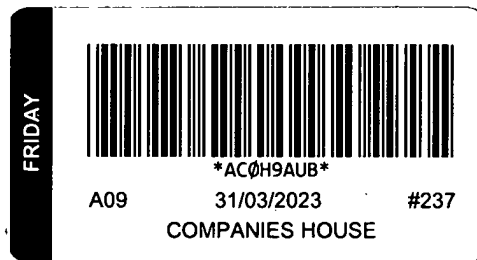


Company Registration Number: 09889819 (England and Wales)

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Statement of Trustees' Responsibilities	30
Independent Auditors' Report on the Financial Statements	31 - 34
Independent Reporting Accountant's Report on Regularity	35 - 36
Statement of Financial Activities Incorporating Income and Expenditure Account	37
Balance Sheet	38
Statement of Cash Flows	39
Notes to the Financial Statements	40 - 76

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	H Brown P Miller N Tucker J Randall-Sly (resigned 31 August 2022) R Soare P Hemmings (appointed 1 September 2022)
Trustees	G Evans, Chief Executive Officer ^{1,2,3,4,5} P Miller, Chair/ Chair of Education Standards and Strategy ^{3,5} C Harris, Vice Chair/ Chair of Risk, Audit, Health and Safety and Premises ^{2,5} P Himple, Chair of People and Culture ^{1,4,5} A Hunt ^{2,3} N Uzzell ² A Miller, Chair of Finance ^{1,5} S Tomkins (appointed 18 October 2021) ² S Bishop (appointed 18 October 2021) ¹ J Randell-Sly (appointed 1 September 2022) ³ R Munir (appointed 18 October 2022) ¹ ¹ Finance Committee ² Risk, Audit, Health and Safety and Premises Committee ³ Education Standards Committee ⁴ People and Culture Committee ⁵ Trust Growth Working Party Committee
Company registered number	09889819
Company name	The Blue Kite Academy Trust
Principal and registered office	Ferndale Primary And Nursery School Wiltshire Avenue Swindon Wiltshire SN2 1NX
Company secretary	A Richardson
Chief executive officer	G Evans
Senior management team	Gary Evans, Chief Executive Officer Robert Buckley, Deputy Chief Executive Officer Samantha Edge, Chief Operating Officer Julia Toogood, Chief Finance Officer
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Bankers	Lloyds Bank plc 5 High Street Swindon SN1 3EN
Solicitors	Browne Jacobson Mobray House Castle Meadow Road Nottingham NG2 1BJ

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates eight primary, one junior and one infant academies in Swindon. This includes two new free schools which opened in September 2019 and two additional primary schools joining the Academy Trust during the year. Its academies have a combined pupil capacity of 3,820 and had a roll of 3,842 in the school census on October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust incorporated on 26 November 2015, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Blue Kite Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Blue Kite Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trade union facility time

In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Academy Trust's analysis is as follows:

Relevant union officials

<i>Number of employees who were union officials during the relevant period</i>	<i>Full time equivalent employee numbers</i>
1	1

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	0
1-50%	1
51%-99%	0
100%	0

This role is completed mostly in their own time and the Trust has incurred a negligible cost in relation to this.

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

TRUSTEES REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to 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, 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.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- Members may appoint by ordinary resolution up to 10 Trustees which shall include the Chief Executive Officer.
- Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.
- The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- A minimum of 2 Parent Trustees should be appointed in the event that no Local Governing Bodies are established or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will consider the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and Procedures adopted for the Induction and Training of Trustees

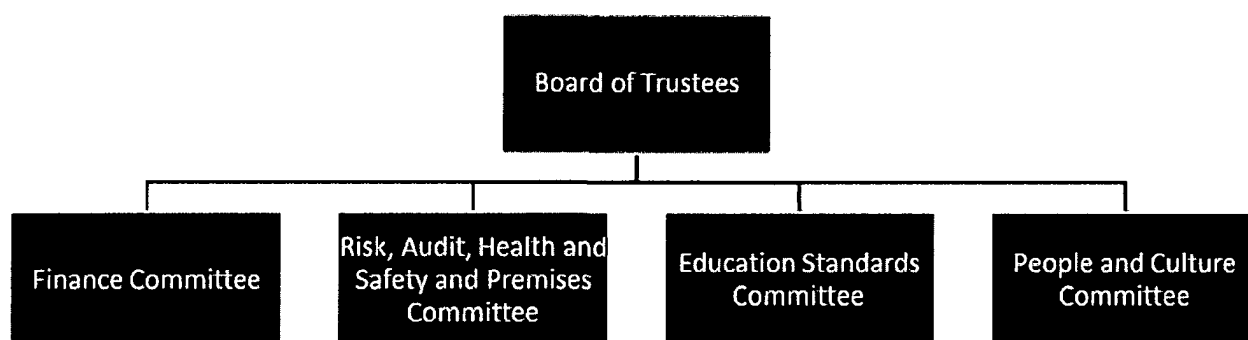
The Academy has a Trustee Recruitment, Induction and Training policy available from the Head of Governance.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees will have to meet the Trust's safeguarding standards. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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

Organisational Structure

The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines Trusteeship, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.



There are 4 committees as follows;

Finance Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.

Education Standards and Strategy Committee - this meets up to six times a year to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

Risk, Audit, Health and Safety and Premises Committee - meets three times a year to monitor, evaluate and review policy and performance in relation to the effectiveness of the Trust's systems of internal control and its arrangement for risk management. It will assist in developing the audit strategy in growing the MAT and balancing the growth of the Academy Trust against the level of risk. It also incorporates the role of an audit committee.

People and Culture Committee - meets three times a year to monitor, evaluate and review policy and performance in relation to the HR function of the Trust. This includes pay, appraisals, equalities and staff wellbeing.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the CEO and Governance Professional, to approve the Annual Development Plan and budget.

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

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees have devolved responsibility for day-to-day management of the Multi Academy Trust to the CEO and the Trust leadership team. Each individual academy is led by a Headteacher supported by their SLT and a Local Governing Body. The Headteacher, along with the Senior Leadership Team implement the policies laid down by the CEO and Trustees and report back to them on performance.

The Senior Trust Leadership Team consists of the Chief Executive Officer, Deputy CEO, Chief Finance Officer and Chief Operating Officer. The Chief Executive Officer is the Accounting Officer.

The Academy Trust comprises 8 primary schools, 1 infant school and 1 junior school: Brook Field Primary School, Catherine Wayte Primary School, Ferndale Primary and Nursery School, Abbey Meads Community Primary School, William Morris Primary School, Badbury Park Primary School, Greenmeadow Primary School, Lethbridge Primary School, Colebrook Infant School and Ruskin Junior School. Each school has its own Local Governing Body responsible for day-to-day operations and management of the school's budget. The Trust Board comprises of Trustees who have been appointed on a skills basis some have been local governors in our schools.

Arrangements for setting pay and remuneration of key management personnel

The remuneration of the Senior Management Team, and the Senior Leadership in each academy is reviewed annually. These are considered on an individual basis considering performance, relevant benchmarking, current responsibilities, and parity across the Trust.

Details of Trustees' expenses and related party transactions if any, are disclosed in the notes to the accounts. The Trustees benchmark against pay levels in other academies of a similar size. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of The Blue Kite Academy Trust. There are no sponsors associated with the Trust.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Consistent policies and guidance to support key messaging
- Regular news provided to staff via termly updates and newsletters
- Schools in the Trust have a strong collaborative ethos with fortnightly meetings with headteachers
- Communication and key updates are distributed via headteachers to all staff in schools to ensure consistent messages

Trade Union recognition

We have established a trade union recognition agreement and termly JNCC with recognised unions which enable us to discuss current issues with Trade Unions, discuss how the Trust is looking to develop and grow and how we are supporting staff and schools during the pandemic.

Development of HR policies and procedures

We are in the process of reviewing and finalising new HR policies to reflect changes to employment law, safeguarding practice and equalities legislation. The Trust recognises its responsibilities under the Equalities Act 2010 and our policies reflect these requirements. HR policies are subject to union consultation and feedback.

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

Introduction of HR software

We are about to launch Every HR, our new HR system to schools across the Trust. This will give staff access to an HR portal where they will be able to see their own personal and contractual data and training record but we can also use as a communication tool to engage further with staff.

Support to disabled employees:

The Trust seeks to make reasonable adjustments to support recruitment from disabled groups and is helped to identify adjustments through pre-employment medical questionnaires and through the job application process.

Lifts, ramps, and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas within the Academy Trust, however some sites contain listed buildings so appropriate adaptations are made. The Academy Trust also makes support resources available, plus training and career development wherever possible.

Through staff absence procedures the HR team support schools to ensure all reasonable adjustments are offered and monitored.

Staff mental wellbeing is also an important area of focus for the Trust, with a wellbeing survey of all staff completed each year and free access to a confidential wellbeing counselling service for all staff via the Schools Advisory Service.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of different abilities. At The Blue Kite Academy Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative, and physical potential and to develop positive social and moral values. The Academy Trust is a community in which children, staff and parents should be part of a happy and caring environment.

The aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra-curricular activities;
- to develop students as more effective learners;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems to comply with all appropriate statutory and curriculum requirements;
- to develop the Trust's capacity to manage change, and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

At the Blue Kite Trust, we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

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

Objectives, Strategies and Activities

Key priorities for the year are contained in our Trust Development Plan which is available from the Trust Office. Improvement focuses identified for this year include:

- Support Greenmeadow to ensure they are able to achieve Good by the next inspection;
- Support Colebrook Infant School to ensure sustainability when faced with Falling roll;
- Reintroduce face to face Quality Assurance Visits and continue to ensure that school improvement systems are now synchronised across the Trust;
- Ensure our pupils, especially the youngest begin to catch up with their older peers and that funding from the government is spent effectively to support this;
- Further develop networking opportunities for support staff, in addition to the teachers and TAs, between schools to share good practice;
- Improve monitoring across the Trust and develop new methods of sharing good practice are being developed so that all of our schools are working in peer networking groups and supporting each other with school improvement;
- Deploy our Rapid Recovery model of school improvement to support vulnerable schools and to further our work as system leaders across the area;
- Further develop Inspire which is our professional development program ensuring our staff have access to the best quality training available;
- Roll out the Every HR system across the Trust which will further align our HR practices and procedures;
- Growth strategy and plan refined in readiness for future growth opportunities;
- Revise the growth and development plan to respond to Swindon's decision to Detailed and robust capital strategy developed and implemented; and
- Further align Health and Safety, as well as risk management across the Trust.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Swindon and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools.

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

STRATEGIC REPORT

Although 2021/22 was still a challenging year with the after effects of COVID, we continued to convert a steady stream of schools. 2 schools joined us throughout the year with the due diligence and convergence work for a third to join on September 1st. This takes our current number of schools to 11. We have more schools undergoing due diligence at this time so we expect this trend to continue throughout this coming year.

A major focus for us was on our Catch-Up plans to ensure we were addressing the effects that the pandemic has caused. Every school developed a specific plan which was co-ordinated by a Trust network group, led by one of our Directors of Education. I am extremely pleased to report that in all of our schools, we have seen outcomes rise sharply and the vast majority of cases, reach pre-pandemic levels.

Our quality assurance system of school visits has restarted, with a new system in place that has been refined over time. We work in tandem with our schools to make the process as joined up and as effective as possible. This allows us to quickly identify areas of strength and areas for development whilst providing training for senior members of staff. We have completed 3 during the summer term, with 2 more planned for the Autumn.

Our Blue Kite Brick network groups have run throughout the year with a focus on curriculum development. Every school had a chance to share good practice on leading subjects and assessing their own impact and implementation measured against their intent. As we move into a new academic year, their focus has shifted again to more project based work, designed to provide opportunities for pupils whilst raising standards and improving practice.

Inspire, our professional development arm has grown further this year. After successfully doubling the amount of students we train, we also developed links with the new teaching School hub to deliver the Early Careers Framework programme. We are now taking those links further and as of next year we will be delivering 2 new National Professional Qualification (NPQs) in Early Years and Leading Literacy. This is a very exciting time for us as we put plans in place to ensure that the staff in our Trust, as well as schools across Swindon are able to benefit from the training we provide.

Early intervention for pupils and families is a key part of the work we do. The Lighthouse team expanded even further this year as we were able to employ our own Educational Psychologist. Adding a SEND element to our provision creates an all round approach to identify needs and address them in a meaningful way, as quickly as possible.

The Blue Kite Academy Trust has stepped in to support Local Authority fulfil their duties with regards to the statutory moderation process of Teacher Assessments in Key Stage One and Two. Our staff have been working hard to put together workshops, pass moderation tests and deliver training on top of their everyday commitments. Our Directors of Education have been instrumental in pulling this together, to ensure that all Swindon schools have the ability to moderate properly and professionally. In the following weeks we will be discussing whether this is something we will repeat in the future as it has taken a lot of our time over the last few months.

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

Achievements and Performance

KS2 in almost all areas we have remained above the National average for 2019. This is excellent and reassuring news considering the effects of the pandemic.

EYFS

We are currently transitioning to a new Early Years curriculum and several of our schools are early adopters. This has meant that it is more difficult for us to gather cohesive early years data at this point. Next year, all schools will be on the same system and data will be available.

EYFS	Swindon	National	BKAT
GLD	63.9%	65.2%	69%

KS1

As with KS2, at KS1 in almost all areas we have remained above the National average for 2019. This again is excellent and reassuring news.

KS1		Swindon	National	BKAT
Expected Standard	Reading	66.9%	66.9%	72%
	Writing	58.8%	57.6%	66%
	Maths	68.6%	67.7%	73%
Greater Depth	Reading	18.1%	18.0%	23%
	Writing	7.7%	8.0%	11%
	Maths	15.8%	15.1%	17%
Phonics	Y1	75%	75%	80%
	Y2	86%	87%	90%

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

In Expected+ in all areas, the Trust has remained above the National average for 2022. This is excellent and reassuring news considering the effects of the pandemic. At Greater Depth we are also above or well above local and national outcomes.

KS2		Swindon	National (Indicative)	BKAT
	RWM	57.6%	58.7%	74%
Expected Standard	Reading	72.9%	74.5%	86%
	Writing	69.7%	69.5%	80%
	Maths	69.8%	71.4%	83%
Greater Depth/Higher Standard	Reading	26.5%	27.8%	37%
	Writing	11.5%	12.8%	15%
	Maths	18.5%	22.5%	28%

Progress data is calculated using a government algorithm based on National results at KS1 compared to KS2. This information is not available to us this year.

Attendance

Overall attendance is across the Trust is good or better in all year groups.

Trust Priorities moving forward:

- KS1, including transition into Y3 - focus on GOS;
- Writing at Expected but even more so at Greater Depth; and
- Our youngest year groups need a focus from our Cath-up plans, especially last years' Year 1 and Reception which have performed significantly higher than other years groups.

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

Key Performance Indicators

Key Performance Indicators	Status
The quality of education in all Trust schools is at least Good and on an upward trajectory. Where schools join us in a category, then the quality of education is improving rapidly.	The Quality of Education is judged by Ofsted to be Good in all schools. Ruskin has been improving rapidly over the last few years and has achieved GOOD in its recent inspections, moving up from Special Measures when they joined the Trust.
The Trust ensures that all children have access to an engaging, creative, ambitious curriculum that meets the needs of all learners and prepares them for the next stage of their education.	Curriculum Bricks have been established for every subject co-ordinator across the Trust. These will allow us to share good practice and align standards and expectations across our schools.
The Trust will know its schools well, both quantitatively and qualitatively and responds quickly and appropriately to changing needs.	The Trust has a detailed and comprehensive assessment system which runs from the classroom, to school level and up to the Trust. This allows us to have a detailed knowledge of where every pupil and school is and map trends across the Trust. We have a new management system for SDP and SEFs which allows us to centrally manage this reporting system and see where each school's priorities lie. This also helps us decide Trust priorities for the coming year. Our Quality Assurance Visits have restarted and all schools are in a schedule to receive one. These give us a detailed assessment of quality of education, culture and behaviour within a school.
Leadership and Management is judged at least as Good in all Trust schools. The Trust itself, is well led and managed at every level.	Leadership and Management is now graded as Good by Ofsted in all Trust schools.
Trustees and governors work within one governance structure and are clear about their roles. They effectively support leadership teams to strategically lead their schools and are able review their school / Trust's performance as well as their own.	Governance is graded as Good in all Trust schools. Head of Governance ensures effective communication and training for Trustees and LGBs as well as ensuring correct policies and procedures are in place or being developed. COGS document and principles is helping to bring coherence to the 'One Governance' structure.
The welfare and wellbeing of all pupils is paramount and safeguarding procedures are robust to help keep our pupils safe.	All Trust schools are judged as good for Safeguarding. All Trust schools receive annual external audits. A new Behaviour and Safety Board has been established to more closely monitor safeguarding practices and procedures. Termly safeguarding reports are received from all schools and a risk dashboard has been created to monitor and allow the Trust to act proactively.
The welfare and wellbeing of all staff is high priority. The Trust has clear plans for staff development, matching their needs to appropriate training and to ensure we are an employer of choice.	We are now active delivery partners for the Teaching School Hub and Best Practice Network. Through these we are delivering training for the Early Career Framework. This is in addition to our partnership with North Wilts SCITT, through which we deliver our initial teacher training. Next steps for us are to begin delivering NPQs for teaching staff and further CPD for support staff.

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

The Trust ensures that the behaviour and personal development of pupils in our schools is at least good. Behaviour promotes learning and pupils have a rounded education, fit for the 21 st Century.	Personal Development and Behaviour and Attitudes are now judged Good in all of our schools. The Behaviour and Safety Board, regularly reviews any issues or trend in behaviour.
---	---

The Blue Kite Trust uses several benchmarks to evaluate financial performance. The main focus is:

- the level of reserves held by each school and the Trust as at the balance sheet date;
- pupil numbers continuing to grow or remain constant;
- the level of spend against the General Annual Grant (GAG) ensuring that each school and the central services do not exceed spend beyond its means; and
- maximizing potential income from trading activities.

As funding is based on pupil numbers, this is also a key performance indicator (KPI). Pupil numbers for 2022 were 3,260 including 706 arriving from Greenmeadow Primary and Lethbridge Primary School during the financial year. Our pupil numbers will grow again during 2022/23 with the addition of three local primary schools joining the Trust in the coming year.

The Trust uses a number of key benchmarks using data provided by the DfE in View my Financial Insights to support Integrated Curriculum Financial Planning, evaluate performance and drive budgetary control. These include total income and GAG income per pupil, staff costs per pupil, education and total costs per pupil. We also review pupil teacher ratios, income ratios, staff cost ratios and non-salary spend ratios.

	Blue Kite Trust	National Benchmark Average (KR)
Income per pupil	£6,212	£6,588
GAG Income per pupil	£4,713	£4,569
Staff Costs per pupil	£4,650	£4,904
Education Costs per pupil	£264	£208
Total costs per pupil	£5,941	£6,552
GAG % of Income	75.86%	71.00%
Staff costs % of total costs	78.28%	75.40%
Premises costs % of total costs	4.47%	1.90%
Education resources % of total costs	4.44%	3.20%
In year Surplus/(deficit) % of income (excl. capital)	4.37%	2.60%

The Trust has continued to perform well financially in 2021/22, despite ongoing challenges presented by Covid-19 recovery, increased salary costs and general inflation increases being only partially funded through the schools supplementary grant. The addition of a local maintained primary school and a primary academy during the year has had a positive impact on the Trust results, despite not receiving the conversion grant to cover any joining costs for the academy.

We continue to maintain a healthy reserve position but are aware that we face additional financial challenges due to predicted falling pupil numbers across Swindon and the diminishing financial support associated with opening new schools as they become more established. Last year we established nursery and after school care provision in response to high demand in our new schools. This trend has continued in 21/22 and pupils increased in other year groups in addition to opening new year groups. We continue to closely monitor their pupil numbers and funding with the local authority and the ESFA.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Capital Investment

We have spent £395K on premises improvement.

Staff

110+ FTE Teaching Staff

222+ FTE Support Staff

Reserves

In 2021/22 we added £12,581,948 to our reserves, this included £6,938,874 from funds on conversion or transferred in from an existing academy trust and £7,577,000 in actuarial gains/losses on defined benefit pension schemes.

Plans for Future Periods

Blue Kite Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Due to recent growth during 2021/22, the Trust will qualify for Schools Condition Allocation from 2023. This will facilitate the cost of improvements to our buildings and for us to move forward with other capital projects.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going concern policy.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2022, the Academy received total income of £22,558,939 and incurred total expenditure of £17,553,991. The excess of income over expenditure for the year was £5,004,948.

At 31 August 2022 the net book value of fixed assets was £44,543,086 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of Greenmeadow Primary School's free reserves were transferred across on conversion of £268,351 and are shown as Unrestricted & Restricted Funds.

The balance of Lethbridge Primary School's free reserves were transferred across from the existing academy trust of £239,094 and are shown as Unrestricted & Restricted Funds.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Academy has taken on the deficits in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Notes 34 and 35 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Bad Debt, Charging and Remissions, Budgetary Planning and Control, Asset Write-off and Disposal, Investments and Gifts and Hospitality.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

Trustees aim to maintain reserves to a level that will cover one month's salary commitments being £1,430,370.

The Trust is aware that it is likely to need additional reserves to cover increasing cost challenges due to higher than expected staff pay awards and general inflation. Free reserves at 31 August 2022 are £2,141,862. The Trustees keep the level of free reserves under active review given the Trust's plans for growth and development.

At the end of the last financial year 2020/21 total reserves of the Trust amounted to £34,043,264, £32,634,235 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,409,029 representing £1,106,453 unrestricted funds and £302,576 unspent GAG.

Total reserves of the Trust for 2021/22 amounted to £46,625,212, £44,483,350 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £2,141,862 (representing £2,141,862 unrestricted funds and £Nil unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect.

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. However, due to extremely low interest rates, no such investments were made during 2021/22 as no benefits were achievable. We are currently exploring investment opportunities given that the interest rates are currently increasing on a monthly basis. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

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

Day to day management of the surplus funds is delegated to the CEO and Chief Finance Officer within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 89% of the Trust's recurring incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc.

The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety, and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Difficulties in recruiting and retention of staff in the current economic and political climate.

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Trust handbook 2021. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Cyber Security – There had been significant focus during 2021/22 on developing IT controls with particular emphasis in the area of Cyber security. While such risks always exist, with further work continuing into 2022/23, the aim is to mitigate and ensure compensating controls are in place wherever possible.

Growth – to manage timing, the increase in capacity in our central team and Governance, to continue to meet the needs our existing schools and new schools joining the Trust during a period of rapid growth. Regular reviews of local schools who are showing an interest in the Trust are undertaken as part of the Trust Risk Management Strategy and Risk Management Plan. Staff structure is also part of this review when deciding the optimum timing for recruitment to sustain resources and financial stability.

The Trust has continued to strengthen its risk management and due diligence process throughout the year by improving the process and ensuring staff awareness. The risk register is constantly under review and will be updated on a regular basis.

The Trust has agreed a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These are being discussed by Trustees and include the financial risks to the Trust. The register and plan will be regularly reviewed in light of any new information such as higher than expected cost pressures and formally reviewed annually.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst most of our schools are usually over-subscribed, we are not complacent when considering risks to revenue funding from a falling roll. The predicted low birth rate over the next 5 to 10 years, the current planned reduction in the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and inflation mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every month. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

FUNDRAISING

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 29 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

The Blue Kite Academy Trust aims to comply with the Guidelines and confirms its commitment to the principles set out in the Guidelines for Charitable Organisations on Fundraising from the Public for Charitable Organisations.

The Blue Kite Academy Trust's approach to fundraising is limited to requests for voluntary donations towards trips and events from stakeholders, made via newsletters or the school websites. The Trust does not work with any commercial or professional fundraisers and third-party fundraising is limited to the parent/teacher associations in individual schools, organising school fayres, discos and firework shows.

The Trust does not make intrusive or persistent approaches to anyone or apply undue pressure to donate. Any complaints regarding fundraising may be made via our complaints procedure and will be directed to the headteacher in the first instance.

TRUSTEES REPORT

The Trustees, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in promoting the success of the Trust to achieve its educational purpose, and in doing so have regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of the Trusts employees;
- The impact of the Trust's operations on the community and the environment;
- The need to foster the Trust's business relationships with suppliers, customers, and others;
- The desirability of the Trust maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Trust.

The Trustees' regard to these matters is embedded in their decision-making process, through the Trust's strategy, culture, governance framework, management information flows and stakeholder engagement processes.

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

In setting its strategy, the Board considers:

- School/pupils' information on progress and attainment;
- Financial performance & benchmarking;
- Feedback from a range of Self-evaluation tools;
- The risks identified in our RAG grid and risk register;
- Stakeholders' views; and
- External factors through a PEST analysis (political, economic, social and technological).

The Trust's strategy is focused on achieving its stated aims and stakeholder engagement is central to our ethos. We recognise that education has the power to change lives, communities and society for the better and that we can achieve more for our pupils, trainees, staff and communities by working together rather than alone.

The responsibility for children's educational development is a collaborative enterprise among parents, staff and community members. The Trustees believe that building a partnership with our key stakeholders has great potential to improve our schools and advance education for the benefit of all.

The Trust is committed to excellence and collaborative working. We believe in the value of our schools being geographically close enough to collaborate and we value diversity, as our schools serve different communities.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Trustees ensure these core values are communicated to the Trust's employees and embedded in the Trust's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board regularly discusses issues concerning pupils, employees, suppliers, the community and environment, and regulators which it takes into account in its discussions and in its decision-making process.

In addition to this, the Board seeks to understand the interests and views of the Trust's stakeholders by engaging with them directly when appropriate.

This report gives an overview of the achievements of the schools within the Trust, together with looking forward to our plans for the future. We see ourselves as having an important role to play as part of the overall schools system in the communities we serve - and outside of that, in particular in support to and learning from other Multi Academy Trusts.

The below summarises the key stakeholders, other than our staff which is reported earlier in this report, and how we engage with each:

Parents & Pupils Engagement

Our pupils are at the centre of our values, with our commitment to excellence and inclusion. Research unequivocally demonstrates that parental engagement is a powerful lever for raising achievement in schools and we believe that working in partnership with parents has the potential to increase attainment as well as the wellbeing, behaviour, and ambition for our children.

Our organisational model is decentralised to ensure our schools meet the educational needs of the communities they serve.

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

Through our schools, we engage with parents regularly in many ways:

- Parent meetings so that they know how children are doing in relation to the standards expected and what they need to do to improve;
- Curriculum evenings to help them understand what they are learning and how they can help them at home;
- Giving them the opportunity to provide feedback through surveys and forums is a powerful driver for self-improvement in our schools;
- Working collaboratively with the PTA inviting parents to events in the school;
- Developing stronger home-school links and in particular building relationships with harder to reach parents;
- Keeping them informed via newsletters;
- Welcoming parents in school and giving them the opportunity to meet leadership team; and
- Taking part in their school governance as parent Governors.

Finally, all our schools remained open during the pandemic for the children of critical workers and for the vulnerable children. Supporting vulnerable families by providing technology to allow remote learning or by delivering free schools meals has been a key priority for the Trust throughout that period.

Members/Trustees/Governors

Our scheme of delegation is built on a network of Local Governing Bodies (LGBs) closer to their communities to challenge and support our schools.

We highly value the work our LGBs do and we support them with, among other things, governor and governance professional recruitment and training on a wide range of subjects. Over the last 18 months we have endeavoured to provide more opportunities for our LGBs to collaborate and exchange experience and knowledge as well as provide a wider range of training on topics such as SEND, Safeguarding, Finance, Health and Safety, use of data in schools.

Our Governors have access to a suite of documentation and policies via the Governor hub to support them in their role.

The Trust governance structure is described in detail in other sections of this report.

Wider community and environment

Our schools are a vital part of the communities in which they are located and we have a responsibility to understand the needs of the community our schools serve and work in partnership with them.

As the starting point for learning is a positive ethos and climate of respect and Trust based upon shared values across the school community.

As part of our charitable purpose, our schools share their sports facilities with their communities.

We also have due regard to our schools' impact on the environment and, as shown in our Streamlined Energy and Carbon Report, are developing strategies to reduce our carbon footprint:

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

STREAMLINED ENERGY AND CARBON REPORTING 2021/22

The Blue Kite Academy Trust

Energy Background

For the purposes of the reporting period The Trust has 9 academies across the estate with a 10th joining late in the year. All are serviced by gas fired boilers and electric is bought in. A couple of sites do generate small amounts of electricity from PV panels which feed the grid. Our 2 newer schools benefit from under floor heating and have Building Management tools to help monitor energy usage. Mileage claims are from Blue Kite staff only who are based at Ferndale and across the estate, and the Trust has, for the purpose of the reporting period, no minibuses or vans. Across the Estate we are rolling out programmes of lighting refurbishment with one academy being completed this year. Alongside this we have replaced several areas of windows and doors and replaced boilers and heating emitters in several schools.

This methodology follows the GHG Reporting Protocol and uses the 2022 Government emission conversion factors for greenhouse gas company reporting.

Energy Source	Consumption	Scope	Emissions calculation
Gas – total kWh (kilowatt-hours) used for the year	1,789,660 kWh (gross CV (calorific value))	Scope 1	1,789,660 kWh * 0.18219 (2022 fuels, natural gas conversion factor gross CV to kg CO ₂ e) = 326,058 kgCO ₂ e = 326.058 tCO₂e
Electricity – total kWh used for the year	714,629 kWh	Scope 2	714,629 kWh * 0.19338 (2022 UK electricity conversion factor to kgCO ₂ e) = 138,194 kgCO ₂ e = 138.194 tCO₂e
Reimbursed Transport – total mileage reimbursed from staff claims = 3,435 miles	6,210 miles * 1.14779 (2022 SECR kWh pass & delivery vehs, average car conversion factor to kWh, petrol) =7,127 kWh	Scope 3	6,210 miles * 0.27436 (2022 business travel and average car conversion factor to kgCO ₂ e, petrol) = 1,703 kgCO ₂ e = 1.70 tCO₂e
Total	2,511,416 kWh		465.952 tCO₂e
Intensity ratio	Emissions data (tCO ₂ e) compared with an appropriate business activity (pupil numbers as per Autumn census)		465.952 tCO ₂ e/2531 pupils = 0.184 tCO₂e per pupil

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

Disclosure of Information

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	Current reporting year 2021/22	Comparison reporting year 2020/21
Energy consumption used to calculate emissions (kWh)	2,511,416	2,356,372
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	326.058	344.037
Owned transport	0.00	0.00
Total Scope 1	326.058	344.037
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	138.194	100.654
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	1.70	0.96
Total gross emissions in metric tonnes CO2e	465.95	445.65
Intensity ratio Tonnes CO2e per pupil	0.184	0.182

Quantification and 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 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- Use of Teams/Zoom to reduce cross site travel including working from home for Trust Staff
- Extended online learning to mitigate travel
- Five Schools now BMS connected for remote access to data. Building Performance Report completed at Badbury Park Primary School
- Lighting replacement to LED at Colebrook Infant Academy and progressive replacement projects across the estate
- Engagement with a carbon reduction specialist to assist with planned carbon reduction projects across the estate

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

Education sector/Regulators

We work with our regulators in an open and proactive manner to help develop regulations that meets that enhance the education of our pupils.

The Trust values working relationships with Swindon Borough Council, Regional School commissioners, Unions, ESFA and is actively involved in wider system groups such as the Schools Forum.

Engagement with suppliers, customers and others in a business relationship with the Trust:

The Trust recognises the importance of dealing fairly and equitably with its business relationship with its customers, suppliers & key stakeholders. As a government funded organisation the Trust aims to pay all suppliers within 30 days of their invoice date and during this year has continued to reduce this period. The Trust engages with its customers, suppliers and key stakeholders on a regular basis to ensure that any issues are resolved quickly and amicably.

Plans for Future Periods

The continued expansion of MAT has inspired greater collaboration and innovation, built on current good practice. The Blue Kite Academy Trust acknowledges the potential for growth with an emphasis on working within our local communities and creating greater economies of scale to support learning in our schools. This will involve growing beyond our current eight member schools but without diluting or losing what is special about our schools and Trust.

On 1 March 2022, Greenmeadow Primary School joined the Trust and on 1 July 2022 Lethbridge Primary School also joined us. On 1 September 2022, Robert Le Kyng Primary School joined the Trust and we look forward to welcoming a further 2 schools during 2022/23.

Blue Kite Academy Trust offers high quality teaching and learning. Sadly, there remains too many schools with thousands of pupils who are not receiving the level of teaching and learning they deserve.

As well as growing the Trust we wish to continue to expand upon the range and quality of services we offer our schools:

Strengthen governance covering key skills at both director and LGB level. Our Head of Governance professional continues to make good progress in recruiting new local Governors and Trustees. She maintains a Governance framework across the Trust which promotes a consistent approach to how are schools are governed and robust governor training programs.

Secure school improvement and educational practice models with a view on sponsoring further schools in the future.

Our finance systems are being further developed to ensure they have the capacity to meet the needs of a rapidly growing Trust. The Trust successfully recruited an additional finance assistant in November and looks forward to the arrival of a Management Accountant who will join us in February 2023.

The HR Manager and HR assistant continue to align HR process and procedures across our schools, further developing key practices and procedures, and the implementation of a new HR software system.

Both Finance and HR staff continue coordinate and contribute to a Trust forum for our School Business Officers. In addition to promoting collaboration between schools, the forum also presents opportunities to share updates, best practice and incorporate training sessions.

We continue to broaden core offer for CPD through our Inspire program to ensure it meets the needs of all teaching and non-teaching staff. We have refined, adapted and updated our Initial Teacher Training Program to meet the needs of the new Early Career Framework.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

The Trust has continued to support schools within and outside of our Trust by participating in school moderation services on behalf of Swindon Borough Council.

Our Lighthouse team forms the main part of our early intervention response for schools. The team work with both children and families to give advice, one-to-one intervention work as well as bespoke therapeutic support. We have also now introduced an educational psychology service to our schools and this is planned to continue

The 2022-2025 Strategic Development Plan outlines how the Trust intends to achieve these aims and will be reviewed regularly by Trustees. This will also ensure that resources can be allocated to maximum effect.

Funds Held as Custodian Trustee on Behalf of Others

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

Disclosure of Information to Auditors

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 charity's auditors are 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 charity's auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

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



P Miller
Chair of Trustees

Date: 8.12.22

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that The Blue 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.

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

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 Blue 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 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr G Evans, Chief Executive Officer	7	8
Mrs P Miller, Chair of Trustees and Chair of Education Standards & Strategy	8	8
Mr P Himple, Chair of People and Culture	8	8
Mr C Harris, Chair of Risk, Audit, Health and Safety and Premises	7	8
Mr A Hunt	8	8
Mr A Miller, Chair of Finance	8	8
Miss S Tomkins	6	7
Mr N Uzzell	5	8
Mr S Bishop	7	7

There have been the following changes to the board of trustees, during the year:

- S Tomkins (appointed 18 October 2021)
- S Bishop (appointed 18 October 2021)
- J Randell-Sly (appointed 1 September 2022)
- R Munir (appointed 18 October 2022)

Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Governance Review

As of September 2021 a new Trust Board committee was established to focus on staffing within the Trust. The People and Culture committee met 3 times and focussed on evaluation and monitoring staffing policy and procedure, recruitment, equalities and wellbeing. This ensures that there are regular updates from the Head of HR and that BKAT continues to work towards being an employer of choice.

In October 2021 two new trustees were appointed with financial and audit experience which strengthened both the Finance and Risk, Audit, Health and Safety and Premises Committee.

Trustees completed the National Governance Association's MAT Governance Self Evaluation in summer 2022. As a result Trustees felt there should be a focus on improving their knowledge of their communities and stakeholders. The Trust Board are considering ways to improve communication and knowledge sharing with the Local Governing Bodies and will have focus on reviewing pupil, parent and staff surveys in the forthcoming academic year.

The Finance Committee is a committee of the main board of Trustees. Its purpose is to review the Annual Budget in detail and to make recommendations to the Board and review the Trust's internal and external financial statements and reports to ensure they reflect best practice. The Finance Committee provides an extra level of scrutiny in the monitoring of internal controls and financial performance across the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Evans	5	6
Mr P Himple	6	6
Mr A Miller	6	6
Mr S Bishop	5	6

The Risk, Audit, Health and Safety and Premises Committee is a committee of the main Board of Trustees. Its purpose is to monitor the adequacy and effectiveness of the Trust's systems of internal control (including review of the statement of internal control) and its arrangements for risk management, fraud prevention and detection, control and governance processes and for securing economy, efficiency and effectiveness (value for money).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Evans	2	4
Mr C Harris	4	4
Mr A Hunt	4	4
Miss S Tomkins	4	4
Mr N Uzzell	3	4

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Education Standards Committee is a committee of the main Board of Trustees. Its purpose is to evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

As in-school audit of provision is carried out for each school joining the Trust. The Education Standards Committee will analyse data and OFSTED reports and assist in putting a support plan in place for schools graded below good. Good and outstanding academies will be encouraged to facilitate further development and engage in delivering school-to-school support.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr G Evans	5	6
Mrs P Miller	6	6
Mr A Hunt	6	6

The People and Culture Committee is a committee of the Trust Board. Its purpose is to review, monitor and evaluate policies and procedures relating to staffing, employment, recruitment and culture.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Himble	3	3
Mrs P Miller	3	3
Mr A Miller	3	3
Mr C Harris	3	3
Mr G Evans	3	3

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Not allocating time/resources to areas where few improvements can be achieved;
- Making comparisons with similar Academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Blue Kite Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees appointed SBS to perform additional checks during the year.

The reviewers role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period covered areas such as; income processes, payroll processes and IT.

On a semi-annual basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

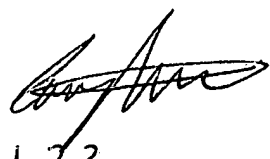
Approved by order of the members of the Board of Trustees and signed on their behalf by:



P Miller
Chair of Trustees

Date: 8.12.22

G Evans
Accounting Officer



Date: 8/12/22

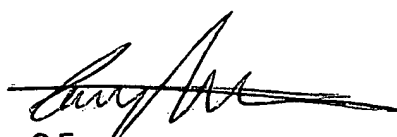
**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Blue Kite Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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

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



G Evans
Accounting Officer

Date: 8/12/22

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

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the 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 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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:



P Miller
Chair of Trustees

Date: 8-12-22

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BLUE KITE ACADEMY TRUST**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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

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

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

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

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BLUE KITE ACADEMY TRUST (CONTINUED)**

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust 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 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 Academy 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 Trust or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BLUE KITE ACADEMY TRUST (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Academy Trust in relation to these areas;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BLUE KITE ACADEMY TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



John Talbot FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 22/12/22

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BLUE KITE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Blue Kite Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Blue 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 Blue 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 Blue Kite Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Blue Kite Academy Trust's funding agreement with the Secretary of State for Education dated 16 December 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

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

Bishop Fleming Bath Ltd

Reporting Accountant
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: *22/12/22*

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants:	4					
On academies joining the Trust		461,116	(45,671)	6,523,429	6,938,874	7,838,246
Other donations and capital grants		-	25,869	232,961	258,830	441,011
Other trading activities	7	626,632	-	-	626,632	282,045
Investments	8	302	-	-	302	236
Charitable activities	5	775,952	13,958,349	-	14,734,301	12,487,807
Total income		1,864,002	13,938,547	6,756,390	22,558,939	21,049,345
Expenditure on:						
Charitable activities	9	828,593	15,871,060	854,338	17,553,991	14,338,654
Total expenditure		828,593	15,871,060	854,338	17,553,991	14,338,654
NET INCOME / (EXPENDITURE)		1,035,409	(1,932,513)	5,902,052	5,004,948	6,710,691
Transfers between funds	21	-	(110,440)	110,440	-	-
NET MOVEMENT IN FUNDS BEFORE GAINS / (LOSSES)		1,035,409	(2,042,953)	6,012,492	5,004,948	6,710,691
Actuarial gains/(losses) on defined benefit pension schemes	29	-	7,577,000	-	7,577,000	(1,726,000)
Net movement in funds		1,035,409	5,534,047	6,012,492	12,581,948	4,984,691
Reconciliation of funds:						
Total funds brought forward		1,106,453	(5,678,960)	38,615,771	34,043,264	29,058,573
Net movement in funds		1,035,409	5,534,047	6,012,492	12,581,948	4,984,691
Total funds carried forward		2,141,862	(144,913)	44,628,263	46,625,212	34,043,264

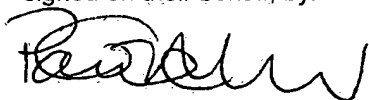
The notes on pages 40 to 76 form part of these financial statements.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:09889819

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	44,543,086	38,566,390
Current assets			
Debtors	17	448,478	394,140
Cash at bank and in hand		3,564,853	2,242,407
		<u>4,013,331</u>	<u>2,636,547</u>
Creditors: amounts falling due within one year	18	(1,788,264)	(1,096,895)
Net current assets		<u>2,225,067</u>	<u>1,539,652</u>
Total assets less current liabilities		<u>46,768,153</u>	<u>40,106,042</u>
Creditors: amounts falling due after more than one year	19	(142,941)	(86,778)
Net assets excluding pension asset / liability		<u>46,625,212</u>	<u>40,019,264</u>
Defined benefit pension scheme asset / liability	29	-	(5,976,000)
Total net assets		<u><u>46,625,212</u></u>	<u><u>34,043,264</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	44,628,263	38,615,771
Restricted income funds	21	(144,913)	297,040
		<u>44,483,350</u>	<u>38,912,811</u>
Restricted funds excluding pension asset	21		
Pension reserve	21	-	(5,976,000)
Total restricted funds	21	<u>44,483,350</u>	<u>32,936,811</u>
Unrestricted income funds	21	<u>2,141,862</u>	<u>1,106,453</u>
Total funds		<u><u>46,625,212</u></u>	<u><u>34,043,264</u></u>

The financial statements on pages 37 to 76 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



P Miller
Chair of Trustees

Date: 8.12.22

The notes on pages 40 to 76 form part of these financial statements.

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	23	721,419	319,013
Cash flows from investing activities	25	(79,621)	(1,709)
Cash flows from financing activities	24	680,648	136,051
Change in cash and cash equivalents in the year		1,322,446	453,355
Cash and cash equivalents at the beginning of the year		2,242,407	1,789,052
Cash and cash equivalents at the end of the year	26, 27	3,564,853	2,242,407

The notes on pages 40 to 76 form part of these financial statements

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. GENERAL INFORMATION

The Blue Kite Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Ferndale Primary and Nursery School, Wiltshire Avenue, Swindon, Wiltshire, SN2 1NX.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Blue Kite Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy 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 risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 TANGIBLE FIXED ASSETS

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Leasehold property	- 50 - 125 years straightline
Leasehold improvements	- 25 years straightline
Furniture and equipment	- 5 years straightline
Computer equipment	- 4 years straightline

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

2.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

2.8 CASH AT BANK AND IN HAND

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

2.9 LIABILITIES

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

2.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at fair value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. 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.

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

2. ACCOUNTING POLICIES (continued)

2.11 OPERATING LEASES

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

2.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore when a pension scheme is valued at a surplus, it is recognised at a £Nil value.

2.13 FUND ACCOUNTING

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

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

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

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Academy Trust has assessed the fair value of the assets on conversion for schools joining the MAT by reference to all available information such as recent building valuations and inspections, historic build costs, the age of the building and valuations placed on similar properties in the area.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
DONATIONS					
Academies transferring in from an existing academy trust	177,801	142,293	3,435,429	3,755,523	6,665,388
Academies transferring in on conversion	283,315	(187,964)	3,088,000	3,183,351	1,172,858
Donations	-	25,869	-	25,869	104,546
Capital Grants	-	-	232,961	232,961	336,465
TOTAL 2022	461,116	(19,802)	6,756,390	7,197,704	8,279,257
TOTAL 2021	97,939	(295,279)	8,476,597	8,279,257	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education	143,791	13,958,349	14,102,140	11,922,630
Nursery	632,161	-	632,161	565,177
TOTAL 2022	775,952	13,958,349	14,734,301	12,487,807
TOTAL 2021	672,081	11,815,726	12,487,807	

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	11,488,280	11,488,280	9,388,729
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	630,081	630,081	554,395
Start Up Grants	-	64,750	64,750	-
UIFSM	-	421,241	421,241	328,338
Teachers Pay & Pension Grants	-	22,591	22,591	455,527
Other DFE/ESFA Grants	-	428,257	428,257	375,437
	-	13,055,200	13,055,200	11,102,426
OTHER GOVERNMENT GRANTS				
High Needs	-	653,478	653,478	456,495
Other government grants	-	32,079	32,079	29,133
	-	685,557	685,557	485,628
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	-	-	192,602
Recovery Premium	-	64,807	64,807	-
	-	64,807	64,807	192,602
OTHER INCOME				
Internal catering income	132,739	-	132,739	93,187
Trip income	-	152,785	152,785	-
Other	11,052	-	11,052	48,787
	143,791	152,785	296,576	141,974
	143,791	13,958,349	14,102,140	11,922,630
TOTAL 2022	143,791	13,958,349	14,102,140	11,922,630
TOTAL 2021	106,904	11,815,726	11,922,630	

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	150,466	150,466	85,936
Uniform Sales	1,234	1,234	-
Consultancy	111,039	111,039	22,922
School Clubs	334,546	334,546	170,299
Other	29,347	29,347	2,888
TOTAL 2022	626,632	626,632	282,045
TOTAL 2021	282,045	282,045	

8. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	302	302	236

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. EXPENDITURE

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
EDUCATION:					
Direct costs	10,295,642	-	477,077	10,772,719	9,511,027
Allocated support costs	3,396,882	1,652,645	1,451,539	6,501,066	4,374,991
NURSERY:					
Direct costs	280,048	-	158	280,206	446,495
Allocated support costs	-	-	-	-	6,141
TOTAL 2022	13,972,572	1,652,645	1,928,774	17,553,991	14,338,654
TOTAL 2021	11,311,444	1,542,204	1,485,006	14,338,654	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	10,772,719	6,501,066	17,273,785	13,886,018
Nursery	280,206	-	280,206	452,636
TOTAL 2022	11,052,925	6,501,066	17,553,991	14,338,654
TOTAL 2021	9,957,522	4,381,132	14,338,654	

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Education 2022 £	Nursery 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	64,000	-	64,000	63,000
Staff costs	10,295,642	280,048	10,575,690	8,992,557
Depreciation	-	-	-	660,991
Educational supplies	181,544	158	181,702	157,933
Staff development	58,493	-	58,493	37,461
Other costs	153,988	-	153,988	33,268
Technology costs	19,052	-	19,052	12,312
TOTAL 2022	10,772,719	280,206	11,052,925	9,957,522
TOTAL 2021	9,511,027	446,495	9,957,522	

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2022 £	Nursery 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	52,000	-	52,000	-
Staff costs	3,396,882	-	3,396,882	2,318,887
Depreciation	854,338	-	854,338	217,898
Recruitment and support	26,425	-	26,425	21,610
Maintenance of premises and equipment	364,514	-	364,514	322,835
Cleaning	133,324	-	133,324	132,142
Rent and rates	70,078	-	70,078	67,997
Energy costs	149,380	-	149,380	122,319
Insurance	94,385	-	94,385	65,906
Security and transport	35,544	-	35,544	33,764
Catering	465,389	-	465,389	318,037
Technology costs	137,511	-	137,511	92,289
Office overheads	161,510	-	161,510	129,358
Legal and professional	553,529	-	553,529	528,123
Bank interest and charges	6,257	-	6,257	9,967
TOTAL 2022	6,501,066	-	6,501,066	4,381,132
TOTAL 2021	4,374,991	6,141	4,381,132	

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	30,939	30,939
Depreciation of tangible fixed assets	909,138	794,245
Fees paid to auditors for:		
- audit	19,000	16,750
- other services	4,265	5,150

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

12. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	9,398,927	7,986,983
Social security costs	835,355	660,440
Pension costs	3,620,532	2,570,218
	<u>13,854,814</u>	<u>11,217,641</u>
Supply teacher costs	117,758	93,803
	<u><u>13,972,572</u></u>	<u><u>11,311,444</u></u>

b. STAFF NUMBERS

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

	2022 No.	2021 No.
Teachers	123	75
Educational Support	267	261
Administration	38	28
Management	30	19
	<u>458</u>	<u>383</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	81	61
Educational Support	106	80
Administration	24	18
Management	27	20
	<u>238</u>	<u>179</u>

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

12. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	4	3
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	1
	=====	=====

Annual employer's contributions of £198,112 (2021: £134,046) are payable to the Teachers' Pension Scheme (TPS) in respect of the above employees.

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £453,253 (2021: £557,396).

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

13. CENTRAL SERVICES

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

- Skills based board of directors
- CEO
- Chief Operating Officer & Chief Finance Officer
- Finance Manager and finance team support
- Estates Manager & Premises support
- Head of People and Culture
- Legal support
- Audit
- HR Admin & Payroll
- HR Consultancy
- Pensions Support
- Employee Wellbeing support
- Safeguarding Support
- Governance Support
- Compliance Support

The Academy Trust charges for these services on the following basis:

Each school is charged 5% of GAG to cover central recharges during the period.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Abbey Meads Community Primary School	95,722	93,457
Badbury Park Primary and Nursery School	24,711	33,274
Brook Field Primary School	87,153	82,520
Catherine Wayte Primary School	86,317	83,229
Ferndale Primary School & Nursery	90,915	147,247
Ruskin Junior School	89,135	130,496
William Morris Primary and Nursery School	39,328	29,474
Colebrook Infant Academy	32,690	15,263
Greenmeadow Primary School	24,858	-
Lethbridge Primary School	16,928	-
TOTAL	587,757	614,960

14. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: G Evans: Remuneration £115,000 - £120,000 (2021: £110,000 - £115,000), Employer's Pension Contributions £25,000 - £30,000 (2021: £25,000 - £30,000).

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

14. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

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

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. The cost of this insurance is included in the total insurance cost. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2021	38,366,742	1,363,507	272,908	567,847	2,808	40,573,812
Additions	-	162,608	78,223	66,774	-	307,605
Transfer in on conversion	3,088,000	-	-	-	-	3,088,000
Transfer in from an existing academy trust	4,065,580	-	160,543	213,114	-	4,439,237
At 31 August 2022	45,520,322	1,526,115	511,674	847,735	2,808	48,408,654
DEPRECIATION						
At 1 September 2021	1,487,763	136,149	133,008	247,694	2,808	2,007,422
Charge for the year	609,574	47,138	61,832	135,794	-	854,338
Transfer in from an existing academy trust	697,032	-	144,778	161,998	-	1,003,808
At 31 August 2022	2,794,369	183,287	339,618	545,486	2,808	3,865,568
NET BOOK VALUE						
At 31 August 2022	42,725,953	1,342,828	172,056	302,249	-	44,543,086
At 31 August 2021	36,878,979	1,227,358	139,900	320,153	-	38,566,390

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

17. DEBTORS

	2022 £	2021 £
DUE WITHIN ONE YEAR		
Trade debtors	93,895	110,521
Other debtors	134,094	55,510
Prepayments and accrued income	220,489	228,109
	<u>448,478</u>	<u>394,140</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Equal pay loan	8,083	10,798
Trade creditors	363,749	248,892
Other taxation and social security	220,534	166,682
Other creditors	326,144	215,489
Accruals and deferred income	869,754	455,034
	<u>1,788,264</u>	<u>1,096,895</u>

	2022 £	2021 £
Deferred income at 1 September 2021	237,736	187,205
Resources deferred during the year	292,235	237,736
Amounts released from previous periods	(237,736)	(187,205)
	<u>292,235</u>	<u>237,736</u>

At the balance sheet date the Academy was holding ESFA and local authority grants received in advance for the 2021/22 academic year.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Other loans	<u>142,941</u>	<u>86,778</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022 £	2021 £
Payable or repayable by instalments	<u>40,102</u>	<u>41,817</u>

To ensure all staff within Swindon school's were on equal pay the local authority performed a pre-conversion pay review. This review established that certain staff in the School were owed additional pay, which was settled by the local authority on behalf of the School. The Academy Trust is required to repay this debt, however the local authority have the right to reconsider the amount owed. A loan was transferred to the Academy Trust on conversion and balances were transferred in the year when Greenmeadow Primary School and Lethbridge Primary School joined the Trust. At the year end £153,351 (2021: £81,218) remains outstanding. The loan is unsecured and is being repaid by instalments with 10 years remaining, at an interest rate of 4.93%.

20. FINANCIAL INSTRUMENTS

	2022 £	2021 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>3,564,853</u>	<u>2,242,407</u>

Financial assets measured at fair value through income and expenditure comprise Cash at bank and in hand.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	910,552	767,125	(548,545)	461,116	-	1,590,248
Nursery	195,901	635,761	(280,048)	-	-	551,614
Funds on conversion	-	283,315	-	(283,315)	-	-
Funds from an existing academy trust	-	177,801	-	(177,801)	-	-
	1,106,453	1,864,002	(828,593)	-	-	2,141,862
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED GENERAL FUNDS						
GAG	302,576	11,488,280	(11,769,647)	(21,209)	-	-
Start-up Grants	-	64,750	(64,750)	-	-	-
Pupil Premium	-	630,081	(630,081)	-	-	-
UIFSM	2,778	421,241	(424,019)	-	-	-
Teachers' Pension & Pay Grant	-	22,591	(22,591)	-	-	-
Other DFE/ESFA grants	78,531	428,257	(506,788)	-	-	-
High Needs	-	653,478	(653,478)	-	-	-
LA Pre-opening Grant	15,605	-	(9,494)	-	-	6,111
Other government grants	-	32,079	(32,079)	-	-	-
Recovery Premium	-	64,807	(64,807)	-	-	-
Other restricted income	393	178,654	(179,047)	-	-	-
Funds on conversion	-	(187,964)	-	187,964	-	-

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Funds from an existing academy trust	-	142,293	-	(142,293)	-	-
Equal Pay/Salix Loan	(102,843)	-	(5,279)	(42,902)	-	(151,024)
Pension reserve	(5,976,000)	-	(1,509,000)	(92,000)	7,577,000	-
	<u>(5,678,960)</u>	<u>13,938,547</u>	<u>(15,871,060)</u>	<u>(110,440)</u>	<u>7,577,000</u>	<u>(144,913)</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets on Conversion	35,809,316	3,088,000	(587,365)	-	-	38,309,951
Fixed Assets from GAG and other restricted income	177,924	166,695	(26,927)	110,440	-	428,132
Fixed Assets purchased from CIF and SCA	1,163,889	-	(176,143)	-	-	987,746
Devolved formula capital	177,719	66,266	(26,896)	-	-	217,089
Donated fixed assets	55,096	-	(8,338)	-	-	46,758
Other LA capital grants	42,686	-	(6,460)	-	-	36,226
On academies joining the Trust	1,189,141	3,435,429	(22,209)	-	-	4,602,361
	<u>38,615,771</u>	<u>6,756,390</u>	<u>(854,338)</u>	<u>110,440</u>	<u>-</u>	<u>44,628,263</u>
TOTAL RESTRICTED FUNDS	<u>32,936,811</u>	<u>20,694,937</u>	<u>(16,725,398)</u>	<u>-</u>	<u>7,577,000</u>	<u>44,483,350</u>
TOTAL FUNDS	<u>34,043,264</u>	<u>22,558,939</u>	<u>(17,553,991)</u>	<u>-</u>	<u>7,577,000</u>	<u>46,625,212</u>

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

21. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Start-up Grants - funding from the ESFA to reflect the additional costs in establishing a new publicly-funded school which cannot be met through the general annual grant (GAG).

Universal Infant Free School Meals (UIFSM) - Funding from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Teachers' Pay & Pension Grant - Funding from Local Authorities to support schools with the cost of the increase in employer contributions to the Teachers' Pension Scheme from September 2019 and Teachers' pay relating to 2018 and 2019 teachers' pay awards.

Other ESFA - Other funding received from the ESFA in relation to rates relief, PE & Sport Grant etc.

LA pre-opening grant - Funding received from the local authority to employ appropriate staff, procure equipment and education supplies for new schools opening within the Trust.

Other LA income includes Local Authority Pupil Premium funding for further support for students that fall within the remit of Pupil premium disclosed above.

Other restricted funds includes parental contributions for educational visits and other restricted donations made to the academy. The funds have been spent in full for the purpose for which they had been received at the year end.

Nursery - Funding from the Local Authority in respect of nursery students with additional needs.

Recovery Premium - Funding from the ESFA to support pupils whose education has been impacted by coronavirus (COVID-19).

The Equal Pay Loan - Amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay.

Funds on conversion - funds donated from schools on conversion into the trust from the local authority.

Funds from an existing academy trust - funds donated from existing academies upon joining the trust.

Salix Loan - Amounts due as a result of an ESFA salix loan issued along side Condition Improvement Fund (CIF) funding to supplement capital projects.

Pension Reserve - The defined benefit pension scheme fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

21. STATEMENT OF FUNDS (CONTINUED)

deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets brought forward represent tangible fixed assets donated to the School from the Local Authority on conversion to an Academy.

Condition Improvement Fund - Funding from the ESFA to cover specific capital projects which the Academy has successfully been awarded money towards.

Fixed assets purchased from GAG represent capital expenditure from GAG funding.

DfE/ESFA Capital grants relate to funds received for direct capital expenditure on fixed asset projects.

OTHER INFORMATION

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

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	786,684	487,124	(363,256)	-	-	910,552
Nursery	77,219	565,177	(446,495)	-	-	195,901
	<u>863,903</u>	<u>1,052,301</u>	<u>(809,751)</u>	<u>-</u>	<u>-</u>	<u>1,106,453</u>
General Annual Grant (GAG)	305,454	9,388,729	(9,345,944)	(45,663)	-	302,576
High needs funding	-	456,495	(456,495)	-	-	-
Pupil premium	-	554,395	(554,395)	-	-	-
UIFSM	22,371	328,338	(347,931)	-	-	2,778
PE & Sports Grant	66,095	142,090	(129,654)	-	-	78,531
Teachers' Pension & Pay Grant	-	455,527	(455,527)	-	-	-
LA pre-opening grant	70,069	70,227	(124,691)	-	-	15,605
Other ESFA income	-	121,260	(121,260)	-	-	-
Other Restricted Income	-	149,627	(149,234)	-	-	393
COVID catch up	-	192,602	(192,602)	-	-	-
Equal Pay/Salix Loan	(78,735)	(38,843)	(9,281)	24,016	-	(102,843)
Pension reserve	(3,187,000)	(300,000)	(763,000)	-	(1,726,000)	(5,976,000)
	<u>(2,801,746)</u>	<u>11,520,447</u>	<u>(12,650,014)</u>	<u>(21,647)</u>	<u>(1,726,000)</u>	<u>(5,678,960)</u>

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets transferred on Conversion	29,865,224	6,665,388	(721,296)	-	-	35,809,316
Fixed assets purchased from GAG and other restricted funds	186,296	-	(30,019)	21,647	-	177,924
Fixed Assets purchased from DfE/ESFA Capital Grants	897,499	275,526	(9,136)	-	-	1,163,889
Devolved formula capital	4,711	173,008	-	-	-	177,719
Donated fixed assets	-	55,096	-	-	-	55,096
Other LA capital grants	42,686	-	-	-	-	42,686
On academies joining the Trust	-	1,307,579	(118,438)	-	-	1,189,141
	<u>30,996,416</u>	<u>8,476,597</u>	<u>(878,889)</u>	<u>21,647</u>	<u>-</u>	<u>38,615,771</u>
TOTAL RESTRICTED FUNDS	<u>28,194,670</u>	<u>19,997,044</u>	<u>(13,528,903)</u>	<u>-</u>	<u>(1,726,000)</u>	<u>32,936,811</u>
TOTAL FUNDS	<u><u>29,058,573</u></u>	<u><u>21,049,345</u></u>	<u><u>(14,338,654)</u></u>	<u><u>-</u></u>	<u><u>(1,726,000)</u></u>	<u><u>34,043,264</u></u>

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Ferndale Primary and Nursery School	262,477	177,782
Ruskin Junior School	150,672	48,030
Abbey Meads Community Primary School	147,342	286,776
Badbury Park Primary School	257,316	231,017
William Morris Primary School	296,651	186,487
Catherine Wayte Primary School	338,730	314,599
Brook Field Primary School	171,354	169,956
Colebrook Infant Academy	41,058	29,722
The Blue Kite Academy Trust	(145,191)	(40,876)
Greenmeadow Primary School	277,171	-
Lethbridge Primary School	199,369	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,996,949	1,403,493
Restricted fixed asset fund	44,628,263	38,615,771
Pension reserve	-	(5,976,000)
	<hr/>	<hr/>
TOTAL	46,625,212	34,043,264
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
The Blue Kite Academy Trust	145,191
	<hr/> <hr/>

The Academy Trust has invested in growing the central team staff resources to recruit key personnel to best serve our existing schools and to effectively manage the on boarding of new schools and the transitions into our Trust. This has resulted in a deficit in the central team financial position for the past 2 years and will continue into 2022/23 and to a lesser extent in 2023/24.

The Academy Trust is taking the following action to return the academy to surplus:

The central team is expected to return to a surplus position in 2024/25 as more schools join the trust contributing through the management charge. The team will continue to expand with more operational staff to meet the needs of additional schools as they join.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

21. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Ferndale Primary and Nursery School	1,558,247	314,361	66,645	350,328	2,289,581	2,333,505
Ruskin Junior School	1,254,589	234,592	65,800	277,384	1,832,365	1,868,825
Abbey Meads Community Primary School	1,842,876	433,783	62,738	358,369	2,697,766	2,532,983
Badbury Park Primary School	520,469	124,595	10,200	164,837	820,101	556,522
William Morris Primary School	694,157	165,607	33,344	176,062	1,069,170	717,779
Catherine Wayte Primary School	1,442,421	143,716	41,418	309,421	1,936,976	1,973,167
Brook Field Primary School	1,386,547	216,758	41,524	285,229	1,930,058	1,948,350
Colebrook Infant Academy	529,157	71,901	7,540	155,058	763,656	621,498
The Blue Kite Academy Trust	650,629	1,590,230	631	138,161	2,379,651	907,136
Greenmeadow Primary School	419,929	45,477	19,522	113,145	598,073	-
Lethbridge Primary School	276,669	55,862	5,630	44,095	382,256	-
ACADEMY TRUST	10,575,690	3,396,882	354,992	2,372,089	16,699,653	13,459,765

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	44,543,086	44,543,086
Current assets	2,141,862	1,786,292	85,177	4,013,331
Creditors due within one year	-	(1,788,264)	-	(1,788,264)
Creditors due in more than one year	-	(142,941)	-	(142,941)
TOTAL	2,141,862	(144,913)	44,628,263	46,625,212

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	38,566,390	38,566,390
Current assets	1,106,453	1,480,713	49,381	2,636,547
Creditors due within one year	-	(1,096,895)	-	(1,096,895)
Creditors due in more than one year	-	(86,778)	-	(86,778)
Provisions for liabilities and charges	-	(5,976,000)	-	(5,976,000)
TOTAL	1,106,453	(5,678,960)	38,615,771	34,043,264

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	5,004,948	6,710,691
ADJUSTMENTS FOR:		
Depreciation	854,338	878,890
Capital grants from DfE and other capital income	(232,961)	(397,447)
Interest receivable	(302)	(236)
Interest payable	5,279	9,281
Defined benefit pension scheme cost less contributions payable	1,393,000	700,000
Defined benefit pension scheme finance cost	116,000	63,000
Decrease/(increase) in debtors	33,985	(149,593)
Increase in creditors	486,006	342,673
Net assets on conversion	(6,938,874)	(7,838,246)
NET CASH PROVIDED BY OPERATING ACTIVITIES	721,419	319,013

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2022 £	2021 £
Repayments of equal pay loans	-	(24,016)
Cash inflows on conversion	680,648	160,067
NET CASH PROVIDED BY FINANCING ACTIVITIES	680,648	136,051

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2022 £	2021 £
Interest received	302	236
Purchase of tangible fixed assets	(307,605)	(523,294)
Capital grants from DfE Group	232,961	530,630
Interest paid	(5,279)	(9,281)
NET CASH USED IN INVESTING ACTIVITIES	(79,621)	(1,709)

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand and at bank	3,564,853	2,242,407
TOTAL CASH AND CASH EQUIVALENTS	3,564,853	2,242,407

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,242,407	1,322,446	3,564,853
Debt due within 1 year	(10,798)	2,715	(8,083)
Debt due after 1 year	(86,778)	(56,163)	(142,941)
	<u>2,144,831</u>	<u>1,268,998</u>	<u>3,413,829</u>

28. CAPITAL COMMITMENTS

	2022 £	2021 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>135,872</u>	<u>-</u>

At the year end the Academy Trust was committed to capital expenditure relating to CIF related projects and a pitch refurbishment.

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

29. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £285,157 were payable to the schemes at 31 August 2022 (2021 - £213,730) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,218,359 (2021 - £1,075,521).

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

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

**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

29. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,149,000 (2021 - £944,000), of which employer's contributions totalled £936,000 (2021 - £767,000) and employees' contributions totalled £ 213,000 (2021 - £177,000). The agreed contribution rates for future years are 23.8% for employers and 5.5 - 12.5% for employees.

As described in note 2.12 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2022	2021
	%	%
Rate of increase in salaries	3.45	3.30
Rate of increase for pensions in payment / inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022	2021
	Years	Years
Retiring today		
Males	21.7	21.9
Females	24.2	24.4
Retiring in 20 years		
Males	22.6	22.9
Females	26.0	26.2

SHARE OF SCHEME ASSETS

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

29. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	6,197,000	4,462,000
Corporate bonds	3,557,000	2,677,000
Property	1,721,000	892,000
Cash and other liquid assets	-	81,000
Total	11,475,000	8,112,000

The actual return on scheme assets was £-413,000 (2021 - £114,000).

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

	2022 £	2021 £
Current service cost	(2,319,000)	(1,467,000)
Past service cost	(10,000)	-
Interest income	152,000	110,000
Interest cost	(268,000)	(173,000)
TOTAL	(2,445,000)	(1,530,000)

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

	2022 £	2021 £
AT 1 SEPTEMBER	14,088,000	8,616,000
Conversion of Academy Trusts	306,000	-
Transferred in on existing academies joining the Trust	2,311,000	823,000
Current service cost	2,319,000	1,467,000
Interest cost	268,000	173,000
Employee contributions	213,000	177,000
Actuarial losses / (gains)	(8,142,000)	2,450,000
Benefits paid	102,000	382,000
Past service cost	10,000	-
AT 31 AUGUST	11,475,000	14,088,000

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

29. PENSION COMMITMENTS (CONTINUED)

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

	2022 £	2021 £
AT 1 SEPTEMBER	8,112,000	5,429,000
Conversion of Academy Trusts	133,000	-
Transferred in on existing academies joining the Trust	2,392,000	523,000
Interest income	152,000	110,000
Actuarial gains	(565,000)	724,000
Employer contributions	936,000	767,000
Employee contributions	213,000	177,000
Benefits paid	102,000	382,000
AT 31 AUGUST	11,475,000	8,112,000

The actuarial valuation has valued the pension scheme at a surplus of £375,000 as at 31 August 2022. Under FRS 102 an entity shall only recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore, as this valuation will not reduce future contribution rates, the asset has not been recognised and is reflected at £Nil in the financial statements for the year ended 31 August 2022.

30. OPERATING LEASE COMMITMENTS

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

	2022 £	2021 £
Not later than 1 year	29,956	30,939
Later than 1 year and not later than 5 years	5,486	34,458
	35,442	65,397

31. 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.

32. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 14.

Owing to the nature of the Academy Trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

33. POST BALANCE SHEET EVENTS

On 1 September 2022 Robert Le Kyng Primary School joined the Trust donating its assets and liabilities.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

34. CONVERSION TO AN ACADEMY TRUST

On 1 March 2022 Greenmeadow Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Blue Kite Academy Trust from Swindon Borough Council for £NIL consideration.

The transfer has 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 heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Leasehold land and buildings	-	-	3,088,000	3,088,000
CURRENT ASSETS				
Cash	363,218	-	-	363,218
Other current assets	11,051	-	-	11,051
CURRENT LIABILITIES				
Other current liabilities	(90,954)	-	-	(90,954)
Loans	-	(1,663)	-	(1,663)
NON-CURRENT LIABILITIES				
Loans	-	(13,301)	-	(13,301)
LGPS pension deficit	-	(173,000)	-	(173,000)
NET ASSETS/(LIABILITIES)	283,315	(187,964)	3,088,000	3,183,351

Of the £3,088,000 Leasehold land and buildings above, £580,000 relates to land held under a 125 year lease agreement.

THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

35. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

On 1 July 2022, Lethbridge Primary School was transferred into the Trust. All assets and liabilities were transferred at book value on this date for £Nil consideration and this donation has been recognised as donation to the Trust. The assets and liabilities transferred to the Trust on this date was as follows:

Lethbridge Primary School

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold property	3,368,548	3,368,548
Furniture and equipment	15,765	15,765
Computer equipment	51,116	51,116
CURRENT ASSETS		
Debtors due within one year	77,272	77,272
Cash at bank and in hand	317,430	317,430
LIABILITIES		
Creditors due within one year	(128,013)	(128,013)
Creditors due after one year	(27,595)	(27,595)
PENSIONS		
Pensions - pension scheme assets	2,392,000	2,392,000
Pensions - pension scheme liabilities	(2,311,000)	(2,311,000)
NET ASSETS	<u>3,755,523</u>	<u>3,755,523</u>