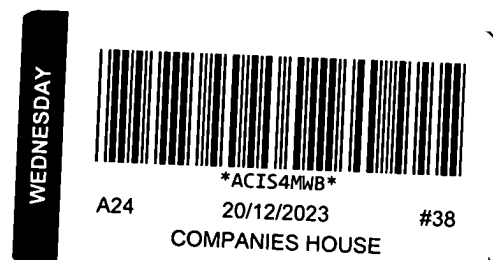


**Red Kite Learning Trust
(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**for the year ended
31 August 2023**



Company Registration No. 07523507

Red Kite Learning Trust

CONTENTS

Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	15
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21
Independent Reporting Accountant's Report on Regularity	25
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	30
Other Notes to the Financial Statements	35

Red Kite Learning Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs S Dodson (Chair)
Mr A Thornley
Mr P Hall-Jones
Professor A Deignan
Mr J McHugh

Trustees

Mr C Tulley (Chair)
Mrs T Brooke (resigned 31 October 2022)
Dr T Stowell
Mr K Paynes
Mr B Wood
Mr J Topping
Ms L Devenny
Mrs R Atwal
Dr M Maddison
Mr M Roberts
Ms F Fox (appointed 25 May 2023)
Dr Michael Walker (appointed 25 May 2023)

Executive Group

Chief Executive Officer
Headteacher Harrogate Grammar School
Headteacher Oatlands Junior School
Headteacher Western Primary School
Headteacher Rossett Acre Primary School
Headteacher Crawshaw Academy
Headteacher Coppice Valley Primary School
Headteacher Austhorpe Primary School
Headteacher Colton Primary School
Headteacher Meadowfield Primary School
Headteacher Templenewsam Halton Primary School
Headteacher Whitkirk Primary School
Principal Temple Learning Academy
Executive Principal Temple Moor High School

Mr R Sheriff
Mr N Renton
Mrs E Scarth
Mr T Broad
Mrs C Penhale
Mr A Daly
Mrs E Meadus (resigned 31 August 2023)
Miss A Lightfoot
Mrs C Johnson
Mrs H Stout
Mrs L Seton

Ms G Quarmby
Mr S Huddleston
Mr M West

Chief Financial Officer
Director of Human Resources

Mr S Howell
Mrs J Wellacott

Director of School Improvement
Finance Director
Director of Estates
Director of IT
Director of Operations

Ms A Thornton-Jones
Mr J Rant
Ms S Shuttleworth
Mr D Burns
Mr A Penny-Whitworth (appointed 21 August 2023)
Ms E Hiorns (appointed 4 September 2023)

Director of School Improvement

Audit and Risk Committee

Ms L Devenny
Mr J Topping

Red Kite Learning Trust
REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Finance and Resources Committee	Ms L Devenny Mr M Roberts Mr J Topping Mr C Tulley Mr B Wood
Quality of Education Committee	Mrs R Atwal Mrs T Brooke (resigned 31 October 2022) Dr M Maddison Mr K Paynes Dr T Stowell Ms F Fox Dr M Walker
Pay and Performance Review Committee	Mr C Tulley Mr J Topping Mr B Wood
Company secretary	Steve Howell
Principal and Registered Office	Red Kite Office Pannal Ash Road Harrogate HG2 9PH
Company Registration Number	07523507 (England and Wales)
Independent Auditor	TC Group 6 Queen Street Leeds LS1 2TW
Bankers	Lloyds TSB 8-11 Cambridge Crescent Harrogate HG1 1PQ
Solicitors	Stone King LLP 1 Park Row Leeds LS1 5HN

Red Kite Learning Trust

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of Red Kite Learning Trust ("the Trust") for the period from 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Red Kite Learning Trust comprises the following schools:

SCHOOL	DATE OF JOINING	AGE RANGE	PUPIL NUMBERS (OCT 2022)	CURRENT OFSTED GRADE	DATE OF LAST INSPECTION
Austhorpe Primary	Sep 2018	4-11	215	Good	07.12.2022
Colton Primary	Nov 2018	3-11	230	Outstanding	26.09.2012
Coppice Valley Primary	Aug 2017	4-11	203	Good	19.10.2021
Crawshaw Academy	Mar 2017	11-19	1,128	Good	03.07.2019
Harrogate Grammar	Mar 2011	11-19	2,121	Outstanding	09.03.2022
Meadowfield Primary	Nov 2018	3-11	447	Good	19.04.2023
Oatlands Junior	Aug 2015	8-11	353	Good	12.07.2023
Rossett Acre Primary	Nov 2016	4-11	405	Good	14.06.2022
Rossett School	Sept 2023	11-19	1,072	Requires Improvement	22.11.2022
Templenewsam Halton Primary	Nov 2018	3-11	445	Good	09.03.2023
Temple Moor High School	Nov 2018	11-19	1,313	Good	01.03.2023
Temple Learning Academy	Sep 2018	4-16	942	Requires Improvement	19.09.2023
Western Primary	Aug 2015	2-11	490	Outstanding	05.06.2018
Whitkirk Primary	Nov 2018	4-11	381	Good	21.03.2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust 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 Trust.

The Trustees of Red Kite Learning Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Red Kite Learning Trust.

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

Members' liability

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

Trustees' indemnities

Details of Trustees' indemnities during the period are provided in note 10 to the financial statements. The Trust has opted into the Department for Education's Risk Protection Arrangement (RPA). Under this arrangement, the Trustees are indemnified up to a liability of £10m.

Principal activities

The principal object and activity of the charitable company is the operation of Red Kite Learning Trust to advance, for the public benefit, education for students of different abilities between the ages of 2 and 19.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Method of recruitment and appointment or election of trustees

The Trust, on identifying a need to recruit an additional or replacement Trustee, identifies key skill areas that the Trust believes are important to have on the Board to ensure effective governance. Trustees will then consider offers of service received from within and beyond the school community and the Trust may choose to advertise locally through the school websites and other media channels. Selection will be by interview with the Chair and Chief Executive Officer before the candidate is presented to Members of the Trust for their consideration and a vote on whether to accept them as a Trustee. Before confirming selection, all Trustees will be required to undertake an Enhanced Disclosure via the DBS (Disclosure Barring Service).

Policies and procedures adopted for the induction and training of trustees

Trustees are offered induction training on joining the Trust from the school informed by the National Governance Association. Governors will be encouraged to access training as and when necessary and a record duly kept of such training being accessed. The costs of such training will be reimbursed by the Trust.

Organisational structure

The members of the Trust have a wholly strategic view of the Trust, setting out the vision and values and ensuring they are delivered.

The Trustees ensure the Trust delivers on its aims and provide support and challenge to the central Trust team as well as holding individual schools to account when required. They have a key oversight role as well as being involved in the management and delivery of shared services. They are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust using budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

Each academy in the Trust has a Local Governing Body (LGB). The LGBs are focussed on the interests of the individual academy and include parental and staff representatives.

The Executive Group consists of the Chief Executive Officer, Chief Financial Officer, Director of Human Resources, Finance Director, Director of Operations, Director of Estates, Director of IT, the School Improvement Directors and Headteachers from the academies operated by the Trust. The Chief Executive Officer is the Multi-Academy Trust's Accounting Officer. These managers control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Executive Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Extended Leadership Team, with limits above which an Executive Group member must countersign.

The Extended Leadership Team includes the Executive Group, Assistant and Deputy Headteachers, the Faculty leaders and the Pastoral leaders. These managers are responsible for the day-to-day operation of the Trust, organising the teaching staff, facilities, pupils and students.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel for the Trust is defined as Trustees and the Executive Group. Trustees do not receive remuneration for their role as Trustees.

The Key Management Personnel that are members of the Executive Group are subject to annual performance review which is carried out in accordance with good practice for headteachers and other senior staff annual performance review. Any adjustments to their pay and remuneration and the performance management process are reviewed by a specific pay review committee at Local Governing Body level and at Trust Level through the Pay & Performance Review Committee. The Trust committee ensures a robust and transparent performance management process, including an assessment of individual performance and setting of benchmarked salary levels where appropriate.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time employee number
2	2.0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	1
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£69.2K
Total pay bill	£44,095K
% of total pay bill spent on facility time	0.16%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facilities time	50%
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Related Parties and other Connected Charities and Organisations

The Trust has one subsidiary undertaking, HGS Ventures Limited, and indirectly holds an investment interest in one undertaking. The Trustees consider the results of HGS Ventures Limited to be in line with expectations during the current year.

The profits arising from usual trading activity, have been gifted up in full to Red Kite Learning Trust to be used within its charitable objects.

Red Kite Learning Trust TRUSTEES' REPORT (continued)

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of Red Kite Learning Trust to advance, for the public benefit, education for students of all abilities between the ages of 2 and 19. We aim to ensure that students will learn, achieve and develop as positive members of the school and wider community.

Mission, values and goals

The Mission, Values and Goals of the Trust were agreed after extensive consultation in the spring and summer of 2021 and are expressed in the graphic below. These Mission, Values and Goals continue to be the focus for the strategic planning at Red Kite Learning Trust.

Our Trust Mission

Nurturing ambition, delivering excellence and enriching children's lives.



Our Trust Values



collaboration

We pull together to deliver the best outcomes for every child in every school, working with professional generosity and openness for the common good. We share joy in our achievements - personal and collective.



Integrity

We put ethical leadership and excellent governance at the heart of our Trust, serving our schools and communities with fairness, honesty and transparency and a hunger for social justice.



Respect

We champion equity, equality and diversity. We treat our children, families, staff and partners with respect and kindness - modelling our values and wanting the very best for each other.

Our Trust Goals



We champion learning

Learning together creatively with a rich and broad curriculum, where great teaching and confident reading are fundamental to enriching children's lives.



We promote wellbeing

Ensuring the wellbeing of every child and member of staff in our Trust.



We invest in our people

Supporting every member of staff throughout their career to be the best that they can be.



We innovate with technology

Enabling all learners to harness technology, ensuring all have access at home, and innovating with technology for learning.



We are our Trust

Growing together collaboratively we will strengthen our Trust for the benefit of our children, our staff, our communities and our environment.

Public benefit

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

STRATEGIC REPORT

The disruption to schools caused by the pandemic finally came to an end, although the long shadow of COVID continued to create ongoing challenges. In common with schools across the country, levels of attendance have still not returned to pre-COVID levels. National averages of around 95% reduced to 92%, a very significant decline that impacted on the learning and progress of many children and young people. Children coping with additional challenges of SEND or socio-economic disadvantage were impacted the most but, in common with national trends, issues with school attendance were common to almost all our schools. Schools responded to this challenge brilliantly and a recent Ofsted inspection of TLA prompted the Lead HMI to comment that the school was doing, "Everything it could" to improve attendance. Both Temple Moor High School and Harrogate Grammar School have engaged with the DfE Attendance Hub programme and strategies have been shared rapidly across all our schools. Improving attendance will remain our number one strategic priority during 2023-24.

There is no doubt that re-establishing good attendance habits was not made any easier by the prolonged teacher pay dispute. By the time the dispute had been resolved there had been significant disruption to learning across our 14 schools. Despite the ongoing dispute with the government, good relations were maintained with our teachers and support staff and normal service quickly resumed.

Another aspect of the 'COVID shadow' has been a significant increase in unregulated, often highly challenging behaviour. This has impacted some schools more than others, but is a trend that, once again, is being seen nationally. Issues have arisen in all key stages with the early secondary phase seeing the highest level of incidences. Exacerbating this issue is the chronic lack of capacity in services beyond our schools that we might normally expect to be able to assist. Referrals for Educational Health Care Plans are not being processed at Local Authority level because of shortage of Educational Psychology capacity; Alternative Provision is unavailable; and child mental health services cannot meet the needs that have burgeoned post-COVID.

Behaviour issues are closely linked with Special Educational Needs and Disabilities (SEND) and often arise through needs being unmet. It is generally accepted that there is a national crisis in SEND and the optimism that followed the publication of the governments SEND white paper earlier in the year has not been matched by funding or action. Our schools are acutely aware of their responsibilities re SEND and we want all teachers to see themselves as 'teachers of SEND'. This explains why SEND is second on our list of strategic priorities and why we are appointing a SEND Lead for our Trust.

The 2022-23 Academic year started with a financial shock as government announced a pay award for teacher and operational staff that was to be funded from existing budgets. Working with our finance leads and school leaders we worked rapidly to identify savings that would allow us to close the gap, even though this £1.9 million 'cut' was going to have a real adverse impact on the service provided for children and families. Thankfully, the government subsequently announced additional funding that helped close the gap, but funding has remained a stress factor in our work to improve schools.

Given these shared external challenges, the return of Ofsted, following a short pause during the pandemic, was met with some trepidation. Six of our schools were inspected during the 2022-23 Academic year:

School	Date	Outcome
Austhorpe Primary	Dec 2022	Good
Meadowfield Primary	April 2023	Good
Oatlands Junior School	July 2023	Good
Temple Newsam Halton Primary	March 2023	Good
Temple Moor High School	March 2023	Good
Whitkirk Primary	March 2023	Good (previously RI)

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

All the reports were extremely positive about our schools and demonstrated the resilience and dedication shown by leaders and their colleagues during this difficult year. Early Years was highlighted as a particular strength across our primary schools and a positive reflection of the leadership shown by Headteachers and our Director of Primary Education together with our Early Years Lead. Whitkirk Primary School demonstrated what a transformation they have been through in moving from RI to Good with two key aspects judged 'Outstanding'. A whole-Trust effort was behind this improvement, with investment and support for buildings, governance, HR, Teaching & Learning and leadership.

Results at Secondary level for the summer 2023 examinations were largely as expected. Strong Progress 8 score of +0.47 at Harrogate Grammar School, above average at Temple Moor High School with +0.24, but with Temple Learning Academy and Crawshaw Academy still negative. Temple Learning Academy is building from a very low base and is the school where student attendance has been most affected by the pandemic. Significant improvements in the curriculum and leadership have been made and we expect to see improvement in future years. Crawshaw Academy's Progress 8 score of -0.4 was disappointing but was impacted by a significant cohort of children with very complex needs. The Trust is investing even more capacity in Crawshaw in the year ahead to bring about improvement.

Investment in Trust School Improvement capacity with new curriculum leads working across our schools is proving impactful and will be expanded in the year ahead. The appointment of a Director of Secondary Education will also give us specific capacity to support our 11-19 students and help share the outstanding practice that is already evident across our schools but is not yet consistent.

Our commitment through Red Kite Education to teacher training and the development of our Red Kite Alliance, Red Kite SCITT and Red Kite Teaching School Hub is fundamental to improving our schools. In a period when teacher recruitment and retention is extremely challenging, we are ever more reliant on our ability to 'grow' teachers and leaders ourselves.

Governance

Our Scheme of Delegation makes clear the different but complimentary roles of the Trust Board and Local Governing Bodies. The Trust asks LGBs to focus on 5 'Cs':

- Children
- Curriculum
- Culture
- Community
- Celebration

Under the revised Scheme of Delegation, LGBs spend much more time focusing on the quality of education at schools and the experience of pupils, staff and stakeholders, and less time on budgets, policy making, HR, buildings, IT issues etc - all the things the Trust Board is responsible for supported by unified central systems. We want our LGB members to be curious and prepared to ask questions and challenge leaders about the things that really matter to parents and children. We hope that by doing so we can make governance across our Trust more effective, inclusive, enjoyable and sustainable.

Systems

The development of our 'four system pillars' - HR, Finance, Compliance and School Management Information has continued and we are now confidently ready for further growth. The pandemic has further demonstrated the need for high quality, sustainable systems that support the function of every school. Our single Microsoft tenancy and shared network makes communication so much easier and collaborative working much more efficient. Our investment in a strong HR team with our software partner has really started to demonstrate 'added value' for employees in terms of their support, development and deployment. By combining our HR systems with our robust finance systems, we now have excellent controls in place combined with an ability to use data and information powerfully to drive further improvement.

Estate management

We have a developing system for compliance matters with our Estates Director utilising a shared risk management and monitoring tool that allows Trustees and leaders to be confident about the health and safety of all, with regular reporting to show compliance levels.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Our Estates Director has also been responsible for consulting on and developing our Estates plan utilising our School Condition Allocation funds. This centralised approach has allowed us to work over a multi-year period to meet the needs of our schools. Complex projects have been delivered across our schools over the year focusing on the DfE priorities of, "safe, warm, dry".

Sustainability

As a Trust we have committed to reducing our carbon footprint by 2030 and have already taken steps to achieve this. We have pressed ahead with upgrading of lighting in all our settings, transferring to low energy LED units that are already making a significant difference to electricity use. At the same time, we fitted £1million of photo-voltaic panels to buildings across the Trust to further reduce our carbon footprint and protect us from rising energy prices.

Growth

Following the transfer of Rossett School into the Trust on 1st September 2023, we are keen to grow further. As always, we are cautious about risk and determined to ensure that any school joining our Trust signs up to our mission and values. We continue to advise the DfE of our willingness and readiness to expand further.

Going concern

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

Trust engagement with employees

Trustees' engagement with employees continues through established representation at national, regional and local levels. Unions and professional associations work closely with senior leaders, on behalf of Trustees, with regular consultation and reporting on people related matters such as organisational changes (e.g. TUPE, structure, Pay Awards). A full set of standard HR policies and procedures is now in place and the joint negotiating work has now moved into more general areas of informing and consulting; meetings are now calendared for one per term with regional Reps.

Through the CEO reporting routines, there is systematic opportunity for information sharing and challenge by Trustees. Larger schools also have school-based union representatives as well as other staff representation/consultative groups. Strategic performance and pay matters are considered by Trustees in light of nationally consulted negotiations; the most preferential terms are awarded where possible and decisions around aspects such as pay awards provided to staff as appropriate in line with the strategic aim of being the "Employer of Choice". The Trustee Pay & Performance Review committee is long established and ensures transparency and probity for the review of performance and pay decisions across the organisation.

Any new or revised people policies and procedures are considered by the Finance and Resources Committee initially and with any recommends then proposed to the full Board. There is every opportunity for feedback and challenge by Trustees at each stage.

Direct communication with colleagues continues in various ways with the primary media being the SharePoint (intranet) areas, especially the People Online Portal (POP). This ensures transparency over employment matters and a self-serve functionality to be available and responsive to queries and information sharing. Annual engagement & wellbeing surveys are embedded and Trustees are actively involved in results analysis and action planning. The established engagement forum "RK People Board" continues with a focus on wellbeing matters and have been fundamental in implementing initiatives such as the Long Service Award, Supervision Review and the development of Mental Health First Aiders (MHFA) deployment.

Promoting the success of the Trust - Trust engagement with customers, suppliers and others in a business relationship such as beneficiaries, funders and the wider community

The Trust Board is focused on promoting the success of the Trust and ensuring the Trust remains successful and sustainable in the long-term. Fundamental to this success is ensuring that employees are treated fairly and that we further cultivate our aim to be the "Employer of Choice", and that we encourage sound and enduring engagement and relationships with all stakeholders including pupils; parents; suppliers and customers and our wider communities. We strive for excellence in all aspects of our operations and value our emphasis on ethical leadership in line with the Trust values outlined above.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

FINANCIAL REVIEW

Most of the Trust's Income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2023, total recurrent expenditure (excluding restricted fixed asset funds and non-cash defined benefit pension scheme adjustments) of £58,149,000 (2022 - £55,864,000) was fully covered by recurrent grant funding from the ESFA and other Incoming resources. The surplus for the year (excluding restricted fixed asset funds and restricted pension reserves) was £838,000 (2022 - £310,000 deficit).

At 31 August 2023, the net book value of tangible fixed assets was £97,634,000 with movements being shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to the students of the Trust.

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 have determined that an appropriate level of free reserves should be maintained to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees aspire to a level of reserves that reflects between 4% and 8% of annual General Annual Grant (GAG) income. In the year ended 31 August 2023 this equated to a range of between £1,737,000 and £3,474,000, which the Trustees believe represents an appropriate target to achieve.

Unrestricted Funds held at 31 August 2023 were £1,874,000 (2022: £1,336,000) and Restricted General Funds (excluding Pension Reserve) were £344,000 (2022: £493,000). Therefore, a net surplus of £2,218,000 (2022: £1,829,000) is available to the Trust, of which £1,874,000 (2022: £1,336,000) constitute free reserves.

Trustees continue to seek opportunities to further bolster the Trust's reserves position during a period of tight financial funding for schools, and regularly review financial reports and projections. The Trust is focused on returning to the target range of 4-8% reserves as soon as is practicable and as funding and cost uncertainties allow.

Financial position

The Multi-Academy Trust held fund balances at 31 August 2023 of £98,597,000 comprising £96,717,000 restricted funds and £1,874,000 of unrestricted general funds.

An overall deficit of £1,070,000 exists on Restricted General Funds due to the Multi-Academy Trust's Pension reserve deficit, which has decreased to £1,414,000, but still remains significant. The calculation of this estimated long-term liability is based on assumptions which are subject to annual revision and likely to change in the future. This net deficit position is common among other academies and does not mean that an immediate liability for this amount crystallises. A deficit position of the pension scheme would generally result in a cash flow effect for the Multi-Academy Trust in the form of an increase in employers' pension contributions over a period of years. On the basis that increased pension contributions will be met from the Multi-Academy Trust's budgeted annual income, whilst the deficit might not be eliminated there should be no actual cash flow deficit on the fund, or direct impact on the Trust's free reserves due to recognising the deficit.

Investment policy

The Trust has delegated authority to the Chief Financial Officer to utilise the term deposit arrangements with various banks in order that interest receipts are maximised in a low-risk investment. During the year, a term deposit was placed with a 12-month maturity. Unless authorised by the Trust, term deposits will not exceed 24 months and the projected current account balance will not be allowed to fall below £250,000 at any point. The Trust also invested £500,000 in a Charity Responsible Multi Asset Fund as agreed with Trustees during the year. The purpose of this investment was to take a longer-term view and maximise returns within our charitable objectives. The fund value stood at £507,000 at 31 August 2023 and will be reviewed regularly in line with the policy to ensure this remains appropriate.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Financial and risk management objectives and policies

Principal risks and uncertainties

The Audit and Risk Committee undertakes a comprehensive review of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Audit and Risk Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

A risk register is maintained at the Trust level which is reviewed at least annually by the Audit and Risk Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

1. Government funding and an inflationary climate

The Trust has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and Local Authorities. In 2022/23, approximately 89% of the Trust's recurrent revenue was ultimately public funded and this level of requirement is expected to continue. There can be 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. The Trust, in common with the whole school sector, faces a challenge whereby fixed funding allocations are set typically six months prior to the start of the financial year. During periods of inflation this can lead to budgetary strain as price and pay increases squeeze fixed income allocations.

This risk is mitigated in a number of ways:

- Pupil numbers are the key driver of ESFA funding, and every effort is made to ensure school pupil and student numbers are protected and grown where there is capacity to do so. Where schools have sixth forms, there is a particular focus on reviewing the financial sustainability of these provisions.
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA and the Department for Education.
- Particular attention is paid to financial efficiency during inflationary times and budget holders are focused on matching expenditure to fixed income allocations. The Trust supports its schools to identify opportunities for savings and efficiencies in order to balance budgets and protect reserves.
- Protecting the Trust from reputational damage is a key component of our risk strategy and this includes an ongoing focus on achieving excellent academic results and education of the highest possible quality in all of the Trust's schools with school improvement efforts being focused on schools that most require support.

2. Manage the growth of the Trust

Having undergone a period of consolidation since its rapid growth in 2018, the Trust was delighted to admit Rossett School in September 2023. The Trust remains focused on building its capacity in terms of personnel, systems and protocols to ensure that growth is controlled and sustainable. Effective governance and school improvement is at the heart of our growth strategy. The possible future growth of the Trust is actively being considered.

3. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS 102. We will continue to monitor the level of exposure to the pension fund deficit and the outcomes of actuarial revaluations, recognising the risk of possible increased pension contributions in the future.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

4. Ensure effective compliance in all areas

The Trust must comply with a wide variety of statutory and other obligations within the various regulatory frameworks that we operate under, whether relating to matters of property, finance, taxation, health and safety, data, cyber-security and a host of other aspects. The Executive Group is focused on ensuring full compliance within the Trust's Risk Management Strategy. Risks of compliance failure are mitigated by the engagement of suitably qualified employees and external expertise adopting a methodical and proportionate approach to compliance matters. The Trust undertakes a comprehensive programme of self-assessment and benefits from both external and internal audit programmes to bring reassurance. Ultimately, matters of compliance are overseen by the Audit and Risk Committee which reports to the Board of Trustees. The Trust appointed a Governance Lead in 2023 to support strong governance.

5. Ensure ongoing cash solvency

Management works closely with the Trust's internal and external auditors and Audit and Risk Committee to ensure internal controls are in place to minimise the possibility of unexpected financial losses. Cash balances are projected forward and managed carefully to optimise investment returns. The Finance and Resources Committee scrutinises the Management Accounts and financial forecasts.

FUNDRAISING

The schools in Red Kite Learning Trust undertake a number of fundraising initiatives which include fundraising on behalf of the schools themselves and fundraising on behalf of charities and good causes.

Trustees are committed to ensuring that fundraising activities are carried out in a controlled and ethical manner and are mindful of the guidance issued by the Charity Commission in relation to fundraising standards.

Whenever parents and pupils donate to charitable collections, monies are carefully accounted for and remitted to the beneficiaries as soon as is possible.

Activities to raise funds collected for use by Trust schools are carefully considered by school leaders and appropriate and sensitive communication made with potential donors. The Trust is sensitive to its local communities and their varying contexts and ensures that funds raised are always done so on a completely voluntary basis.

If significant new or novel fund-raising initiatives are planned these are referred to local governors for approval.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	8,505,157	10,149,999
Energy Consumption breakdown - Gas (kWh) - Electricity (kWh) - Transport / Fuel (miles)	5,055,787 3,353,432 95,938	6,766,839 3,276,871 106,290
Scope 1 emissions in metric tonnes CO ₂ e - Gas Consumption - Owned transport	931.88 21.23	1,244.90 20.80
Total Scope 1	953.11	1,265.70
Scope 2 emissions in metric tonnes CO ₂ e Electricity	694.41	633.68
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee-owned vehicles	59.23	6.03
TOTAL GROSS EMISSIONS IN METRIC TONNES CO₂e	1,706.75	1,905.41
Intensity Ratio		
Tonnes CO ₂ e per pupil (based on 8,673 (2022 - 8,723) pupils)	0.20	0.22

Qualification 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 2023 UK Governments' 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:

- Energy monitoring using Npower analytics with a view to reduce overall consumption.
- Data loggers have been installed at Austhorpe, Coppice Valley, Oatlands, and Western Primary Schools to allow them to visualise their usage and look to reduce overall consumption.
- All schools are signed up to Energy Sparks who will help them monitor their consumption.
- Installation of LED lights across the trust
- Installation of a Combined Heat and Power Unit at Temple Moor High School
- Solar panels installed across the estate to all schools with exception of Austhorpe Primary School and Western Primary School which had unsuitable roof structures.
- We have made an application to Phase 3c of the Public Sector Decarbonisation Scheme for some funding to help us install air source heat pumps at Coppice Valley Primary School and Crawshaw Academy.
- We are looking to have Net Carbon Zero reports created for all remaining schools in the Trust within the next 12 months.

PLANS FOR FUTURE PERIODS

Following a period of consolidation in 2021/22 the Trust was delighted to admit Rossett School in September 2023. The Trust continues to consider possible opportunities for further growth but remains focused on ensuring any such growth is controlled and sustainable. The academies continue with the detailed plans, as laid out in our School Development Plans, as we strive to become a leading Multi-Academy Trust. We will continue to invest in our staff and our facilities to ensure that achieving positive outcomes for our pupils and students remains at the heart of all we do.

Red Kite Learning Trust TRUSTEES' REPORT (continued)

DISABLED APPLICANTS AND EMPLOYEES

Disabled applicants, who may not be able to meet some of the job requirements because of their disability, should specify this detail in their job application. If a disabled applicant meets all other criteria, they will be short-listed for interview and an opportunity provided to discuss if there are ways in which the post can be modified, to meet their needs.

Red Kite Learning Trust is an equal opportunity employer committed to the elimination of discrimination throughout its employment practices. Selection criteria procedures are reviewed frequently to ensure that individuals are selected and treated on the basis of their merits and abilities. All information is treated in confidence and personal information submitted as part of the Equal Opportunities questions will not form part of an application; the shortlisting panel do not have access to this information.

Through the support and guidance of Occupational Health, employees who have been injured or have become disabled in the course of their employment can, where possible, continue in employment with the academy, as part of the Trust.

During employment, the Trust seeks to work with employees, considering their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential. We have a professional HR service able to advise on reasonable adjustments and support individualised risk assessments.

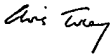
EMPLOYEE INVOLVEMENT

Each academy encourages the involvement of colleagues in its leadership and management through various activities including for example; weekly meetings of the SLT, at least half-termly meetings of middle leaders and at least half-termly meetings of department/phase/faculty teams. This ensures the sharing of vision and policy and discussion of key issues including the receiving of views of colleagues. The opportunities through various technologies with self-serve access to information and services are further established. Regular surveys, feedback and evaluation of career stage and events are provided together with various opportunities for colleagues to join wider collaborative groups.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Board of Trustees at its meeting on 14 December 2023 and signed on its behalf by:

DocuSigned by:

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Chris Tulley
Chair of Trustees

Red Kite Learning Trust

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Red Kite Learning 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 the 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 Red Kite Learning 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 six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr C Tulley (Chair)	6	6
Mrs T Brooke	2	2
Dr T Stowell	5	6
Mr K Paynes	6	6
Mr B Wood	4	6
Mr J Topping	5	6
Ms L Devenny	6	6
Mrs R Atwal	1	6
Dr M Maddison	4	6
Mr M Roberts	5	6
Ms F Fox	1	2
Dr M Walker	2	2

The Trust's financial position is reviewed at each of the six annual meetings of the Board following review by the Finance and Resources sub-committee. Effective oversight is enhanced by the publication of monthly management accounts to all Trustees and a monthly meeting of the Chair of Trustees and senior executives to review the latest accounts.

Trust employees and Trustees are required to declare any business interests annually and a register of business interests is maintained. Declarations of interest are requested at formal Trust meetings. Where interests are declared the Trust is careful to ensure that any procurement or commercial decisions are taken independently of any individuals that have any possible conflict of interest and this is extended to the trading subsidiary activities.

The Audit and Risk Committee reports to the Board of Trustees. Its purpose is to review the internal controls and risk profile of the Trust and to ensure the highest levels of probity are achieved. Attendance at meetings in the year is as follows:

Member	Meetings attended	Out of possible
Ms L Devenny	3	3
Mr J Topping	3	3

Trustees oversee the work of three additional sub-committees. The Quality of Education Committee focuses on improving educational outcomes and standards across the Trust. The Finance and Resources Committee leads on aspects relating to finance and resources. The Pay and Performance Review Committee ensures adherence to our policies and development in relation to staff pay.

A register of interests of members, trustees, governors and senior employees is collated and updated annually. Interests are declared at the beginning of all governance meetings.

Red Kite Learning Trust

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

1. Improving the effectiveness of resource-use

Academic attainment is keenly monitored at all ages and all abilities with particular emphasis on all pupils and students meeting their potential.

A high emphasis is placed on assisting students with transition from primary to secondary school and then on to further education, training or employment.

Significant CPD opportunities are given to staff to promote further development.

ICT is used innovatively in the Trust schools.

The growing work of Red Kite Education comprising the Teaching School Hub, the School Centred Initial Teacher Training and the Red Kite Alliance further utilises the schools' facilities, as does the Maths Hub work and the Computing Hub.

School facilities are used widely by the local community.

2. Robust governance and oversight of Trust finances

The Multi-Academy Trust places a high emphasis on the competency and experience of its trustees and regularly reviews its trustees' skill sets to ensure there is sufficient coverage in each area and in the area of finance in particular. Two trustees are qualified accountants and their representation is a key component in ensuring robust governance and oversight of Academy Trust finances.

When appropriate, the Multi-Academy Trust consults with professional experts to advise on financial aspects.

The Local Governing Bodies review budget projections and receive regular financial reports. Trustees approve the Multi-Academy Trust budget each year and are mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'. Trustees also receive and approve the Annual Accounts and the External Auditor's Management Report.

3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources

The Trust regularly benchmarks financial performance and use of resources against other Academy Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long-term contracts (3 to 5 years) remain competitive.

When possible, the Trust collaborates with other schools in the Red Kite Alliance to encourage best value procurement.

Procurement initiatives seek to simplify the supplier base and develop strong partnerships with trusted suppliers.

Red Kite Learning Trust

GOVERNANCE STATEMENT (continued)

4. Maximising income generation

The Trust explores every opportunity to generate income through hire of school facilities and through running events and conferences and after-school activities. Business opportunities are taken following careful review of the risks, and impact of doing so, and the Trust understands the need to invest carefully to develop its future operations. Opportunities to bid for additional funding are actively sought.

5. Reviewing controls and managing risks.

Financial reports are produced and reviewed by the Chief Financial Officer and the Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Trust ensures that significant surplus cash balances are invested in term deposits and interest-bearing accounts and other approved investments to maximise interest earning potential.

The Audit and Risk Committee is charged with reviewing the Trust's risk register and steers and oversees the programme to deliver reassurance under the terms of the Academy Trust Handbook. The Audit and Risk Committee oversees a programme of Internal Audit.

Trust policies are carefully reviewed to ensure they remain useful, relevant and compliant.

The Trust is a member of the Risk Pooling Arrangement (RPA) and takes expert advice on those additional insurance covers that fall outside the scope of the RPA.

6. Reviewing operations to maximise use of resources.

The Academy Senior Leadership Teams review income and expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the School Development Plans. Governors are consulted on major investment and resource decisions.

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 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 Red Kite Learning Trust for the year ended 31 August 2023 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 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Red Kite Learning Trust

GOVERNANCE STATEMENT (continued)

The risk and control framework

The 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;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- a programme of Internal Audit.

The Board of Trustees considered the need for a specific internal audit function and following the withdrawal of Moorlands Learning Trust as internal auditor during the year appointed Wylie and Bisset as internal auditor. The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Financial Controls
- Health and Safety
- Cyber Security
- Risk Management
- A follow up review of previous audit recommendations

The findings of these system checks were reported to the Board of Trustees, through the Audit and Risk Committee. The internal auditor also prepares an annual summary report to the Audit and Risk Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year-on-year progress.

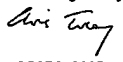
Review of effectiveness

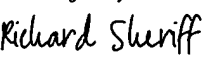
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Audit and Risk Committee
- The work of the external auditor
- The work of the internal auditor
- The work of the executive managers within the Multi-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 and Risk 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 on 14 December 2023 and signed on its behalf by:

DocuSigned by:

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Chris Tulley
Chair of Trustees

DocuSigned by:

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Richard Sheriff
Accounting Officer

Red Kite Learning Trust
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Red Kite Learning 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, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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 the ESFA.

DocuSigned by:

Richard Sheriff

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Richard Sheriff
Accounting Officer

Date: 14 December 2023

Red Kite Learning Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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:

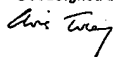
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 on 14 December 2023 and signed on its behalf by:

DocuSigned by:

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Chris Tulley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED KITE LEARNING TRUST

Opinion

We have audited the financial statements of Red Kite Learning Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2022 to 2023 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 2023, 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 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED KITE LEARNING TRUST (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors 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.

Opinions 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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' 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 Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, 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 AUDITOR'S REPORT TO THE MEMBERS OF RED KITE LEARNING TRUST (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was capable of detecting irregularities, including fraud

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Charities SORP 2019, Accounts Direction 2022 to 2023, the Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the sector, the control environment and operational performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

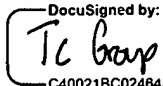
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED KITE LEARNING TRUST (continued)

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Steven Williams FCA (Senior Statutory Auditor)
For and on behalf of TC Group, Statutory Auditor

6 Queen Street
Leeds
LS1 2TW

Date: 18/12/2023

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RED KITE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Red Kite Learning Trust during the period from 1 September 2022 to 31 August 2023 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 Red Kite Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Red Kite Learning 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 Red Kite Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Red Kite Learning Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Red Kite Learning Trust's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2022 to 31 August 2023 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.

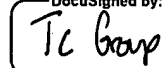
The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academy Trust Handbook 2022;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO RED KITE LEARNING TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY (continued)**

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

C40021BC02484AF...

Reporting Accountant
TC Group

Date: 18/12/2023

Red Kite Learning Trust
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2023

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2023 £'000	Total 2022 £'000
INCOME AND ENDOWMENTS						
FROM:						
Donations and capital grants	1	572	23	1,811	2,406	2,048
Other trading activities	2	1,029	-	-	1,029	831
Investments	3	53	-	-	53	8
Charitable activities						
Funding for the Academy						
Trust's educational operations	4	2,439	52,613	-	55,052	51,690
Teaching School	4	-	2,251	-	2,251	2,589
Total		4,093	54,887	1,811	60,791	57,166
EXPENDITURE ON:						
Raising funds	5	804	-	-	804	730
Charitable activities:						
Academy Trust's educational operations	6	2,409	53,429	3,726	59,564	61,120
Teaching School	6	-	2,323	-	2,323	2,553
Total	5	3,213	55,752	3,726	62,691	64,403
NET INCOME/(EXPENDITURE)		880	(865)	(1,915)	(1,900)	(7,237)
Transfers between funds	19	(349)	(100)	449	-	-
OTHER RECOGNISED GAINS AND LOSSES:						
Gains on investment assets	13	7	-	-	7	-
Actuarial gain on defined benefit pension scheme	29	-	6,039	-	6,039	28,832
NET MOVEMENT IN FUNDS		538	5,074	(1,466)	4,146	21,595
RECONCILIATION OF FUNDS						
Total funds brought forward		1,336	(6,144)	99,259	94,451	72,856
TOTAL FUNDS CARRIED FORWARD	19	1,874	(1,070)	97,793	98,597	94,451

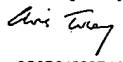
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

Red Kite Learning Trust
BALANCE SHEET
As at 31 August 2023

Company Registration No. 07523507

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
FIXED ASSETS					
Intangible assets	11		124		191
Tangible assets	12		97,634		98,914
Investments	13		507		-
			<u>98,265</u>		<u>99,105</u>
CURRENT ASSETS					
Stock	14	24		16	
Debtors	15	2,512		2,300	
Investments	16	-		511	
Cash at bank and in hand	25	<u>4,903</u>		<u>4,568</u>	
		<u>7,439</u>		<u>7,395</u>	
CREDITORS: Amounts falling due within one year	17	<u>(5,677)</u>		<u>(5,363)</u>	
NET CURRENT ASSETS			<u>1,762</u>		<u>2,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100,027</u>		<u>101,137</u>
CREDITORS: Amounts falling due after more than one year	18		(16)		(49)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>100,011</u>		<u>101,088</u>
Pension scheme liability	29		<u>(1,414)</u>		<u>(6,637)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>98,597</u>		<u>94,451</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	19		97,793		99,259
General fund	19		344		493
Pension reserve	19		(1,414)		(6,637)
TOTAL RESTRICTED FUNDS			<u>96,723</u>		<u>93,115</u>
TOTAL UNRESTRICTED INCOME FUNDS	19		<u>1,874</u>		<u>1,336</u>
TOTAL FUNDS			<u>98,597</u>		<u>94,451</u>

The financial statements on pages 27 to 57 were approved by the Trustees and authorised for issue on 14 December 2023, and are signed on their behalf by:

DocuSigned by:

 9C6D84290D1A485...
Chris Tulley
 Chair of Trustees

Red Kite Learning Trust
CASH FLOW STATEMENT
for the year ended 31 August 2023

	Notes	2023 £'000	2022 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	743	433
Tax refunded / (paid)		5	(5)
		<u>748</u>	<u>428</u>
CASH FLOWS FROM INVESTING ACTIVITIES	23	(373)	(247)
CASH FLOWS FROM FINANCING ACTIVITIES	24	(40)	(80)
		<u>335</u>	<u>101</u>
INCREASE IN CASH AND CASH EQUIVALENTS			
		335	101
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER		4,568	4,467
		<u>4,568</u>	<u>4,568</u>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	25	<u>4,903</u>	<u>4,568</u>

Red Kite Learning Trust

ACCOUNTING POLICIES

for the year ended 31 August 2023

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency (ESFA), the Charities Act 2011 and the Companies Act 2006.

Red Kite Learning Trust meets the definition of a public benefit entity under FRS 102.

Consolidation

The Trust has taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts on the basis that the consolidation of HGS Ventures Limited, a company under the control of the Trust, is not material for the purposes of giving a true and fair view of the results for the period. These financial statements therefore present information about the Trust as a standalone entity.

Going concern

The ongoing inflationary pressures and funding uncertainties experienced by the sector have prompted a thorough review of income and expenditure budgets across the schools and central functions. Significant cost savings were identified in 2022/23 to offset unexpectedly high pay awards and energy prices. Additional income enhancement opportunities have also been identified and there is a cross-trust focus to ensure reserves are protected, despite the ongoing financial pressures, in order to ensure ongoing financial sustainability. Increasingly the Trust is adopting timely Integrated Curriculum and Financial Planning techniques to highlight where schools may have further opportunities to unlock financial efficiencies. Based on the detailed work undertaken by the Trust's management team, which has been regularly reviewed and challenged at Board level, and the ongoing efforts to implement the cost saving and income enhancement plans and a sustainable growth trajectory, the Trustees have a reasonable expectation that Red Kite Learning 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.

Income

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

Grants

Grant income is 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.

The General Annual Grant ('GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement to the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised when there is an unconditional entitlement to the grant and are not deferred over the life of the asset on which they are expended. Any unspent amount is reflected as a balance in the restricted fixed asset fund.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2023

Grants (continued)

Other grants from government agencies and other bodies, including certain categories of Teaching School income, are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 hire of facilities, professional services income and certain categories of Teaching School income, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Donated fixed assets

Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

Restricted General funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education and other funders, where the asset acquired or created is held for a specific purpose.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2023

Intangible fixed assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	20% per annum
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Tangible fixed assets

Tangible fixed assets costing £5,000 or more and iPads purchased in bulk are capitalised at cost 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 lives. 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.

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

Freehold buildings	1.3% - 3% per annum
Long leasehold buildings	2% - 10% per annum
Fixtures and equipment	10% - 20% per annum
Computer equipment	33% - 67% per annum
Motor vehicles	25% per annum

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.

Freehold land is not depreciated.

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.

Fixed asset investments

Investments in subsidiaries are stated at historic cost. Provision is made for any impairment in the value of fixed asset investments.

Other investments in quoted shares, traded bonds and similar investments are initially measured at cost and subsequently at fair value at the reporting date. Changes in fair value are reported in the Statement of Financial Activities.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Debtors

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

Current asset investments

Current asset investments relate to amounts held in fixed-term deposits and are initially measured at cost. They are subsequently measured at fair value at each reporting date.

Red Kite Learning Trust

ACCOUNTING POLICIES (continued)

for the year ended 31 August 2023

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 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.

Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable after more than one year the Trust has opted to initially recognise and measure the loans at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest outstanding.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the Trust's group undertakings are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer 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 net income/(expenditure) 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.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2023

Pension benefits (continued)

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.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

Useful economic lives of tangible and intangible fixed assets

The annual depreciation/amortisation charge for tangible/intangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

The carrying value of intangible and tangible fixed assets is detailed in notes 11 and 12 respectively. The useful economic life of each category of fixed asset is set out in the accounting policies, under "Intangible fixed assets" and "Tangible fixed assets", above.

Local Government Pension Scheme liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will affect the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

Agency arrangements

The Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

The Trust also acted as agent in administering the School Centred Initial Teacher Training Bursary funds during the period, as detailed in note 31.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
ESFA capital grants	-	1,741	1,741	1,351
Other capital grants	-	14	14	-
Capital donations	-	56	56	261
Parental donations – iPads for learning	301	-	301	266
Other donations	271	23	294	170
	572	1,834	2,406	2,048

Income from donations and capital grants was £2,406,000 (2022 - £2,048,000) of which £1,834,000 (2022 - £1,627,000) was attributable to restricted and £572,000 (2022 - £421,000) was attributable to unrestricted funds.

2 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
Hire of facilities	453	-	453	325
Music tuition	165	-	165	139
Professional services	151	-	151	81
Catering	39	-	39	33
Transport income	56	-	56	54
Other sources	165	-	165	199
	1,029	-	1,029	831

All income from other trading activities was unrestricted in both reporting periods.

3 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
Interest on short term deposits	47	-	47	2
Other interest receivable	6	-	6	6
	53	-	53	8

All income from investments was unrestricted in both reporting periods.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	2022 Total £'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	43,421	43,421	41,845
Other DfE/ESFA grants				
Pupil Premium	-	2,176	2,176	2,150
UIFSM	-	445	445	410
Supplementary grant	-	1,184	1,184	492
Teachers' Pension	-	184	184	189
Mainstream Schools Additional Grant	-	595	595	-
Maths Hub funding	-	595	595	584
ESFA recovery premium	-	569	569	582
Others	-	783	783	722
	-	49,952	49,952	46,974
Other Government grants				
SEN from Local Authority	-	1,509	1,509	1,250
Other Local Authority grants	-	1,006	1,006	1,082
	-	2,515	2,515	2,332
Other income				
Catering income	1,717	-	1,717	1,586
Other income	722	146	868	798
	2,439	146	2,585	2,384
	2,439	52,613	55,052	51,690

TEACHING SCHOOL

DfE/ESFA grants	-	169	169	170
SCITT income	-	1,493	1,493	1,902
Other income	-	589	589	517
	-	2,251	2,251	2,589

Teaching School funding was all attributable to restricted funds in both reporting periods.

Funding for the Academy Trust's educational operations amounted to £55,052,000 (2022 - £51,690,000) of which £52,613,000 (2022 - £49,373,000) was attributable to restricted and £2,439,000 (2022 - £2,317,000) was attributable to unrestricted funds.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

5 EXPENDITURE

	Non-Pay Expenditure		2023	2022
	Staff costs £'000	Premises £'000	Total £'000	Total £'000
Raising funds				
Direct costs	333	-	572	507
Allocated support costs	179	47	232	223
	512	47	804	730
Academy's educational operations:				
Direct costs	37,440	2,269	44,013	42,216
Allocated support costs	7,549	3,485	15,551	18,904
	44,989	5,754	59,564	61,120
Teaching School				
Direct costs	843	-	1,684	1,983
Allocated support costs	381	83	639	570
	1,224	83	2,323	2,553
	46,725	5,884	62,691	64,403

All expenditure on raising funds was unrestricted in both reporting periods.

All expenditure on Teaching School activities was restricted in both reporting periods.

Net expenditure for the period includes:	2023 £'000	2022 £'000
Operating leases:		
Plant and machinery	40	43
Fees payable to auditor for:		
Audit	20	20
Other services	4	4
Depreciation of tangible fixed assets	3,682	3,611
Amortisation of intangible fixed assets	67	67
Profit on disposal of fixed assets	(23)	(17)

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	7,657	-	-
Gifts made by the Academy Trust	2,045	-	-

Gifts relate to small gifts made to members of staff in accordance with the Academy Trust's policies and procedures.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

6

CHARITABLE ACTIVITIES		2023 Total £'000	2022 Total £'000	
Direct costs – educational operations		44,013	42,216	
Support costs – educational operations		15,551	18,904	
		59,564	61,120	
Direct costs – Teaching School		1,684	1,983	
Support costs – Teaching School		639	570	
		2,323	2,553	
		61,887	63,673	
Analysis of support costs				
	Teaching School £'000	Educational operations £'000	2023 Total £'000	2022 Total £'000
Staff costs	381	7,482	7,863	11,336
Staff costs - governance	-	67	67	59
Depreciation and amortisation	-	697	697	682
Premises costs	83	3,485	3,568	3,416
Technology costs	20	605	625	572
Catering costs	18	1,969	1,987	1,832
Other support costs	137	1,178	1,315	1,515
Governance costs	-	68	68	62
Total support costs	639	15,551	16,190	19,474

All expenditure on the Academy Trust's teaching school activities was attributable to restricted funds in both reporting periods.

Expenditure on the Academy Trust's educational operations amounted to £59,564,000 (2022 - £61,120,000) of which £57,155,000 (2022 - £58,713,000) was attributable to restricted and £2,409,000 (2022 - £2,407,000) was attributable to unrestricted funds.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

7 STAFF COSTS

	2023 £'000	2022 £'000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	34,630	32,447
Social security costs	3,285	3,088
Operating costs of defined benefit pension schemes	7,983	11,241
Apprenticeship levy	149	146
	<u>46,047</u>	<u>46,922</u>
Supply staff costs	634	718
Staff restructuring costs	44	121
	<u>46,725</u>	<u>47,761</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	44	121
	<u>44</u>	<u>121</u>

b. Severance payments

The Trust paid 14 severance payments in the year. There were no individual amounts in excess of £25,000.

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £35,654 (2022 - £102,298) in relation to seven (2022 - nine) employees. The individual payments were £9,265, £8,334, £7,173, £4,466, £4,048, £1,596 and £772.

d. Staff numbers

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

	2023 No.	2022 No.
Charitable activities		
Teachers	434	431
Administration and educational support	842	787
Management	67	71
	<u>1,343</u>	<u>1,289</u>

The average number of persons employed by the Academy during the period expressed as full-time equivalents was as follows:

	2023 No.	2022 No.
Charitable activities		
Teachers	390	392
Administration and educational support	519	512
Management	67	62
	<u>976</u>	<u>966</u>

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

7 STAFF COSTS (continued)

e. Higher paid staff

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

	2023 No.	2022 No.
£60,001 - £70,000	22	17
£70,001 - £80,000	15	6
£80,001 - £90,000	4	5
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	2
£120,001 - £130,000	2	-
£140,001 - £150,000	-	1
£150,000 - £160,000	1	-

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Executive Group 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 £2,429,108 (2022 - £2,163,499).

8 CENTRAL SERVICES

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

- Human Resources
- Financial services
- Educational support and School Improvement services
- Facilities Management services

The Trust charges for these services based on a percentage of GAG received by each academy. The charge for provision of services to the Children's Centre is based on a percentage of income received by the Centre. The rate applied to the Trust's academies in the period was 5.5% and the rate applied to the Children's Centre was 4.5%.

The actual amounts charged during the year were as follows:

	2023 £'000	2022 £'000
Harrogate Grammar School	582	601
Western Primary School	92	96
Oatlands Community Junior School	73	75
Rossett Acre Primary School	88	89
Crawshaw Academy	327	332
Coppice Valley Primary School	46	48
Austhorpe Primary School	46	45
Temple Learning Academy	293	317
Temple Moor High School	389	402
Colton Primary School	47	48
Meadowfield Primary School	108	112
Templenewsam Halton Primary School	93	94
Whitkirk Primary School	84	86
Children's Centre	8	7
	2,276	2,352

In addition to the charges above, the Trust also recharged £613,000 (2022 - £547,000) in respect of IT Technician staff and other IT-related costs to certain of its member schools.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

9 RELATED PARTY TRANSACTIONS – Trustees’ remuneration and expenses

No Trustees have been remunerated or have received other benefits from an employment with the Academy Trust.

During the period ended 31 August 2023, there were no travel and subsistence expenses reimbursed or paid directly to Trustees (2022 - £nil paid to Trustees).

Other related party transactions involving the Trustees are set out in note 30.

10 TRUSTEES’ AND OFFICERS INSURANCE

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

11 INTANGIBLE FIXED ASSETS

	Computer software £’000	Total £’000
Cost		
At 1 September 2022	334	334
Additions	-	-
At 31 August 2023	334	334
Amortisation		
At 1 September 2022	143	143
Charged in year	67	67
At 31 August 2023	210	210
Net book values		
At 31 August 2023	124	124
At 31 August 2022	191	191

The amortisation charge is recognised in Expenditure on the Academy Trust’s educational operations, within support costs.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

12 TANGIBLE FIXED ASSETS

	Land and buildings £'000	Fixtures and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Assets under the course of construction £'000	Total £'000
Cost						
At 1 September 2022	112,609	2,336	3,180	153	1,097	119,375
Additions	214	346	411	-	1,450	2,421
Transfers	1,737	586	-	-	(2,323)	-
Disposals	-	-	(148)	-	(19)	(167)
At 31 August 2023	114,560	3,268	3,443	153	205	121,629
Depreciation						
At 1 September 2022	16,836	1,606	1,932	87	-	20,461
Charged in year	2,866	198	596	22	-	3,682
Disposals	-	-	(148)	-	-	(148)
At 31 August 2023	19,702	1,804	2,380	109	-	23,995
Net book values						
At 31 August 2023	94,858	1,464	1,063	44	205	97,634
At 31 August 2022	95,773	730	1,248	66	1,097	98,914

Land and buildings comprise leasehold buildings with a carrying value of £27,575,000, freehold buildings with a carrying value of £64,568,000 and freehold land with a carrying value of £2,715,000. The leasehold buildings are all held under 125-year leases.

The Academy Trust's transactions relating to land and buildings included:

- the granting of a leasehold on the caretaker's bungalow at Austhorpe Primary School for £8k per annum over a term of three years.
- the granting of a leasehold on an area of land at Harrogate Grammar School for £1k per annum over a term of 25-years.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

13 FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings

The Trust holds an investment in its subsidiary undertaking at a cost of £1.

Details of undertakings

Details of the investments in which the Academy holds 20% or more of the nominal value of any class of share are as follows:

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
SUBSIDIARY UNDERTAKINGS				
HGS Ventures Limited	England	Ordinary shares	100%	Procurement support

The Academy is the sole shareholder of HGS Ventures Limited (company number: 08857077). The principal activity of HGS Ventures Limited is that of the provision of procurement support. During the period, HGS Ventures Limited generated a profit of £204,156, all of which was distributed as a gift aid donation to Red Kite Learning Trust. As at 31 August 2023, HGS Ventures Limited had net assets of £470.

The registered office address of HGS Ventures Limited is: Arthurs Avenue, Harrogate, HG2 0DZ.

Other investments

	Managed Fund £'000	Total £'000
Investments at market value		
At 1 September 2022	-	-
Additions	500	500
Revaluation	7	7
At 31 August 2023	<u>507</u>	<u>507</u>

The above investment is held in the SUTL Cazenove Charity Responsible Multi-Asset Fund.

14 STOCK

	2023 £'000	2022 £'000
Catering	<u>24</u>	<u>16</u>

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

15 DEBTORS

	2023	2022
	£'000	£'000
Trade debtors	306	264
Other debtors	785	658
VAT recoverable	405	500
Amounts owed by subsidiary undertakings	292	214
Prepayments and accrued income	724	664
	2,512	2,300

Debtors are classified as basic financial instruments and are measured at their settlement value.

Trade debtors are stated after a provision for doubtful debts of £Nil (2022 - £1,110).

16 CURRENT ASSET INVESTMENTS

	2023	2022
	£'000	£'000
Cash held on term deposit	-	511
	-	511

Included within cash held on term deposit in the prior year was the following:

- o 12-month term deposit which matured on 24 February 2023 - £511,000

17 CREDITORS: Amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	2,015	1,823
Taxation and social security	791	732
Other loans	32	39
Other creditors	1,029	925
Accruals and deferred income	1,810	1,844
	5,677	5,363

All financial liabilities are classified as basic financial instruments and are measured at their settlement value.

Deferred income

	2023
	£'000
Deferred income at 1 September 2022	664
Resources deferred in the year	737
Amounts released from previous years	(664)
Deferred income at 31 August 2023	737

At the balance sheet date, the Academy Trust was holding funds received in advance for Teaching School membership subscriptions (£93,000), grants received for future periods (£562,000), music and nursery income received in advance (£54,000) and other sundry amounts received in advance (£28,000).

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

17 CREDITORS: Amounts falling due within one year (continued)

Included within Other loans due within one year are two Salix loan balances amounting to £26,000 (2022 – two loans amounting to £26,000) and one CIF loan balance amounting to £6,000 (2022 – two loans amounting to £13,000). The Salix loans are interest-free and repayable by instalments. The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown. The CIF loan carries interest at 1.05%.

18 CREDITORS: Amounts falling due in greater than one year

	2023 £'000	2022 £'000
Other loans	16	49
	<u>16</u>	<u>49</u>

Other loans due after one year include two Salix loans amounting to £16,000 (2022 – two loans amounting to £43,000). In the prior year, there were also two CIF loan balances amounting to £6,000. The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown.

The loan repayment profile is as follows:

	2023 £'000	2022 £'000
Due within one year	32	39
Due within two and five years inclusive	16	49
	<u>48</u>	<u>88</u>

The Salix loans are repayable in equal six-monthly instalments. The CIF loan is repayable in equal monthly instalments.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

19 FUNDS

	Balance at 1 Sept 2022 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	-	43,421	(43,390)	(31)	-
Pupil Premium	-	2,176	(2,176)	-	-
UIFSM	-	445	(445)	-	-
Supplementary grant	-	1,184	(1,184)	-	-
Teachers' Pension grant	-	184	(184)	-	-
Mainstream Schools					
Additional Grant	-	595	(595)	-	-
Maths Hub funding	-	595	(595)	-	-
DfE/ESFA recovery premium	-	569	(569)	-	-
Other DfE/ESFA grants	-	783	(783)	-	-
LEA and other grants	-	2,515	(2,515)	-	-
Other restricted income	8	169	(177)	-	-
Teaching School	485	2,251	(2,323)	(69)	344
	493	54,887	(54,936)	(100)	344
Pension reserve	(6,637)	-	(816)	6,039	(1,414)
	(6,144)	54,887	(55,752)	5,939	(1,070)
Restricted fixed asset funds					
DfE/ESFA capital grants	6,300	1,741	(958)	-	7,083
Other capital income	2,651	70	(154)	-	2,567
Transferred on conversion	87,782	-	(2,209)	-	85,573
Capital expenditure from GAG	2,526	-	(405)	449	2,570
	99,259	1,811	(3,726)	449	97,793
Total restricted funds	93,115	56,698	(59,478)	6,388	96,723
Unrestricted funds					
General fund	1,336	4,093	(3,213)	(849)	1,367
Investments	-	-	-	507	507
Total unrestricted funds	1,336	4,093	(3,213)	(342)	1,874
Total funds	94,451	60,791	(62,691)	6,046	98,597

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

- (i) 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 2023.
- (ii) The restricted general fund balances carried forward principally relate to unspent Teaching School surpluses.
- (iii) Restricted Fixed Asset funds relate to income received from the DfE, other government grants and transfers from GAG income and unrestricted funds. The fund balance includes donated assets relating to school buildings. Depreciation relating to the assets procured is charged against these funds over the life of the assets.
- (iv) Unrestricted funds relate to surpluses brought across on conversion and self-generated income since conversion.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

19 FUNDS (continued)

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

	Balance at 1 Sept 2021 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	-	41,845	(42,433)	588	-
Pupil Premium	-	2,150	(2,150)	-	-
UIFSM	-	410	(410)	-	-
Supplementary grant	-	492	(492)	-	-
Teachers' Pension grant	-	189	(189)	-	-
Teachers' Pay grant	-	67	(67)	-	-
Maths Hub funding	-	584	(584)	-	-
DfE/ESFA Covid-19 funding	206	582	(788)	-	-
Other DfE/ESFA grants	-	655	(655)	-	-
LEA and other grants	-	2,245	(2,245)	-	-
Other LA Covid-19 grants	-	87	(87)	-	-
Other restricted income	-	82	(74)	-	8
Teaching School	512	2,589	(2,553)	(63)	485
	718	51,977	(52,727)	525	493
Pension reserve	(30,591)	-	(4,878)	28,832	(6,637)
	(29,873)	51,977	(57,605)	29,357	(6,144)
Restricted fixed asset funds					
DfE/ESFA capital grants	5,819	1,351	(870)	-	6,300
Other capital income	2,549	261	(159)	-	2,651
Transferred on conversion	89,994	-	(2,212)	-	87,782
Capital expenditure from GAG	2,630	-	(420)	316	2,526
	100,992	1,612	(3,661)	316	99,259
Total restricted funds	71,119	53,589	(61,266)	29,673	93,115
Unrestricted funds					
Unrestricted funds	1,737	3,577	(3,137)	(841)	1,336
Total unrestricted funds	1,737	3,577	(3,137)	(841)	1,336
Total funds	72,856	57,166	(64,403)	28,832	94,451

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

19 FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£'000	£'000
Harrogate Grammar School	571	860
Western Primary School	128	44
Oatlands Community Junior School	(55)	(8)
Rossett Acre Primary School	202	142
Crawshaw Academy	(420)	(656)
Coppice Valley Primary School	135	118
Austhorpe Primary School	31	(19)
Temple Learning Academy	197	195
Temple Moor High School	321	210
Colton Primary School	(12)	3
Meadowfield Primary School	472	487
Templenewsam Halton Primary School	335	227
Whitkirk Primary School	(143)	(105)
TNLP Cluster	48	111
Children's Centre	19	24
Teaching School	344	485
Central services	45	(289)
Total before fixed assets and pension reserve	<u>2,218</u>	<u>1,829</u>
Restricted fixed asset fund	97,793	99,259
Pension reserve	<u>(1,414)</u>	<u>(6,637)</u>
Total	<u>98,597</u>	<u>94,451</u>

Oatlands Community Junior School has faced challenges financially with a number of empty places in one year group. The school is expecting to generate surpluses over the next three years when the school is full.

The deficit at Crawshaw Academy has improved in 2022/23 following a surplus in the year of £236K as the school benefits from tight cost controls and has ceased its 16-19 provision which was not financially sustainable. Historically the school has faced a significant lagged funding challenge due to its success in growing student numbers. Further surpluses are projected in future years.

Colton Primary School has faced financial pressures despite being full, due to the lack of funding to support its significant SEND provision. Budgetary constraints have required the school to balance increasing pupil needs and higher salary costs with limited funding. We are forecasting to erode this small deficit over the next two years.

Whitkirk Primary School has had significant investment to improve the school from an Ofsted judgement of "Requires Improvement" to a "Good" school. During that period the school had two year groups which were not full and thus presents a significant funding shortfall. The school is projecting surpluses once it reaches capacity in 2026/27 and is working on developing its Before and After School offering to help reduce the deficit in the intervening years.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

19 FUNDS (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Dep'n) £'000	Total 2023 £'000	Total 2022 £'000
Harrogate Grammar School	8,483	1,892	1,151	1,933	13,459	13,312
Western Primary School	1,820	267	45	322	2,454	2,535
Oatlands Community Junior School	1,100	183	60	290	1,633	1,541
Rossett Acre Primary School	1,421	162	50	304	1,937	2,026
Crawshaw Academy	4,696	785	429	1,003	6,913	6,936
Coppice Valley Primary School	769	143	37	156	1,105	1,101
Austhorpe Primary School	752	89	33	192	1,066	1,173
Temple Learning Academy	4,775	847	497	785	6,904	7,466
Temple Moor High School	6,272	918	303	1,176	8,669	8,446
Colton Primary School	1,030	152	38	163	1,383	1,522
Meadowfield Primary School	2,333	407	83	317	3,140	3,429
Templenewsam Halton Primary School	1,591	193	96	322	2,202	2,383
Whitkirk Primary School	1,408	178	82	299	1,967	2,103
TNLP Cluster	166	179	63	3	411	431
Children's Centre	85	70	3	19	177	208
Teaching school	843	381	2	1,097	2,323	2,553
Central services	1,047	1,288	35	852	3,222	3,577
Academy Trust	38,591	8,134	3,007	9,233	58,965	60,742

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Intangible fixed assets	-	-	124	124
Tangible fixed assets	-	-	97,634	97,634
Fixed asset investments	507	-	-	507
Current assets	1,599	5,045	795	7,439
Current liabilities	(232)	(4,701)	(744)	(5,677)
Non-current liabilities	-	-	(16)	(16)
Pension scheme liability	-	(1,414)	-	(1,414)
Total net assets	1,874	(1,070)	97,793	98,597

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Intangible fixed assets	-	-	191	191
Tangible fixed assets	-	-	98,914	98,914
Current assets	1,497	5,056	842	7,395
Current liabilities	(161)	(4,563)	(639)	(5,363)
Non-current liabilities	-	-	(49)	(49)
Pension scheme liability	-	(6,637)	-	(6,637)
Total net assets	1,336	(6,144)	99,259	94,451

21 COMMITMENTS UNDER OPERATING LEASES

OPERATING LEASES

At 31 August 2023, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £'000	2022 £'000
Amounts due within one year	36	40
Amounts due between one and five years	30	67
	66	107

22 RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net expenditure	(1,900)	(7,237)
Taxation (credit) / charge	(5)	5
Amortisation (note 11)	67	67
Depreciation (note 12)	3,682	3,611
Capital income	(1,811)	(1,612)
Profit on disposal of fixed assets	(23)	(17)
Interest receivable (note 3)	(53)	(8)
Pension cost less contributions payable (note 29)	599	4,379
Pension finance cost (note 29)	217	499
(Increase) / decrease in stocks	(8)	2
(Increase) / decrease in debtors	(212)	195
Increase in creditors	190	549
Net cash provided by Operating Activities	743	433

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

23 CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£'000	£'000
Interest received	53	17
Purchase of tangible fixed assets	(2,290)	(1,766)
Purchase of current asset investments	-	(511)
Receipt from current asset investments	511	500
Investment in managed fund	(500)	-
Capital grants and donations received	1,811	1,482
Proceeds from sale of tangible fixed assets	42	31
Net cash flow from investing activities	(373)	(247)

24 CASH FLOWS FROM FINANCING ACTIVITIES

	2023	2022
	£'000	£'000
Repayment of loans	(40)	(80)
Net cash flow from financing activities	(40)	(80)

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£'000	£'000
Current accounts	2,870	3,568
Deposit accounts	2,033	1,000
	4,903	4,568

26 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2022 £'000	Cash flows £'000	Non-cash movements £'000	At 31 August 2023 £'000
Cash and cash equivalents	4,568	335	-	4,903
	4,568	335	-	4,903
Loans due within one year	(39)	40	(33)	(32)
Loans due after more than one year	(49)	-	33	(16)
	4,480	375	-	4,855

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

27	CAPITAL COMMITMENTS	2023 £'000	2022 £'000
	Assets under construction	<u>571</u>	<u>584</u>

28 MEMBERS' LIABILITY

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

29 PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS impacting these financial statements related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £846,263 (2022 - £774,130) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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' Pensions 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 four 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 published actuarial valuation of the TPS impacting the contributions charged in these financial statements was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

29 PENSION AND SIMILAR OBLIGATIONS (continued)

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%.

In October 2023, the Government Actuary published the most recent actuarial valuation for the TPS as at 31 March 2020. This valuation result is due to be implemented from 1 April 2024 and details of the key elements of the valuation can be found at:

<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>.

The employer's pension costs paid to the TPS in the period amounted to £4,648,000 (2022 - £4,389,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The Academy Trust has employees in both the North Yorkshire Pension Fund and the West Yorkshire Pension Fund.

The total contribution made to these funds for the year ended 31 August 2023 was £3,585,000 (2022 - £3,241,000), of which employer's contributions totalled £2,736,000 (2022 - £2,473,000) and employees' contribution totalled £849,000 (2022 - £768,000). The agreed employer's contribution rates for future years are 19.5% and 17.7% for the North Yorkshire Pension Fund and the West Yorkshire Pension Fund respectively. The agreed employee contribution rates for future years range between 5.5% and 12.5% for both schemes.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

North Yorkshire Pension Fund

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.60%	2.70%
Discount rate for scheme liabilities	5.10%	4.10%
Inflation assumption (CPI)	2.60%	2.70%
Commutation of pensions to lump sums	80.00%	75.00%

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

29 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	22.0	21.8
Females	24.5	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.5
Females	25.5	25.7

West Yorkshire Pension Fund

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.60%	2.70%
Discount rate for scheme liabilities	5.00%	4.10%
Inflation assumption (CPI)	2.60%	2.70%
Commutation of pensions to lump sums	80.00%	75.00%

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.0	21.8
Females	22.2	24.6
<i>Retiring in 20 years</i>		
Males	24.1	22.5
Females	25.1	25.7

Sensitivity analysis

The approximate impact of changing key assumptions on the present value of the funded defined benefit pension obligation is detailed below. In each case, only the assumption listed is altered; all other assumptions remain unchanged. A positive value represents an increase in the defined benefit pension obligation:

	At 31 August 2023 £'000	At 31 August 2022 £'000
Discount rate +0.1%	(858)	(1,078)
Discount rate -0.1%	873	1,094
Mortality assumption – 1-year increase	(1,009)	(1,177)
Mortality assumption – 1-year decrease	1,009	1,177
CPI rate +0.1%	767	916
CPI rate -0.1%	(752)	(900)

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions (continued)

The Academy Trust's share of the assets and liabilities in the schemes were:

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	28,040	25,031
Government bonds	3,016	3,028
Other bonds	2,093	1,898
Property	1,742	1,937
Multi Asset Credit	693	579
Cash	970	996
Other	2,392	1,951
Total market value of assets	38,946	35,420
Present value of scheme liabilities		
- Funded	(40,360)	(42,057)
Surplus/(deficit) in the scheme	(1,414)	(6,637)

The actual return on scheme assets was a gain of £926,000 (2022 – loss of £973,000).

Amounts recognised in the Statement of Financial Activities	2023 £'000	2022 £'000
Current service cost	3,335	6,852
Past service cost	-	-
	<u>3,335</u>	<u>6,852</u>
Pension finance cost	217	499
Total operating charge	<u>3,552</u>	<u>7,351</u>
Amounts recognised in Other Comprehensive Income	2023 £'000	2022 £'000
Asset losses arising in the period	(580)	(1,569)
Liability gains arising in the period	<u>6,619</u>	<u>30,401</u>
Total amount recognised in other comprehensive income	<u>6,039</u>	<u>28,832</u>

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

29 PENSION AND SIMILAR OBLIGATIONS (continued)

Changes in the present value of defined benefit obligations were as follows:	2023 £'000	2022 £'000
At 1 September	42,057	64,277
Current service cost	3,335	6,852
Interest cost	1,723	1,095
Employee contributions	849	768
Actuarial gain	(6,619)	(30,401)
Net benefits paid out	(985)	(534)
At 31 August	40,360	42,057

Changes in the fair value of Academy Trust's share of scheme assets	2023 £'000	2022 £'000
At 1 September	35,420	33,686
Interest income on assets	1,506	596
Remeasurement losses on assets	(580)	(1,569)
Employer contributions	2,736	2,473
Employee contributions	849	768
Benefits paid	(985)	(534)
At 31 August	38,946	35,420

The estimated value of employer contributions for the year ended 31 August 2024 is £2,824,000.

30 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has 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. The following related party transactions took place in the financial period.

Subsidiary undertaking

HGS Ventures Limited is a wholly owned subsidiary undertaking of Red Kite Learning Trust. During the period, the Trust received a gift-aid donation of £204,156 (2022 - £132,037) from HGS Ventures Limited. As at 31 August 2023, HGS Ventures Limited owed £292,030 (2022 - £214,286) to Red Kite Learning Trust.

Collaborative Learning Trust

Collaborative Learning Trust is an academy in which the wife of Mr R Sheriff is the Chief Executive Officer (Mrs J Sheriff). During the period, the Trust provided services at cost in the sum of £14,512 (2022 - £19,081) to Collaborative Learning Trust and made purchases of £107,387 (2022 - £33,120) from that academy. As at 31 August 2023, the Trust owed £4,864 (2022 - £3,823) to Collaborative Learning Trust.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2023

31 AGENCY ARRANGEMENTS

16-19 Bursary Fund

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £38,574 and disbursed £42,867. The Trust also repaid £1,013 to the ESFA during the period. An amount of £20,617 (2022 - £25,923) was unspent as at 31 August 2023 and included in creditors.

School Centred Initial Teacher Training (SCITT) Bursary

The Academy Trust is a provider of School Centred Initial Teacher Training and administers the disbursement of bursary funding on behalf of the National College of Teaching and Learning (NCTL). In the year, the Academy Trust received £853,900 from the NCTL and disbursed £836,000. An amount of £9,700 was unspent (2022 - £8,200 overspent) as at 31 August 2023 and included in debtors.

32 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

On 1 September 2023, Rossett School joined the Trust for £nil consideration. The addition of this school will mean that the Trust's annual income will increase by approximately £8m and an additional 901 pupils are expected to join the Trust.

The fair value of the net assets transferred is approximately £23m, which will be reported as a donation in the financial statements for the year ended 31 August 2024.