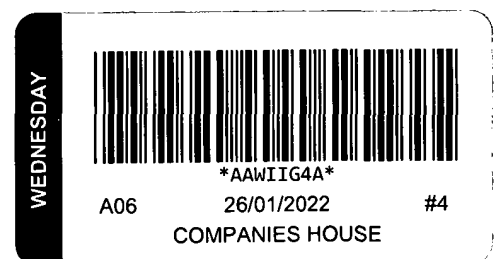


THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	H Brown (appointed 10 December 2020) P Miller (appointed 10 December 2020) N Tucker J Randall-Sly R Soare P Himple (Resigned 9 December 2020)
Trustees	G Evans, Chief Executive Officer ^{1,3} P Himple ¹ P Miller, Chair ³ C Harris, Vice Chair/ Chair of Risk, Audit and Strategy ² A Hunt (appointed 8 June 2021) N Uzzell A Miller (appointed 23 July 2021) M Rachael (resigned 16 November 2020) H Brown (resigned 15 September 2020) N Griffiths (appointed 10 December 2020, resigned 26 June 2021) S Bishop (appointed 20 October 2021) ¹ S Tomkins (appointed 20 October 2021) ² ¹ Finance, Personnel and Resources Committee ² Risk, Audit and Strategy Committee ³ Education Standards Committee
Company registered number	09889819
Company name	The Blue Kite Academy Trust
Principal and registered office	Ferndale Primary And Nursery School Wiltshire Avenue Swindon Wiltshire SN2 1NX
Company secretary	J Hayward
Chief executive officer	G Evans
Senior management team	Gary Evans, Chief Executive Officer Robert Buckley, Deputy Chief Executive Officer Samantha Edge, Chief Operating Officer Julia Toogood, Chief Finance Officer
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates seven primary academies in Swindon. This includes two new free schools which opened in September 2019 and two additional primary schools joining the Academy Trust during the year. Its academies have a combined pupil capacity of 2,490 and had a roll of 2,313 in the school census on October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' liability

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

Trade union facility time

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

Relevant union officials

<i>Number of employees who were union official during the relevant period</i>	<i>Full-time equivalent employee number</i>
1	1

Percentage of time spent on facility time

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees' Indemnities

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

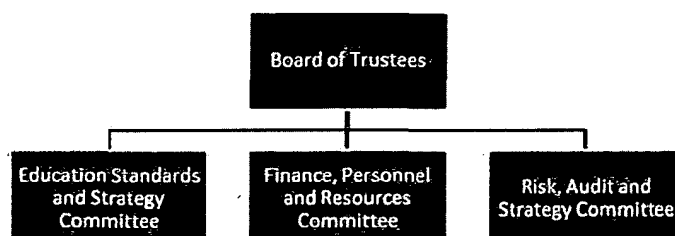
The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that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

Organisational Structure

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**



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

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

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

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

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

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

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

The Academy Trust comprises 6 primary schools, 1 infant school and 1 junior school: Brook Field Primary School, Catherine Wayte Primary School, Ferndale Primary and Nursery School, Abbey Meads Community Primary School, William Morris Primary School, Badbury Park Primary School, Colebrook Infant School and Ruskin Junior School. Each school has its own Local Governing Body responsible for day-to-day operations and management of the school's budget. The Trust Board comprises of Trustees who have been appointed on a skills basis some have been local governors in our schools.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of The Blue Kite Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Trust. The Academy Trust has developed links with other local schools and Trusts due to its extensive knowledge and understanding of school leadership, HR management, school governance and supporting families. As such, it will occasionally provide chargeable (at cost) support to other partners.

Engagement with employees (including disabled persons)

Much work has been carried out in the last 12 months to start to develop the framework around which we engage with and improve the Trust wide communication with colleagues. The reasonably new central HR function is developing improved consistent policies and guidance to support key messaging. The schools in the Trust have a strong collaborative ethos with fortnightly meetings with headteachers. Communication and key updates are distributed via headteachers to all staff in schools to ensure consistent messages.

Trade Union recognition

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

Development of HR policies and procedures

We are in the process of reviewing or introducing new HR policies to reflect changes to employment law, safeguarding practice and equalities legislation. The Trust recognises its responsibilities under the Equalities Act 2021 and our policies reflect these requirements. HR policies are subject to union consultation and feedback.

Support through the pandemic

Staff have received regular updates and FAQ's relating to pay, time off, furlough and wellbeing support through the pandemic. In addition to the standard operation risk assessments, Headteachers have been given support in managing individual risk assessment where staff are vulnerable, pregnant or have disabilities that need additional adjustments.

Introduction of HR software

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

Support to disabled employees:

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

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objects and Aims

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

The aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

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

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

Objectives, Strategies and Activities

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Public Benefit

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

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

STRATEGIC REPORT

Children and staff have returned to school well and things have settled down. Schools feel far more normal, albeit with COVID restrictions in place, than they have in over a year. We are following our own operational risk assessments as well as the government's road map to reinstate extra-curricular activities and other opportunities for pupils, such as trips. We continue to support our schools with their measures against the pandemic on a regular basis.

A 'Virtual Sports Day' took place recently, where our children competed in groups from each school and the points were announced over Teams. This not only got the children excited and demonstrated our 'can do' attitude to keep providing opportunities for children.

As you will be aware, the previous Secretary of State for Education, Gavin Williamson has announced its intention for all schools to be working in 'strong families' such as multi academy Trusts. This is hopeful news as the education sector is still split which can cause both political and financial unease. This has led Swindon Council to question their viability of supporting schools in the long term which in turn has led to a lot of interest in schools wanting to join our Trust. We have adjusted our growth and development plan accordingly.

We have also been asked to support several other schools through the pandemic by SBC and the RSC. We put packages in place for three other schools and provided guidance.

Networking groups have restarted this year and all take place virtually. We have some specific groups taking place such as SEND and EYFS as well newly introduced groups around Catch-up plans to aid recovery as well as curriculum focused groups which supports all middle and senior leaders.

The Trust has developed a comprehensive training programme for governors and Trustees. This includes training on Ofsted from Simon Rowe HMI, SEND, Finance, Safeguarding and performance management starting early next academic year.

Teaching Schools have been replaced with a 'hub' model where one hub will be responsible for entire regions. Somehow, the local hub for Swindon is a secondary school in Bournemouth. However, we have become a delivery partner for Swindon and now work closely with the TSH. As a result, we are now facilitating the Early Career Framework for 18 teachers across Swindon and are the main provider in the area. We continue to run a very successful Initial Teacher Training programme which proving to be very popular. Our numbers have doubled from 8 to 17 over the last year.

Achievements and Performance

KS2 in almost all areas we have remained above the National average for 2019. This is excellent and reassuring news considering the effects of the pandemic. The only place where we are below is in Writing at Greater Depth. However, we were below in 2019.

**THE BLUE KITE ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

KS1

At KS1 the picture is different. At Expected+ we are just below 2019 National averages but at Greater Depth in all subjects we are significantly below. Our youngest children have had the least amount of time in school and this has really affected them. This, coupled with the fact that the majority of the learning takes place through social interaction and engaging with a carefully constructed learning environment has taken its toll. We must concentrate our catch-up efforts here, including the transition into Reception and KS2; plugging any gaps.

EYFS

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

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

Attendance

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

Trust Priorities moving forward:

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

Key Performance Indicators

Key Performance Indicators	Status
The quality of education in all Trust schools is at least Good and on an upward trajectory. Where schools join us in a category, then the quality of education is improving rapidly.	The Quality of Education is judged by Ofsted to be Good in all schools with the exception of Ruskin where it is Requires Improvement. The school has been improving rapidly over the last few years and is definitely on an upward trajectory. All current Trust measures are indicating that the school will be Good at its next inspection. A QAR visit is planned for Term 2.
The Trust ensures that all children have access to an engaging, creative, ambitious curriculum that meets the needs of all learners and prepares them for the next stage of their education.	Curriculum Bricks have been established for every subject co-ordinator across the Trust. These will allow us to share good practice and align standards and expectations across our schools.
The Trust will know its schools well, both quantitatively and qualitatively and responds quickly and appropriately to changing needs.	The Trust has a detailed and comprehensive assessment system which runs from the classroom, to school level and up to the Trust. This allows us to have a detailed knowledge of where every pupil and school is and map trends across the Trust. We have a new management system for SDP and SEFs which allows us to centrally manage this reporting system and see where each school's priorities lie. This also helps us decide Trust priorities for the coming year. Our Quality Assurance Visits have restarted and all schools are in a schedule to receive one. These give us a detailed assessment of quality of education, culture and behaviour within a school.
Leadership and Management is judged at least as Good in all Trust schools. The Trust itself, is well led and managed at every level.	Leadership and Management is now graded as Good by Ofsted in all Trust schools.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees and governors work within one governance structure and are clear about their roles. They effectively support leadership teams to strategically lead their schools and are able to review their school / Trust's performance as well as their own.	Governance is graded as Good in all Trust schools. Head of Governance ensures effective communication and training for Trustees and LGBs as well as ensuring correct policies and procedures are in place or being developed. COGS document and principles are helping to bring coherence to the 'One Governance' structure.
The welfare and wellbeing of all pupils is paramount and safeguarding procedures are robust to help keep our pupils safe.	All Trust schools are judged as good for Safeguarding. All Trust schools receive annual external audits. A new Behaviour and Safety Board has been established to more closely monitor safeguarding practices and procedures. Termly safeguarding reports are received from all schools and a risk dashboard has been created to monitor and allow the Trust to act proactively.
The welfare and wellbeing of all staff is high priority. The Trust has clear plans for staff development, matching their needs to appropriate training and to ensure we are an employer of choice.	We are now active delivery partners for the Teaching School Hub and Best Practice Network. Through these we are delivering training for the Early Career Framework. This is in addition to our partnership with North Wilts SCITT, through which we deliver our initial teacher training. Next steps for us are to begin delivering NPQs for teaching staff and further CPD for support staff.
The Trust ensures that the behaviour and personal development of pupils in our schools is at least good. Behaviour promotes learning and pupils have a rounded education, fit for the 21 st Century.	Personal Development and Behaviour and Attitudes are now judged Good in all of our schools. The Behaviour and Safety Board, regularly reviews any issues or trend in behaviour.

Key Performance Indicators

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

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

As funding is based on pupil numbers, this is also a key performance indicator (KPI). Pupil numbers for 2020 were 2448 including 145 arriving from Colebrook Infant Academy during the financial year. Our pupil numbers will grow again during 2021/22 with the addition of three local primary schools joining the Trust in the coming year.

KPI	Target	Actual	Kreston Reeves MAT Benchmark 2020
GAG carry forward ratio	10.52%	3.3%	8.9%
Total income per pupil	£5,947	£5,530	£5,176
Total GAG per pupil	£4,757	£4,224	£3,724
Ratio of GAG to total income	75.93%	76.39%	72.0%
Staff costs per pupil	£4,696	£4,326	£4,111
Ratio of staff costs to total costs	78.15%	79.04%	75.8%
Ratio of premises costs to total costs	4.46%	4.50%	1.3%
Surplus before depreciation as % of income	1.41%	1.03%	1.2%

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trust has continued to perform well financially in 2020/21, despite ongoing challenges presented by Covid-19. The addition of a local infant academy during the year has had a positive impact on the Trust results, despite not receiving the conversion grant to cover any joining costs. Self-generated income was once again impacted by partial school closures in the winter and spring, this is reflected in our GAG to total income KPI increasing to 76.4% against a target of 75.9% and 66.5% in 19/20. Some of these losses were offset by cost savings made as a result of the closures, but we were also able to recover some staff costs through the Government Coronavirus job retention scheme. The Trust has continued to pay casual staff during the school closure where agreements for work had already been made and has supported its catering contractors throughout. However, the impact of the pandemic has been more significant in 2020/21 with our schools now fully open incurring additional staff costs to manage bubbles and cover for staff self-isolating, as well as for meeting health and safety requirements.

We continue to maintain a healthy reserve position but are aware that we face additional financial challenges due to predicted falling pupil numbers across Swindon and the diminishing financial support associated with opening new schools as they become more established. We have taken steps to focus on generating more income in the new schools by establishing nursery and after school care provision in response to high demand. This has proven successful and the demand for these services continues to grow as the schools' welcome new year groups. We have also generated additional lettings income in the new schools where their facilities have attracted various local sport, leisure and church groups. This is seen as quite an achievement when considering this success in the midst of a pandemic. Both the new schools were built on new housing estates. The school built on the estate which is nearing completion has achieved full capacity in its reception class this year. The second school is built on an estate which is partially complete and we have yet to reach capacity in their reception intake for 2020/21. We are closely monitoring the pupil numbers and funding with the local authority and the ESFA.

The Trust receives significant pupil premium income, 87% of which is allocated to employing experienced teachers leading our intervention teams. The Trust also has very experienced long serving members of staff who are at the top of their pay scales. Our junior school has a special resource provision unit requiring high staff to pupil ratios. One of our schools has extensive community facilities employing dedicated staff, the costs of which are included in the KPI calculation. As a result of all these factors, our ratio of staff costs to total costs remains approximately 3.24% higher than the average MAT.

We carefully monitor our financial position ensuring an efficient allocation of resources and are developing our use of the DfE financial performance measuring tools such as Integrated Curriculum Financial Planning and View My Financial Insights to support this. We have recently completed a tendering process to ensure best value for external catering provision in some of our schools. We have successfully appointed a new provider achieving substantial savings and improved quality. This is part of the Trusts continued initiative to rationalise procurement, IT and processes to reduce its overheads. We are strongly committed to managing our budget efficiently, achieving best value, excellent quality of provision thus continuing to improve the environment and learning outcomes for our pupils.

Going Concern

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2021, the Academy received total income of £21,049,345 and incurred total expenditure of £14,338,654. The excess of income over expenditure for the year was £6,710,691. The excess of expenditure over income for the year excluding funds received on conversion of new schools was £1,127,555.

Colebrook Infant Academy converted to an academy and joined the Trust on 1 December 2020. The Trust has recognised a donation on joining of £1,172,858 including fixed assets donated with a value of £1,307,579.

At 31 August 2021 the net book value of fixed assets was £38,566,390 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

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

Trustees aim to maintain reserves to a level that will cover one month's salary commitments being £875,000. The Trust is aware that it is likely to need additional reserves to cover unexpected costs or loss of income related to COVID-19 during the 2020/21 year. Free reserves at 31 August 2021 are £1,409,029. The Trustees keep the level of free reserves under active review given the Trust's plans for growth and development.

At the end of the last financial year 2019/20 total reserves of the Trust amounted to £29,058,573, £27,889,216 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,169,357 representing £863,903 unrestricted funds and £305,454 unspent GAG.

Total reserves of the Trust for 2020/21 amounted to £34,043,264, £32,634,235 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £1,409,029 (representing £1,106,453 unrestricted funds and £302,576 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

Investment Policy

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

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. However, due to extremely low interest rates, no such investments were made during 2020/21 as no benefits were achievable. No other form of investment is authorised.

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

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

Principal Risks and Uncertainties

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

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 92.9% of the Trust's recurring incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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

**THE BLUE KITE ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

The Trust is reviewing a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These are being discussed by Trustees and include the financial risks to the Trust. The register and plan will be regularly reviewed in light of any new information such as COVID-19 and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities, COVID-19 and other operational areas:

- Impact of staff or pupils contracting COVID-19;
- Loss of key roles for a significant period;
- Additional cost centres introduced into our chart of accounts to assist in the monitoring of additional costs relating to Covid-19 and the impact on reserves; and
- Close monitoring of self-generated income to be aware of any reductions and the impact on reserves.

The Trustees have implemented several systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk remains, they have ensured they have adequate insurance cover.

Fundraising

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

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

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

**THE BLUE KITE ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

In setting its strategy, the Board considers:

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

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

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

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

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

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

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Parents & Pupils Engagement

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

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

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

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

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

Members/Trustees/Governors

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

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

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

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

Wider community and environment

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Streamlined Energy & Carbon Reporting 2020/21

Blue Kite Trust

Energy Background

The Trust has 8 academies across the estate. All are serviced by gas fired boilers and electric is bought in. A couple of sites do generate small amounts of electricity from PV panels which feed the grid. Our 2 newer schools benefit from under floor heating and have Building Management tools to help monitor energy usage. Mileage claims are from Blue Kite staff only who are based at Ferndale and the Trust has no minibuses or vans. Across the Estate we are rolling out programmes of lighting refurbishment with one academy being completed this year. Alongside this we have replaced several areas of windows and doors and replaced boilers and heating emitters in several schools.

This methodology follows the GHG Reporting Protocol and uses the 2021 Government emission conversion factors for greenhouse gas company reporting.

Energy Source	Consumption	Scope	Emissions calculation
Gas – total kWh (kilowatt-hours) used for the year	1,878,340 kWh (gross CV (calorific value))	Scope 1	1,878,340 kWh * 0.18316 (2021 fuels, natural gas conversion factor gross CV to kg CO ₂ e) = 344,037 kgCO ₂ e = 344.037 tCO₂e
Electricity – total kWh used for the year	474,045 kWh	Scope 2	474,045 kWh * 0.21233 (2021 UK electricity conversion factor to kgCO ₂ e) = 100,654 kgCO ₂ e = 100.654 tCO₂e
Reimbursed Transport – total mileage reimbursed from staff claims = 3,435 miles	3,435 miles * 1.16071 (2021 SECR kWh pass & delivery vehs, average car conversion factor to kWh, petrol) =3,987 kWh	Scope 3	3,435 miles * 0.28053 (2021 business travel and average car conversion factor to kgCO ₂ e, petrol) = 964 kgCO ₂ e = 0.96 tCO₂e
Total	2,356,372 kWh		445.65 tCO₂e
Intensity ratio	Emissions data (tCO ₂ e) compared with an appropriate business activity (pupil numbers as per Autumn census)		445.65 tCO ₂ e/2,449 pupils = 0.182 tCO₂e per pupil

**THE BLUE KITE ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Disclosure of Information

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Current reporting year 2020/21	Comparison reporting year 2019/20 (figures are for illustrative purposes)
Energy consumption used to calculate emissions (kWh)	2,356,372	1,994,046
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	344.037	275.334
Owned transport	0.00	0.00
Total Scope 1	344.04	275.33
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	100.654	115.042
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	0.96	0.76
Total gross emissions in metric tonnes CO2e	445.65	391.14
Intensity ratio Tonnes CO2e per pupil	0.182	0.167

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

- Use of Teams/Zoom to reduce cross site travel;
- New School, BMS connected for remote access to data. Building Performance Report completed at Badbury Park Primary School; and
- Lighting replacement to LED at Colebrook Infant Academy.

Our engagement is also to support other schools in the area as well as getting feedback from them.

Education sector/Regulators

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

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

**THE BLUE KITE ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The Trust recognises the importance of dealing fairly and equitably with its business relationship with its customers, suppliers & key stakeholders. As a government funded organisation the Trust aims to pay all suppliers within 30 days of their invoice date and during this year has continued to reduce this period. The Trust engages with its customers, suppliers and key stakeholders on a regular basis to ensure that any issues are resolved quickly and amicably. In line with PPN 02/20, we supported them throughout the pandemic by accelerating our payment term to support their cash flow and paid particular attention to supporting and ensuring the continuity of service of our caterers.

Plans for Future Periods

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

On 1 December 2020, Colebrook Infant Academy was the latest school to join the Trust. We look forward to welcoming a further 3 schools during 2021/22.

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

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

Strengthen governance covering key skills at both director and LGB level. The Trust appointed a Head of Governance professional during the year and has made good progress in recruiting new local Governors and Trustees. She has introduced a Governance framework across the Trust which promotes a consistent approach to how are schools are governed and robust governor training programs.

Continue to manage the disruption to education settings arising from Covid 19 and the effective return and support for all staff and pupils returning to school post Covid 19.

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

Our finance systems are being further developed to ensure they have the capacity to meet the needs of a rapidly growing Trust. The Trust successfully recruited an additional finance assistant in November and looks forward to the arrival of a Business Systems Manager who joined in November 2021.

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

Both Finance and HR staff have contributed to the introduction of a Trust forum for our School Business Officers. In addition to promoting collaboration between schools, the forum will also present opportunities to share updates, best practice and incorporate training sessions.

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

The Trust has continued to support schools within and outside of our Trust through very difficult times again this year in matters relating to the ongoing Covid-19 pandemic.

Our Lighthouse team forms the main part of our early intervention response for schools. The team work with both children and families to give advice, one-to-one intervention work as well as bespoke therapeutic support.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The 2021-2024 Strategic Development Plan outlines how the Trust intends to achieve these aims and will be reviewed regularly by Trustees. This will also ensure that resources can be allocated to maximum effect.

Funds Held as Custodian Trustee on Behalf of Others

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

Disclosure of Information to Auditors

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

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

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

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



**P Miller
Chair of Trustees**

Date: 17th December 2021

**THE BLUE KITE ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Blue Kite Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

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

Trustee	Meetings attended	Out of a possible
Mr G Evans, Chief Executive Officer	7	7
Mrs P Miller, Chair of Trustees and Chair of Education Standards & Strategy	7	7
Mr P Himple, Chair of Finance, Personnel & Resources	6	7
Mr C Harris, Chair of Risk, Audit & Strategy	7	7
Mr N Griffiths	4	4
Mr N Uzzell	4	5
Mr A Hunt	1	1
Mr A Miller	0	0
Mrs H Brown	1	1
Mr M Rachael	0	1

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

- H Brown resigned 15 September 2020;
- M Rachael resigned 16 November 2020;
- N Griffiths appointed 10 December 2020 resigned 28 June 2021;
- N Uzzell Appointed 10 December 2020;
- A Hunt appointed 8 June 2021; and
- A Miller appointed 27 July 2021.

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

**THE BLUE KITE ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Governance Review

The Trust Financial Management and Self-Assessment in May 2016 identified the priorities for the Trustees' Annual Action Plan. Trustees identified the need for a suite of more comprehensive financial policies and controls reflecting the scheme of delegation for the trust, which is now primarily completed.

The Trustees continue to review and develop these policies and controls as the Trust matures. Gaps in the Trustees skills base have been actively addressed by recruiting Trustees with specific skills, predominantly finance and legal skills. Following on from a recent skills audit, we have been able to appoint three new trustees who will join the board in the new academic year. The skills gaps in finance have been addressed by the appointment of an accountant and a school business manager.

The Trust Board conducted an internal review during summer 2021 using the Improvement Capacity Framework which all Trustees contributed to. There was also an SRMA visit which recommended financial governance of the Trust was strengthened. As a result, a review of the committee structure was undertaken by the Chair of Trustees, Committee Chairs and CEO.

It was agreed that as the trust continues to grow a focus on finance and staffing capacity is essential therefore the Finance, Personnel and Resources Committee will lose responsibility for personnel and a new committee; People and Culture will be formed. This will ensure that both finance and staffing receive the level of attention required. Work on ensuring meetings are effective through robust reporting systems and agenda planners is ongoing.

Academy Ambassadors and Inspiring Governance were both used to recruit new Trustees. Two Trustees were appointed during summer 2021. The appointment of two further Trustees also began with the expectation that the members will appoint them by the end of October 2021. This means that finance and risk and audit skills have been added to the Trust board and also allows for greater separation of Trustees across the committees.

The Finance, Personnel and Resources Committee is a sub-committee of the main board of Trustees. Its purpose is to review the Annual Budget in detail and to make recommendations to the Board and review the Trust's internal and external financial statements and reports to ensure they reflect best practice. The Finance, Personnel and Resources Committee provides an extra level of scrutiny in the monitoring of risk assessment, internal controls and financial performance across the Trust and the performance of other central and support services and ensures personnel management procedures have been identified, formally approved and documented.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Himple	3	4
Mr C Harris	4	4
Mr G Evans	4	4
Mr N Uzzell	2	3
Mr A Hunt	1	1
Mr A Miller	0	0
Mr M Rachel	0	0
Mrs H Brown	0	0

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

**THE BLUE KITE ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs H Brown	0	0
Mr C Harris	3	3
Mr M Rachel	0	0
Mr P Himple	3	3
Mr N Uzzell	2	3
Mr A Hunt	1	1

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

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Harris	1	3
Mr G Evans	5	5
Mrs P Miller	5	5
Mr N Griffiths	3	4
Mr A Hunt	1	1

REVIEW OF VALUE FOR MONEY

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

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

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

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Blue Kite Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

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

REVIEW OF EFFECTIVENESS

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

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

**THE BLUE KITE ACADEMY TRUST
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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



**P Miller
Chair of Trustees**

Date: 17th December 2021



**G Evans
Accounting Officer**

Date: 17th December 2021

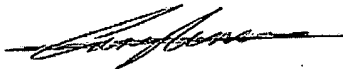
**THE BLUE KITE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



G Evans
Accounting Officer
Date: 17th December 2021

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



P Miller
Chair of Trustees
Date: 17th December 2021

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

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

OPINION

We have audited the financial statements of The Blue Kite Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

USE OF OUR REPORT

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

Bishop Fleming Bath Ltd

John Talbot FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: *21 December 2021*

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

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

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

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

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

The accounting officer is responsible, under the requirements of The Blue Kite Academy Trust's funding agreement with the Secretary of State for Education dated 16 December 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming Bath Ltd

John Talbot FCA (Reporting Accountant)
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: *21 December 2021*

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	4					
On academies joining the Trust		97,939	(338,843)	8,079,150	7,838,246	19,305,070
Other donations and capital grants		-	43,564	397,447	441,011	255,228
Other trading activities		282,045	-	-	282,045	201,384
Investments	8	236	-	-	236	650
Charitable activities	5	672,081	11,815,726	-	12,487,807	9,172,454
Total income		1,052,301	11,520,447	8,476,597	21,049,345	28,934,786
Expenditure on:						
Charitable activities		809,751	12,650,014	878,889	14,338,654	10,301,899
Total expenditure		809,751	12,650,014	878,889	14,338,654	10,301,899
NET INCOME / (EXPENDITURE)		242,550	(1,129,567)	7,597,708	6,710,691	18,632,887
Transfers between funds	21	-	(21,647)	21,647	-	-
NET MOVEMENT IN FUNDS BEFORE GAINS / (LOSSES)		242,550	(1,151,214)	7,619,355	6,710,691	18,632,887
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(1,726,000)	-	(1,726,000)	518,000
Net movement in funds		242,550	(2,877,214)	7,619,355	4,984,691	19,150,887
Reconciliation of funds:						
Total funds brought forward		863,903	(2,801,746)	30,996,416	29,058,573	9,907,686
Net movement in funds		242,550	(2,877,214)	7,619,355	4,984,691	19,150,887
Total funds carried forward		1,106,453	(5,678,960)	38,615,771	34,043,264	29,058,573

The notes on pages 37 to 68 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	16	38,566,390	30,949,019
Current assets			
Debtors	17	394,140	255,218
Cash at bank and in hand		2,242,407	1,789,052
		<u>2,636,547</u>	<u>2,044,270</u>
Creditors: amounts falling due within one year	18	(1,096,895)	(679,997)
Net current assets		<u>1,539,652</u>	<u>1,364,273</u>
Total assets less current liabilities		<u>40,106,042</u>	<u>32,313,292</u>
Creditors: amounts falling due after more than one year	19	(86,778)	(67,719)
Net assets excluding pension liability		<u>40,019,264</u>	<u>32,245,573</u>
Defined benefit pension scheme liability	28	(5,976,000)	(3,187,000)
Total net assets		<u><u>34,043,264</u></u>	<u><u>29,058,573</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	38,615,771	30,996,416
Restricted income funds	21	297,040	385,254
		<u>38,912,811</u>	<u>31,381,670</u>
Restricted funds excluding pension asset	21	38,912,811	31,381,670
Pension reserve	21	(5,976,000)	(3,187,000)
Total restricted funds	21	<u>32,936,811</u>	<u>28,194,670</u>
Unrestricted income funds	21	<u>1,106,453</u>	<u>863,903</u>
Total funds		<u><u>34,043,264</u></u>	<u><u>29,058,573</u></u>

The financial statements on pages 34 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



P Miller

Chair of Trustees

Date: 17 December 2021

The notes on pages 37 to 68 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	23	319,013	337,199
Cash flows from investing activities	25	(1,709)	(116,483)
Cash flows from financing activities	24	136,051	595,204
Change in cash and cash equivalents in the year		453,355	815,920
Cash and cash equivalents at the beginning of the year		1,789,052	973,132
Cash and cash equivalents at the end of the year	26, 27	<u>2,242,407</u>	<u>1,789,052</u>

The notes on pages 37 to 68 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

2.2 GOING CONCERN

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

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

2.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.5 TAXATION

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

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

2.6 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following bases:

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

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

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

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

2.7 DEBTORS

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (continued)

2.8 CASH AT BANK AND IN HAND

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

2.9 LIABILITIES

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

2.10 FINANCIAL INSTRUMENTS

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.11 OPERATING LEASES

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

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2. ACCOUNTING POLICIES (continued)

2.12 PENSIONS

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

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

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

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

2.13 FUND ACCOUNTING

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

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2021**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgment:

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
On academies joining the Trust	97,939	(338,843)	8,079,150	7,838,246	19,305,070
Donations	-	43,564	60,982	104,546	99,110
Capital Grants	-	-	336,465	336,465	156,118
Total 2021	97,939	(295,279)	8,476,597	8,279,257	19,560,298
Total 2020	432,680	(697,890)	19,825,508	19,560,298	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	106,904	11,815,726	11,922,630	8,776,993
Nursery	565,177	-	565,177	395,461
Total 2021	672,081	11,815,726	12,487,807	9,172,454
Total 2020	473,580	8,698,874	9,172,454	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	9,388,729	9,388,729	6,766,451
OTHER DFE/ESFA GRANTS				
Teacher's pay and pension grant	-	455,527	455,527	364,178
Rates relief	-	41,860	41,860	40,616
Other DfE/ESFA grants	-	121,260	121,260	111,420
Pupil premium	-	554,395	554,395	449,374
MAT growth grants	-	70,227	70,227	240,678
PE and sports grants	-	142,090	142,090	80,043
COVID catch up premium	-	192,602	192,602	-
UIFSM	-	328,338	328,338	209,367
	-	11,295,028	11,295,028	8,262,127
OTHER GOVERNMENT GRANTS				
High needs	-	456,495	456,495	423,829
Other government grants	-	29,133	29,133	6,999
	-	485,628	485,628	430,828
OTHER FUNDING				
Internal catering income	93,187	-	93,187	64,284
Sales to students	-	70	70	1,154
Other	13,717	35,000	48,717	18,600
	106,904	35,070	141,974	84,038
	106,904	11,815,726	11,922,630	8,776,993
Total 2020	82,884	8,694,109	8,776,993	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals, Pupil Premium and other funding is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

THE BLUE KITE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	85,936	85,936	60,760
Consultancy	22,922	22,922	1,006
School clubs	170,299	170,299	133,518
Other	2,888	2,888	6,100
Total 2021	282,045	282,045	201,384
Total 2020	201,384	201,384	

8. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	236	236	650

9. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	8,550,894	576,346	383,787	9,511,027	6,991,449
Allocated support costs	2,318,206	962,861	1,093,924	4,374,991	2,952,708
NURSERY:					
Direct costs	441,663	-	4,832	446,495	341,045
Allocated support costs	681	2,997	2,463	6,141	16,697
Total 2021	11,311,444	1,542,204	1,485,006	14,338,654	10,301,899
Total 2020	8,334,777	809,562	1,157,560	10,301,899	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	9,511,027	4,374,991	13,886,018	9,944,157
Nursery	446,495	6,141	452,636	357,742
Total 2021	9,957,522	4,381,132	14,338,654	10,301,899
Total 2020	7,332,494	2,969,405	10,301,899	

ANALYSIS OF DIRECT COSTS

	Education 2021 £	Nursery 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	63,000	-	63,000	58,000
Staff costs	8,550,894	441,663	8,992,557	6,645,824
Depreciation	660,991	-	660,991	404,223
Educational supplies	153,101	4,832	157,933	122,307
Staff development	37,461	-	37,461	31,215
Other costs	33,268	-	33,268	69,989
Technology costs	12,312	-	12,312	936
Total 2021	9,511,027	446,495	9,957,522	7,332,494
TOTAL 2020	6,991,449	341,045	7,332,494	

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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2021 £	Nursery 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,318,206	681	2,318,887	1,688,953
Depreciation	217,898	-	217,898	71,283
Recruitment and support	21,610	-	21,610	10,399
Maintenance of premises and equipment	319,959	2,876	322,835	137,750
Cleaning	132,021	121	132,142	66,972
Rent and rates	67,997	-	67,997	52,350
Energy costs	122,319	-	122,319	86,310
Insurance	65,906	-	65,906	39,038
Security and transport	33,764	-	33,764	28,853
Catering	315,781	2,256	318,037	151,341
Technology costs	92,289	-	92,289	52,135
Office overheads	129,358	-	129,358	84,164
Legal and professional	527,916	207	528,123	499,578
Bank interest and charges	9,967	-	9,967	279
TOTAL 2021	4,374,991	6,141	4,381,132	2,969,405
TOTAL 2020	2,952,708	16,697	2,969,405	

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	30,939	15,472
Depreciation of tangible fixed assets	794,245	518,251
Fees paid to auditors for:		
- audit	16,750	14,750
- other services	5,150	4,950

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NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	7,986,983	5,955,026
Social security costs	660,440	450,515
Pension costs	2,570,218	1,881,791
	<u>11,217,641</u>	<u>8,287,332</u>
Supply teacher costs	93,803	47,445
	<u>11,311,444</u>	<u>8,334,777</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	74	104
Educational Support	256	221
Administration	28	28
Management	19	20
	<u>377</u>	<u>373</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	93	87
Educational Support	127	119
Administration	21	20
Management	20	18
	<u>261</u>	<u>244</u>

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12. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	=====	=====

Annual employer's contributions of £134,046 (2020: £77,896) are payable to the Teachers' Pension Scheme (TPS) in respect of the above employees.

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £557,396 (2020: £415,997).

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NOTES TO THE FINANCIAL STATEMENTS
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13. CENTRAL SERVICES

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

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

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

With the exception of central staff salary recharges, the services have been charged equally between the academies in the Trust.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Abbey Meads Community Primary School	93,457	92,774
Badbury Park Primary and Nursery School	33,274	67,042
Brook Field Primary School	82,520	33,088
Catherine Wayte Primary School	83,229	63,203
Ferndale Primary School & Nursery	147,247	110,691
Ruskin Junior School	130,496	144,024
William Morris Primary and Nursery School	29,474	46,542
Colebrook Infant Academy	15,263	-
TOTAL	614,960	557,364

14. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: G Evans: Remuneration £110,000 - £115,000 (2020: £105,000 - £110,000), Employer's Pension Contributions £25,000 - £30,000 (2020: £25,000 - £30,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. TRUSTEES' AND OFFICERS' INSURANCE

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

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2020	30,754,390	916,227	196,644	207,482	2,808	32,077,551
Additions	-	100,677	68,220	354,397	-	523,294
On academies joining the Trust	7,612,352	346,603	8,044	5,968	-	7,972,967
At 31 August 2021	38,366,742	1,363,507	272,908	567,847	2,808	40,573,812
DEPRECIATION						
At 1 September 2020	826,772	99,531	78,428	120,993	2,808	1,128,532
Charge for the year	660,991	36,618	54,580	126,701	-	878,890
At 31 August 2021	1,487,763	136,149	133,008	247,694	2,808	2,007,422
NET BOOK VALUE						
At 31 August 2021	36,878,979	1,227,358	139,900	320,153	-	38,566,390
At 31 August 2020	29,927,618	816,696	118,216	86,489	-	30,949,019

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NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	110,521	13,892
Other debtors	55,510	18,535
Prepayments and accrued income	228,109	222,791
	<u>394,140</u>	<u>255,218</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Equal pay loan	10,798	7,156
Trade creditors	248,892	38,211
Other taxation and social security	166,682	141,641
Other creditors	215,489	183,540
Accruals and deferred income	455,034	309,449
	<u>1,096,895</u>	<u>679,997</u>

	2021 £	2020 £
Deferred income at 1 September 2020	187,205	109,911
Resources deferred during the year	237,736	187,205
Amounts released from previous periods	(187,205)	(109,911)
	<u>237,736</u>	<u>187,205</u>

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

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FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Other loans	<u>86,778</u>	<u>67,719</u>

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

	2021 £	2020 £
Payable or repayable by instalments	<u>41,817</u>	<u>40,631</u>

To ensure all staff within Swindon school's were on equal pay the local authority performed a pre-conversion pay review. This review established that certain staff in the School were owed additional pay, which was settled by the local authority on behalf of the School. The Academy Trust is required to repay this debt, however the local authority have the right to reconsider the amount owed. A loan was transferred to the Academy Trust on conversion and a balance was transferred in the year when Colebrook Infant Academy joined the Trust. At the year end £81,218 (2020: £74,875) remains outstanding. The loan is unsecured and is being repaid by instalments with 10 years remaining, at an interest rate of 4.93%.

20. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>2,242,407</u>	<u>1,789,052</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

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

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

RESTRICTED FUNDS

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

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

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

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21. STATEMENT OF FUNDS (CONTINUED)

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

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

PE & Sport Grant - Funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary aged pupils, so that they develop healthy lifestyles.

Teachers' Pension Grant - Funding from Local Authorities to support schools with the cost of the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

Other ESFA - Other funding received from the ESFA in relation to rates relief and teachers pay grant.

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

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

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

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

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

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

FIXED ASSET FUNDS

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

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

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

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

THE BLUE KITE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	373,354	748,432	(335,102)	-	-	786,684
Nursery	52,867	359,862	(335,510)	-	-	77,219
	<u>426,221</u>	<u>1,108,294</u>	<u>(670,612)</u>	<u>-</u>	<u>-</u>	<u>863,903</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	119,058	6,766,451	(6,502,824)	(77,231)	-	305,454
High needs funding	-	267,349	(267,349)	-	-	-
Pupil premium	-	449,374	(449,374)	-	-	-
Condition Improvement Fund	3,447	-	-	(3,447)	-	-
UIFSM	-	209,367	(186,996)	-	-	22,371
PE & Sport Grant	23,698	80,043	(37,646)	-	-	66,095
Teachers' pension & pay grant	-	364,178	(364,178)	-	-	-
Other ESFA income	-	386,334	(386,334)	-	-	-
LA pre-opening grant	270,885	-	(116,964)	(83,852)	-	70,069
Other LA Income	-	168,244	(168,244)	-	-	-
Other Restricted Income	-	106,644	(106,644)	-	-	-
Equal Pay/Salix Loan	(85,507)	-	6,772	-	-	(78,735)
Pension reserve	(2,332,000)	(797,000)	(576,000)	-	518,000	(3,187,000)
	<u>(2,000,419)</u>	<u>8,000,984</u>	<u>(9,155,781)</u>	<u>(164,530)</u>	<u>518,000</u>	<u>(2,801,746)</u>

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21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	10,632,185	19,669,390	(436,351)	-	-	29,865,224
Fixed assets purchased from GAG and other restricted funds	195,432	-	(9,136)	-	-	186,296
Fixed assets purchased from DfE/ESFA Capital grants	654,267	-	(30,019)	273,251	-	897,499
Devolved formula capital	-	35,107	-	(30,396)	-	4,711
Other LA capital grants	-	121,011	-	(78,325)	-	42,686
	<u>11,481,884</u>	<u>19,825,508</u>	<u>(475,506)</u>	<u>164,530</u>	<u>-</u>	<u>30,996,416</u>
TOTAL RESTRICTED FUNDS	<u>9,481,465</u>	<u>27,826,492</u>	<u>(9,631,287)</u>	<u>-</u>	<u>518,000</u>	<u>28,194,670</u>
TOTAL FUNDS	<u><u>9,907,686</u></u>	<u><u>28,934,786</u></u>	<u><u>(10,301,899)</u></u>	<u><u>-</u></u>	<u><u>518,000</u></u>	<u><u>29,058,573</u></u>

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21. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Ferndale Primary and Nursery School	177,782	125,992
Ruskin Junior School	48,030	52,252
Abbey Meads Community Primary School	286,776	246,209
Badbury Park Primary School	231,017	130,507
William Morris Primary School	186,487	103,800
Catherine Wayte Primary School	314,599	311,162
Brook Field Primary School	169,956	184,305
Colebrook Infant Academy	29,722	-
The Blue Kite Academy Trust	(40,876)	94,930
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,403,493	1,249,157
Restricted fixed asset fund	38,615,771	30,996,416
Pension reserve	(5,976,000)	(3,187,000)
	<hr/>	<hr/>
TOTAL	34,043,264	29,058,573
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THE BLUE KITE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Ferndale Primary and Nursery School	1,680,469	308,392	42,987	301,657	2,333,505	2,062,047
Ruskin Junior School	1,386,076	214,799	21,390	246,560	1,868,825	1,733,469
Abbey Meads Community Primary School	1,871,526	393,604	23,669	244,184	2,532,983	2,355,972
Badbury Park Primary School	359,448	83,586	8,076	105,412	556,522	253,727
William Morris Primary School	466,021	105,581	8,179	137,998	717,779	327,210
Catherine Wayte Primary School	1,488,393	134,266	22,028	328,480	1,973,167	1,220,328
Brook Field Primary School	1,457,493	190,168	28,783	271,906	1,948,350	551,665
Colebrook Infant Academy	430,633	50,311	2,722	137,832	621,498	-
The Blue Kite Academy Trust	245,498	508,180	99	153,359	907,136	1,321,975
ACADEMY TRUST	9,385,557	1,988,887	157,933	1,927,388	13,459,765	9,826,393

THE BLUE KITE ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	30,949,019	30,949,019
Current assets	863,903	1,132,970	47,397	2,044,270
Creditors due within one year	-	(679,997)	-	(679,997)
Creditors due in more than one year	-	(67,719)	-	(67,719)
Provisions for liabilities and charges	-	(3,187,000)	-	(3,187,000)
TOTAL	863,903	(2,801,746)	30,996,416	29,058,573

**THE BLUE KITE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	6,710,691	18,632,887
ADJUSTMENTS FOR:		
Depreciation	878,890	475,506
Capital grants from DfE and other capital income	(397,447)	(156,118)
Interest receivable	(236)	(650)
Interest payable	9,281	-
Defined benefit pension scheme cost less contributions payable	700,000	518,000
Defined benefit pension scheme finance cost	63,000	58,000
(Increase)/decrease in debtors	(149,593)	73,320
Increase in creditors	342,673	41,324
Net assets on conversion	(7,838,246)	(19,305,070)
NET CASH PROVIDED BY OPERATING ACTIVITIES	319,013	337,199

24. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Repayments of equal pay loans	(24,016)	-
Cash inflows on conversion	160,067	595,204
NET CASH PROVIDED BY FINANCING ACTIVITIES	136,051	595,204

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	236	650
Purchase of tangible fixed assets	(523,294)	(273,251)
Capital grants from DfE Group	530,630	156,118
Interest paid	(9,281)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,709)	(116,483)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	2,242,407	1,789,052
TOTAL CASH AND CASH EQUIVALENTS	2,242,407	1,789,052

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,789,052	453,355	2,242,407
Debt due within 1 year	(7,156)	(3,642)	(10,798)
Debt due after 1 year	(67,719)	(19,059)	(86,778)
	1,714,177	430,654	2,144,831

**THE BLUE KITE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS

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

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

Contributions amounting to £213,730 were payable to the schemes at 31 August 2021 (2020 - £182,242) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,075,521 (2020 - £844,066).

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

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

**THE BLUE KITE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £944,000 (2020 - £644,000), of which employer's contributions totalled £767,000 (2020 - £518,000) and employees' contributions totalled £ 177,000 (2020 - £126,000). The agreed contribution rates for future years are 23.8% for employers and 5.5 - 12.5% for employees.

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

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment / inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	21.9	21.7
Females	24.4	24.0
Retiring in 20 years		
Males	22.9	22.5
Females	26.2	25.5

SHARE OF SCHEME ASSETS

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FOR THE YEAR ENDED 31 AUGUST 2021

28. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
Equities	4,462,000	3,040,000
Corporate bonds	2,677,000	1,737,000
Property	892,000	652,000
Cash and other liquid assets	81,000	-
Total	8,112,000	5,429,000

The actual return on scheme assets was £114,000 (2020 - £69,000).

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

	2021 £	2020 £
Current service cost	(1,467,000)	(1,036,000)
Interest income	110,000	83,000
Interest cost	(173,000)	(141,000)
TOTAL	(1,530,000)	(1,094,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	8,616,000	5,630,000
Conversion of Academy Trusts	-	2,099,000
Transferred in on existing academies joining the Trust	823,000	-
Current service cost	1,467,000	1,036,000
Interest cost	173,000	141,000
Employee contributions	177,000	126,000
Actuarial losses / (gains)	2,450,000	(460,000)
Benefits paid	382,000	44,000
AT 31 AUGUST	14,088,000	8,616,000

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	5,429,000	3,298,000
Conversion of Academy Trusts	-	1,302,000
Transferred in on existing academies joining the Trust	523,000	-
Interest income	110,000	83,000
Actuarial gains	724,000	58,000
Employer contributions	767,000	518,000
Employee contributions	177,000	126,000
Benefits paid	382,000	44,000
AT 31 AUGUST	8,112,000	5,429,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	30,939	28,972
Later than 1 year and not later than 5 years	34,458	28,972
Later than 5 years	-	34,458
	65,397	92,402

30. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

31. RELATED PARTY TRANSACTIONS

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

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial 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.

32. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

On 1 December 2020, Colebrook Infant Academy was transferred into the Trust. All assets and liabilities were transferred at book value on this date for £Nil consideration and this donation has been recognised as donation to the Trust. The assets and liabilities transferred to the Trust on this date was as follows:

Colebrook Infant Academy

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
TANGIBLE FIXED ASSETS			
Long-term leasehold property	942,484	4,480	946,964
Leasehold improvements	344,222	2,381	346,603
Furniture and equipment	7,540	504	8,044
Computer equipment	7,777	(1,809)	5,968
CURRENT ASSETS			
Debtors due after one year	145,300	(3,360)	141,940
Cash at bank and in hand	160,067	239	160,306
LIABILITIES			
Creditors due within one year	(96,278)	(5,696)	(101,974)
Creditors due after one year	(34,993)	-	(34,993)
PENSIONS			
Pensions - pension scheme assets	523,000	-	523,000
Pensions - pension scheme liabilities	(823,000)	-	(823,000)
NET ASSETS	1,176,119	(3,261)	1,172,858