

**Company Registration Number: 09889819** (England and Wales)

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	J Randell-Sly N Tucker N Uzzell (resigned 27 June 2019) P Himple R Soare
<b>Trustees</b>	G Evans, Chief Executive Officer <sup>1,3</sup> P Himple, Chair of Finance, Personnel & Resources <sup>1</sup> J Hobbs, Chair of Education Standards & Strategy <sup>3</sup> S Marshall (resigned 6 March 2019) J Randell-Sly, Chair (resigned 4 October 2018) R Soare (resigned 6 March 2019) H Brown (appointed 8 October 2018) <sup>1,2</sup> C Harris, Chair of Risk, Audit & Strategy (appointed 8 October 2018) <sup>1,2,3</sup> M Rachael (appointed 8 October 2018) <sup>1,2</sup> P Miller (appointed 6 December 2018) <sup>3</sup>  <sup>1</sup> Finance, Personnel and Resources Committee <sup>2</sup> Risk, Audit and Strategy Committee <sup>3</sup> Education Standards Committee
<b>Company registered number</b>	09889819
<b>Company name</b>	The Blue Kite Academy Trust
<b>Principal and registered office</b>	Ferndale Primary And Nursery School Wiltshire Avenue Swindon Wiltshire SN2 1NX
<b>Company secretary</b>	J Hayward
<b>Chief executive officer</b>	G Evans
<b>Senior management team</b>	Gary Evans, Chief Executive Officer Robert Buckley, Deputy Chief Executive Officer Samantha Edge, Chief Operating Officer Julia Toogood, Chief Finance Officer
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
<b>Bankers</b>	Lloyds Bank plc 5 High Street Swindon SN1 3EN

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Solicitors</b>	Browne Jacobson Mobray House Castle Meadow Road Nottingham NG2 1BJ
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**THE BLUE KITE ACADEMY TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates three primary academes in Swindon. A further two are in the pre-opening phase and due to open in September 2019. Its academies have a combined pupil capacity of 1,360 and had a roll of 1,300 in the school census on October 2019.

**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**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

	£	
Total cost of facility time	508	
Total pay bill	4,784,710	
Percentage of total pay bill spent on facility time	-	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trustees' Indemnities**

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

**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. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**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.

- 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.

**THE BLUE KITE ACADEMY TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- Education Standards and Strategy Committee - this meets up to three 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 up to 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 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 Chairman and/or Vice Chairman, to appoint the CEO and Clerk to the Trustees, 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 and Board of Trustees have devolved responsibility for day to day management of the Academy 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 Office, Deputy CEO, Chief Finance Officer and Chief Operating Officer.

The Academy Trust comprises 2 primary schools and 1 junior school: Ferndale Primary and Nursery School, Abbey Meads Community Primary School and Ruskin Junior School. William Morris Primary School and Badbury Park Primary School are nearing completion and will open in September 2019. Each school has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust Board comprises of Directors who have been appointed on a skills basis some have been local governors in our schools.

The Chief Executive Officer is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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.

**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.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the 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 Trust is a community in which children, staff and parents should be part of a happy and caring environment.

The aims of the Trust during the year ended 31 August 2019 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 develop the Trust site so that it enables students to achieve their full potential.
- 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:

- Raise attainment at Greater Depth at Ruskin whilst maintaining the good results at the expected level.
- Support Ruskin to ensure they move from RI with Good features to fully Good by the next inspection.
- Ensure that school improvement systems are now synchronised across the trust.
- Begin networking the support staff, in addition to the teachers and TAs, between schools to share good practice
- Improve monitoring across the trust and make sure that Ruskin is being judged against Ofsted 'good' criteria and measure Ferndale against outstanding. 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.
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- Further develop Inspire which is our professional development programme ensuring our staff have access to the best quality training available.
- Develop our HR procedures to support our schools and align our procedures across the trust.



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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

**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**

**Achievements and Performance**

This year the trust has had some of the best results we have ever had across all of our schools. Ruskin Juniors has managed to reach the national average – and in some cases exceed it- in all subjects at the expected level. We have also more than doubled the attainment of disadvantaged pupils which for a school with a diverse and challenging catchment area is something we are very proud.

Ferndale Primary									
KS2						KS1			EYFS
	Exp+	GD	Av Sc Score	Disadvantaged	Progress	Exp+	GD	Phonics	GLD
Reading	80%	25%	105.1	70%	0.00	75%	26%	Y1: 88%	72%
Writing	86%	22%		75%	0.10	71%	16%	Y2: 44%	
Maths	97%	22%	106.3	90%	0.90	76%	20%		
GPS	93%	46%	107.2						
Science	85%					84%			
RWM	80%	12%		60%					

Over the last year Ferndale has been transitioning to a new leadership team after the formation of the Multi Academy Trust. New senior leaders are in place and results have continued to be on an upward trend above national averages in most areas.

There has been a very successful inspection where the school maintained its good status with a very strong and positive report from the inspectors.

**Strengths:**

- Expected in all subjects especially Maths and GPS.

**Areas to Develop:**

- GD in Maths at KS2
- KS1 GD in maths was 1 child below N.
- Y2 phonics results – bubble year

**Investigate:**

- Arithmetic in KS2

Abbey Meads has had an excellent year with some fantastic outcomes. Greater Depth in Reading and GPS is particularly strong as is their progress in Reading and Maths.

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Abbey Meads Primary									
KS2						KS1			EYFS
	Exp+	GD	Av Sc Score	Disadvantaged	Progress	Exp+	GD	Phonics	GLD
Reading	81%	38%	105.5	64%	+2.14	77%	22%	Y1: 78%	75%
Writing	81%	22%		64%	+0.69	74%	14%		
Maths	84%	38%	106.4	57%	+2.39	83%	21%		
GPS	87%	49%	107.7						
Science	81%					83%			
RWM	78%	13%							

**Strengths:**

- KS2 expected and GD is very strong and improved.
- GD is creeping up in maths

**Areas to Develop:**

- Reading and Maths to get to national at GD, slightly below over 3 years
- Science at KS2 – assessment

**Investigate:**

- R and M is only 1 or 2 pupils below N.
- Y1 phonics results slightly below N.

Ruskin has upward trends in nearly every area of attainment and has worked hard to get the school to national averages for the first time at the expected level. With a very mixed and vulnerable catchment area they have strived to improve outcome for their disadvantaged pupils and they have managed to achieve a massive rise in every subject area. Progress against KS1 results isn't as strong as it could have been however there were a percentage of children who received high levels in the infant school but our year on year tracking through the juniors demonstrates that these children have made sustained progress over the four years they have been with us. Greater depth is still an area to work on, building on the success of the expected results. This is part of the plan going forward with a particular emphasis on writing.

Ruskin Juniors					
KS2					
Pupils	Exp+	GD	Average Scaled Score	Disadvantaged	Progress
Reading	77%	23%	104	71%	-0.8
Writing	78%	2%		62%	-2.7
Maths	82%	17%	105	67%	-0.7
GPS	73%	30%	105		
Science	88%				
RWM	68%	1%		50%	

**Strengths:**

- Upward trends in every area at expected (GPS slightly low)
- Significant increases in outcomes for disadvantaged pupils.
- Reached National at expected in all subjects for first time. Reading and Science are above National

**Areas to Develop:**

- Greater depth is low in all areas – especially writing

**Investigate:**

- GPS outcomes being slightly lower.
- Progress is on a downward trend in Writing and Maths. A higher majority of pupils reached GD in KS1 than in KS2 in Writing.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic Education Team**

We have created a strategic education team to oversee and develop all the schools in our trust in our efforts to reach the highest possible outcomes for all our pupils.

Now in place the school improvement team:

- Ensure that data is analysed effectively and targeted responses are included in each school's development plan.
- Have a focus on raising quality of teaching through specific CPD opportunities.
- Improve provision mapping and impact measurement for all pupils including those funded by pupil premium.
- Ensure governors and directors have a clear understanding of how to effectively challenge schools. Our Governor Training and Development Program is designed to enhance the strategic leadership at LGB level.

**School Leadership Advisor**

Appoint a school Improvement Advisor post to help support schools in the trust with leadership development as well as further developing the trust's school improvement model. A main focus is on improving the outcomes for disadvantaged pupils across all schools and especially at Ruskin. Previously she has been head of an Outstanding school and a Local Leader of Education.

**Inspire**

We believe that effective trusts have clear and effective methods of developing professional networking and development with a strong focus on school improvement. To this end we have created Inspire, where we have staff who are experienced in working as part of teaching schools to develop our CPD and career development programs. In addition we have been accepted by UCAS as a hub for initial teacher training working with the North Wiltshire SCITT. We have begun training our 9 student this year from schools both within and beyond the trust.

**Key Performance Indicators**

The Blue Kite Trust uses a number of benchmarks to evaluate financial performance. The main focus are:

- 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 2018 were 1,200, 452 of which relate to a new school joining the Trust during the financial year. Our pupil numbers will grow again during 2019-20 with the addition of two new schools opening in September 2019 and two local existing schools joining the Trust by Easter 2020.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The following KPI's were set at the start of the year:

KPI	Target	Actual	Kreston Reeves MAT Benchmark 2018
GAG carry forward ratio	8.81%	9.28%	4.80%
Total income per pupil	£5,143	£5,334	£6,310
Total GAG per pupil	£3,728	£3,720	£4,371
Ratio of GAG to total income	68.90%	66.40%	73%
Staff costs per pupil	£4,537	£4,780	£4,346
Ratio of staff costs to total costs	80.30%	79.40%	72%
Ratio of premises costs to total costs	3%	3.50%	2%
Surplus before depreciation as % of income	1.20%	1.80%	1.10%

The Trust has performed well financially during 2018-19 and is reflected in the above KPI results. The addition of Abbey Meads Primary School during the year has had a positive impact on the Trust results in that they had a strong reserve position and have maintained a healthy in year surplus. The above KPI results have been adjusted to reflect that Abbey Meads costs and income are only representative of 8 months of the year. All of our schools are in surplus position as at 31 August 2019 and this is reflected by our GAG carry forward ratio and surplus before depreciation as a percentage of income, both of which are higher than the average benchmark position provided by Kreston Reeves. We fall short of the average amounts for both income and GAG income per pupil but would hope this would improve as schools funding moves away from the current soft national funding formula. The ratio of GAG to total income is improving and supports the fact we are becoming more successful in generating income from trading activities. This is an area we will continue to develop in the future. Our staff costs of £4,780 per pupil are above the average MAT cost of £4,346. It is fair to say we have significant pupil premium income across our Trust, some of which we allocate to employing experienced teachers leading our intervention provision. The Trust also has very experienced long serving members of staff who are at the top of their pay scales. One of our schools has extensive community facilities employing dedicated staff, the costs of which are included in the KPI calculation. The maintenance cost of these facilities is also included in the premises costs. We have a better than average surplus before depreciation as a percentage of income, another indication that despite receiving less GAG per pupil, we continue to manage our budget efficiently, achieving best value, excellent quality of provision thus continuing to improve the 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.

**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 2019 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 2019, the Academy received total income of £11,005,552 and incurred total expenditure of £6,312,811. The excess of income over expenditure for the year was £4,692,741. The excess of expenditure over income for the year excluding funds received on conversion of Abbey Meads School was £108,365.

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**TRUSTEES' REPORT (CONTINUED)  
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During the year, Abbey Meads Community Primary School converted to an academy and joined the trust on 1 January 2019. The trust has recognised a donation on conversion totaling £4,801,106 including fixed assets donated with a value of £4,890,378 and the balance of funds from the local authority of £207,671.

At 31 August 2019 the net book value of fixed assets was £11,481,884 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 29 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 £530,000. Free reserves at 31 August 2019 are £545,279. 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 (2017/18) total reserves of the Trust amount to £6,220,945, £5,912,368 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £308,577 represents £237,294 unrestricted funds and £71,283 unspent GAG.

Total reserves of the Trust for 2018/19 amount to £9,907,686, £9,362,407 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £545,279 (representing £426,221 unrestricted funds and £119,058 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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

**Investment Policy**

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

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. 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.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**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% of the Trust's 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 Trust Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is currently 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 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 and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

**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.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trust do 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.

**PLANS FOR FUTURE PERIODS**

Big enough to be secure, sustainable and offer high quality services but small enough to know all of our schools well.

The expanding MAT of this size will inspire greater collaboration and innovation, built on current good practice. The Blue Kite Academy Trust acknowledges the need 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 five member schools but without diluting or losing what is special about our schools and Trust.

On 1 September 2019, the Trust opened two new schools: William Morris Primary and Nursery School and Badbury Primary and Nursery School. On 1 December 2019, Catherine Wayte Primary School will convert to academy status and join the Trust.

Blue Kite Academy Trust offers high quality teaching and learning. Sadly, there still 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.
- Focus on and develop 'core business' of primary school
- Secure school improvement and educational practice models with a view on sponsoring further schools in the future.
- Finance requires a restructure if we are going to meet the needs of all schools. It needs more effective capacity.
- We also need to develop a dedicated HR team to begin to align process and procedures across our schools.
- Further develop collaboration and closer alignment of key practices and procedures.
- Begin to broaden core offer for schools:
  - Inspire:
    - Further expand our CPD offer to ensure it meets the needs of all teaching and non-teaching staff.
    - Refine and improve our Initial Teacher Training Programme.
    - Increase the opportunities for collaboration, networking and the sharing of good practice.
  - Lighthouse:
    - Expand outreach working provision.
    - Increase capacity of staff and with that the range of support on offer to schools, including more specialised family support, speech and language and early help for families with children 5 and under.

**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.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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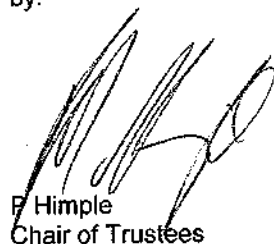
**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

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

The Trustees' Report, was approved by order of the board of Trustees, on 28.11.19 and signed on its behalf by:



P Himple  
Chair of Trustees



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

**GOVERNANCE STATEMENT**

---

**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.

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.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**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 5 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
G Evans, Chief Executive Officer	5	5
P Himple, Chair of Finance, Personnel & Resources	5	5
J Hobbs, Chair of Education Standards & Strategy	5	5
S Marshall	0	3
J Randell-Sly, Chair	1	1
R Soare	1	3
H Brown	2	5
C Harris, Chair of Risk, Audit & Strategy	4	5
M Rachael	4	5

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

Mrs H Brown - appointed 8 October 2018  
Mr M Rachel - appointed 8 October 2018  
Mr C Harris - appointed 8 October 2018  
Mrs P Miller - appointed 6 December 2018  
Mrs S Marshall - resigned 6 March 2019  
Mrs J Randell-Sly - resigned 4 October 2018  
Mrs R Soare - resigned 6 March 2019

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 Directors are aware that they did not meet 6 times during the year but effective oversight of funds has been maintained. In addition to providing monthly management accounts to the Finance, Personnel and Resources sub-committee, the Deputy Chair also visits the Trust to meet with the CFO to undertake detailed reviews of the accounts. His findings are reported back to the Board.

**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 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 are being actively addressed by seeking 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 has been addressed by the appointment of an accountant and a school business manager.

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.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Himple, Chair	2	3
Mrs H Brown	2	2
Mrs R Soare	2	2
Mr C Harris	2	2
Mr G Evans	2	2
Mr M Rachel	3	3

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).

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs H Brown	3	3
Mr C Harris	3	3
Mrs R Soare	2	2
Mr M Rachel	3	3

**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 of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**GOVERNANCE STATEMENT (CONTINUED)**

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**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 2018 to 31 August 2019 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 2018 to 31 August 2019 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
- 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 have appointed Bishop Fleming Bath Limited, the external auditors, to perform additional checks.

The external auditors' 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 included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

On a semi-annual basis, the external auditors report 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.

GOVERNANCE STATEMENT (CONTINUED)

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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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 28.11.19 and signed on their behalf by:

  
P Himple  
Chair of Trustees

  
G Evans  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2018.

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 2018.

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:

28.11.19

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & 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:

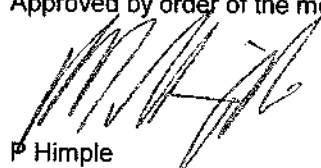
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 28.11.19 and signed on its behalf by:



P Himple  
Chair of trustees

**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**

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**OPINION**

We have audited the financial statements of The Blue Kite Academy Trust (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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**

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

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



**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)**

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report 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.

**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)**

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**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.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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: 17.12.19

**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 19 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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)**

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**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 2018 to 31 August 2019 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**  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: *17.12.19*

**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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>						
Donations and capital grants:	4					
On conversion		207,671	(296,943)	4,890,378	4,801,106	-
Other		-	120,088	-	120,088	36,786
Charitable activities	5	424,572	5,404,291	-	5,828,863	3,972,759
Other trading activities		254,908	-	-	254,908	114,059
Investments	8	587	-	-	587	627
<b>TOTAL INCOME</b>		<b>887,738</b>	<b>5,227,436</b>	<b>4,890,378</b>	<b>11,005,552</b>	<b>4,124,231</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		698,811	5,332,787	281,213	6,312,811	4,376,204
<b>TOTAL EXPENDITURE</b>		<b>698,811</b>	<b>5,332,787</b>	<b>281,213</b>	<b>6,312,811</b>	<b>4,376,204</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>188,927</b>	<b>(105,351)</b>	<b>4,609,165</b>	<b>4,692,741</b>	<b>(251,973)</b>
Transfers between funds	21	-	(152,721)	152,721	-	-
<b>NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)</b>		<b>188,927</b>	<b>(258,072)</b>	<b>4,761,886</b>	<b>4,692,741</b>	<b>(251,973)</b>
Actuarial losses on defined benefit pension schemes	29	-	(1,006,000)	-	(1,006,000)	526,000
<b>NET MOVEMENT IN FUNDS</b>		<b>188,927</b>	<b>(1,264,072)</b>	<b>4,761,886</b>	<b>3,686,741</b>	<b>274,027</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		237,294	(736,347)	6,719,998	6,220,945	5,946,918
Net movement in funds		188,927	(1,264,072)	4,761,886	3,686,741	274,027
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>426,221</b>	<b>(2,000,419)</b>	<b>11,481,884</b>	<b>9,907,686</b>	<b>6,220,945</b>

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

The notes on pages 30 to 60 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 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	16	11,481,884	6,719,998
<b>CURRENT ASSETS</b>			
Debtors	17	255,343	203,145
Cash at bank and in hand		973,132	602,498
		<u>1,228,475</u>	<u>805,643</u>
Creditors: amounts falling due within one year	18	(392,291)	(418,359)
<b>NET CURRENT ASSETS</b>		<u>836,184</u>	<u>387,284</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,318,068</u>	<u>7,107,282</u>
Creditors: amounts falling due after more than one year	19	(78,382)	(61,337)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>12,239,686</u>	<u>7,045,945</u>
Defined benefit pension scheme liability	29	(2,332,000)	(825,000)
<b>TOTAL NET ASSETS</b>		<u><u>9,907,686</u></u>	<u><u>6,220,945</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	11,481,884	6,719,998
Restricted income funds	21	331,581	88,653
		<u>11,813,465</u>	<u>6,808,651</u>
Restricted funds excluding pension asset	21	11,813,465	6,808,651
Pension reserve	21	(2,332,000)	(825,000)
<b>Total restricted funds</b>	21	<u>9,481,465</u>	<u>5,983,651</u>
<b>Unrestricted income funds</b>	21	<u>426,221</u>	<u>237,294</u>
<b>TOTAL FUNDS</b>		<u><u>9,907,686</u></u>	<u><u>6,220,945</u></u>

The financial statements on pages 27 to 60 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



G Evans  
Accounting Officer

28.11.19

The notes on pages 30 to 60 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 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	23	<b>142,214</b>	412,668
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	25	<b>(75,541)</b>	(264,130)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	24	<b>303,961</b>	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>370,634</b>	148,538
Cash and cash equivalents at the beginning of the year		<b>602,498</b>	453,960
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	26	<b>973,132</b>	602,498

The notes on pages 30 to 60 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 2019**

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**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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**2.2 GOING CONCERN**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 INCOME**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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

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
Motor vehicles	- 5 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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**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.

*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.

**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 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Abbey Meads Community Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

**2. ACCOUNTING POLICIES (continued)**

**2.14 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.

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgment:

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DONATIONS</b>				
Transfer on conversion	207,671	4,593,435	<b>4,801,106</b>	-
Other donations	-	43,495	<b>43,495</b>	19,381
Capital Grants	-	76,593	<b>76,593</b>	17,405
<b>SUBTOTAL</b>	-	120,088	<b>120,088</b>	36,786
	207,671	4,713,523	<b>4,921,194</b>	36,786
<b>TOTAL 2018</b>	-	36,786	<b>36,786</b>	

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	147,733	5,404,291	<b>5,552,024</b>	3,799,994
Nursery	276,839	-	<b>276,839</b>	172,765
<b>TOTAL 2019</b>	424,572	5,404,291	<b>5,828,863</b>	3,972,759
<b>TOTAL 2018</b>	275,491	3,697,268	<b>3,972,759</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. FUNDING FOR THE ACADEMY TRUST'S EDUCATION**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA Grants</b>				
General Annual Grant	-	3,901,887	<b>3,901,887</b>	3,017,398
MAT growth grants	-	135,000	<b>135,000</b>	50,000
Other DfE/ESFA Grants	-	644,482	<b>644,482</b>	382,590
	-	4,681,369	<b>4,681,369</b>	3,449,988
<b>Other Governments Grants</b>				
High needs	-	285,596	<b>285,596</b>	230,470
Other government grants non capital	-	437,052	<b>437,052</b>	12,295
	-	722,648	<b>722,648</b>	242,765
<b>Other funding</b>				
Internal catering income	73,584	-	<b>73,584</b>	45,450
Sales to students	-	274	<b>274</b>	779
Other	74,149	-	<b>74,149</b>	61,012
	147,733	274	<b>148,007</b>	107,241
	147,733	5,404,291	<b>5,552,024</b>	3,799,994
<b>TOTAL 2018</b>	<b>106,462</b>	<b>3,693,532</b>	<b>3,799,994</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	55,083	-	55,083	5,994
Consultancy	3,882	-	3,882	2,200
School clubs	190,218	-	190,218	99,706
Other	5,725	-	5,725	6,159
Nursery	276,839	-	276,839	172,765
	<u>531,747</u>	<u>-</u>	<u>531,747</u>	<u>286,824</u>
TOTAL 2018	<u>283,088</u>	<u>3,736</u>	<u>286,824</u>	

**8. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>587</u>	<u>587</u>	<u>627</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. EXPENDITURE**

	<b>Staff Costs</b> <b>2019</b> <b>£</b>	<b>Premises</b> <b>2019</b> <b>£</b>	<b>Other</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>2018</b> <b>£</b>
<b>EDUCATION:</b>					
Direct costs	3,706,619	207,891	250,519	<b>4,165,029</b>	2,845,501
Allocated support costs	1,090,899	218,339	598,390	<b>1,907,628</b>	1,378,629
<b>NURSERY:</b>					
Direct costs	216,254	12,129	5,712	<b>234,095</b>	145,028
Allocated support costs	140	4,809	1,110	<b>6,059</b>	7,046
	<u>5,013,912</u>	<u>443,168</u>	<u>855,731</u>	<u><b>6,312,811</b></u>	<u>4,376,204</u>
<b>TOTAL 2018</b>	<u>3,517,118</u>	<u>325,864</u>	<u>533,222</u>	<u>4,376,204</u>	

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2019</b> <b>£</b>	<b>Support</b> <b>costs</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>funds</b> <b>2019</b> <b>£</b>	<b>Total</b> <b>funds</b> <b>2018</b> <b>£</b>
Education	4,165,029	1,907,628	<b>6,072,657</b>	4,224,130
Nursery	234,095	6,059	<b>240,154</b>	152,074
<b>TOTAL 2019</b>	<u>4,399,124</u>	<u>1,913,687</u>	<u><b>6,312,811</b></u>	<u>4,376,204</u>
<b>TOTAL 2018</b>	<u>2,990,529</u>	<u>1,385,675</u>	<u>4,376,204</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of direct costs**

	<b>Education 2019 £</b>	<b>Nursery 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension income	31,000	-	<b>31,000</b>	30,000
Staff costs	3,706,619	216,254	<b>3,922,873</b>	2,693,667
Depreciation	207,891	12,129	<b>220,020</b>	132,261
Educational supplies	96,838	5,712	<b>102,550</b>	55,297
Staff development	27,501	-	<b>27,501</b>	15,234
Other costs	93,696	-	<b>93,696</b>	61,403
Technology costs	1,484	-	<b>1,484</b>	2,667
<b>TOTAL 2019</b>	<b>4,165,029</b>	<b>234,095</b>	<b>4,399,124</b>	<b>2,990,529</b>
<b>TOTAL 2018</b>	<b>2,845,501</b>	<b>145,028</b>	<b>2,990,529</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	<b>Education</b>	<b>Nursery</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>2019</b>	<b>2018</b>
			<b>£</b>	<b>£</b>
Staff costs	1,090,899	140	1,091,039	823,451
Depreciation	61,186	7	61,193	40,431
Other costs	-	-	-	2,774
Recruitment and support	10,377	-	10,377	11,022
Maintenance of premises and equipment	86,023	700	86,723	79,594
Cleaning	24,359	190	24,549	14,697
Rent and rates	38,403	317	38,720	20,968
Energy costs	45,916	3,912	49,828	40,803
Insurance	28,344	-	28,344	16,661
Security and transport	16,693	-	16,693	13,401
Catering	108,949	793	109,742	85,552
Technology costs	35,024	-	35,024	33,067
Office overheads	73,746	-	73,746	51,469
Legal and professional	286,853	-	286,853	151,267
Bank interest and charges	856	-	856	518
<b>TOTAL 2019</b>	<b>1,907,628</b>	<b>6,059</b>	<b>1,913,687</b>	<b>1,385,675</b>
<b>TOTAL 2018</b>	<b>1,378,629</b>	<b>7,046</b>	<b>1,385,675</b>	

**11. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	7,802	7,735
Depreciation of tangible fixed assets	281,213	172,692
Fees paid to auditors for:		
- audit	12,500	10,250
- other services	3,750	4,970

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**12. STAFF COSTS**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,811,744	2,591,238
Social security costs	298,676	208,263
Pension costs	886,195	664,906
	<u>4,996,615</u>	<u>3,464,407</u>
Supply teacher costs	17,297	52,711
	<u>5,013,912</u>	<u>3,517,118</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	18,994	-
Severance payments	6,834	-
Other restructuring costs	420	-
	<u>26,248</u>	<u>-</u>

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18,040 (2018: £Nil). Individually, the payments were £11,206 and £6,834.

**c. STAFF NUMBERS**

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

	2019 No.	2018 No.
Teachers	60	39
Educational Support	131	99
Administration	21	13
Management	15	6
	<u>227</u>	<u>157</u>

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**12. STAFF COSTS (CONTINUED)**

**c. STAFF NUMBERS (CONTINUED)**

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	47	30
Educational Support	77	48
Administration	14	10
Management	13	6
	<u>151</u>	<u>94</u>

**d. HIGHER PAID STAFF**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

Annual employer's contributions of £14,815 (2018: £23,274) are payable to the Teachers' Pension Scheme (TPS) in respect of the above employees.

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £271,982 (2018: £249,665).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 14 has not been included in the total benefits received by key management personnel above.

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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:

The services have been charged equally between the academies in the trust.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Abbey Meads Community Primary School	53,080	-
Ferndale Primary School & Nursery	92,888	143,311
Ruskin Junior School	92,888	143,311
<b>TOTAL</b>	<b>238,856</b>	<b>286,622</b>

**14. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: G Evans remuneration £85,000 - £90,000 (2018: £75,000 - £80,000), employers pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000).

During the year ended 31 August 2019, expenses totalling £NIL were reimbursed or paid directly to Trustees (2018 - £77 to 2 Trustees).

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**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 £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 September 2018	6,220,000	739,213	51,544	78,246	2,808	7,091,811
Additions	-	92,470	22,522	37,729	-	152,721
Donation on conversion	4,865,000	-	14,260	11,118	-	4,890,378
At 31 August 2019	11,085,000	831,683	88,326	127,093	2,808	12,134,910
<b>DEPRECIATION</b>						
At 1 September 2018	289,740	29,785	17,635	33,103	1,550	371,813
Charge for the year	194,459	33,128	19,565	33,432	629	281,213
At 31 August 2019	484,199	62,913	37,200	66,535	2,179	653,026
<b>NET BOOK VALUE</b>						
At 31 August 2019	10,600,801	768,770	51,126	60,558	629	11,481,884
At 31 August 2018	5,930,260	709,428	33,909	45,143	1,258	6,719,998

Included in the cost of leasehold property is £1,297,000 in respect of long term leasehold land. The leasehold interest in this land is being depreciated over the 125 year life of the lease.

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**17. DEBTORS**

	2019 £	2018 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	83,758	9,719
Other debtors	31,551	32,421
Prepayments and accrued income	140,034	161,005
	<u>255,343</u>	<u>203,145</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Equal pay loan	7,125	4,880
Trade creditors	39,906	-
Other taxation and social security	92,377	52,880
Other creditors	95,497	56,723
Accruals and deferred income	157,386	303,876
	<u>392,291</u>	<u>418,359</u>

	2019 £	2018 £
Deferred income at 1 September 2018	115,568	109,391
Resources deferred during the year	109,911	115,568
Amounts released from previous periods	(115,568)	(109,391)
	<u>109,911</u>	<u>115,568</u>

At the balance sheet date the Academy was holding ESFA and local authority grants received in advance for the 2019/20 academic year.



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

	2019 £	2018 £
Equal pay loan	<u>78,382</u>	<u>61,337</u>

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

	2019 £	2018 £
Payable or repayable by instalments	<u>49,881</u>	<u>41,815</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, at the year end £85,507 (2018: £65,817) remains outstanding. The loan is unsecured and is being repaid by installments with 12 years remaining, at an interest rate of 4.93%.

**20. FINANCIAL INSTRUMENTS**

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	973,132	602,498
Financial assets that are debt instruments measured at amortised cost	<u>163,697</u>	<u>104,460</u>
	<u><b>1,136,829</b></u>	<u><b>706,958</b></u>

	2019 £	2018 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(268,385)</u>	<u>(254,443)</u>

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

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise other loans, trade creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	237,294	610,899	(474,839)	-	-	373,354
Nursery	-	276,839	(223,972)	-	-	52,867
	<u>237,294</u>	<u>887,738</u>	<u>(698,811)</u>	<u>-</u>	<u>-</u>	<u>426,221</u>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	71,283	3,901,887	(3,838,080)	(16,032)	-	119,058
MAT growth funding	-	135,000	(135,000)	-	-	-
High needs funding	-	282,755	(282,755)	-	-	-
Pupil premium	-	376,011	(376,011)	-	-	-
Devolved formula capital	-	76,593	(3,227)	(73,366)	-	-
Condition Improvement Fund	74,423	-	-	(70,976)	-	3,447
UIFSM	-	111,886	(111,886)	-	-	-
PE & Sport Grant	9,164	52,357	(37,823)	-	-	23,698
Other ESFA income	-	104,228	(104,228)	-	-	-
LA pre-opening grant	-	437,993	(167,108)	-	-	270,885
Other LA Income	-	1,900	(1,900)	-	-	-
Other Restricted Income	-	43,769	(43,769)	-	-	-
Equal Pay Loan	(66,217)	(26,943)	-	7,653	-	(85,507)
Pension reserve	(825,000)	(270,000)	(231,000)	-	(1,006,000)	(2,332,000)
	<u>(736,347)</u>	<u>5,227,436</u>	<u>(5,332,787)</u>	<u>(152,721)</u>	<u>(1,006,000)</u>	<u>(2,000,419)</u>

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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	5,936,267	4,890,378	(194,460)	-	-	10,632,185
Fixed assets purchased from GAG and other restricted funds	185,189	-	(20,499)	30,742	-	195,432
DfE/ESFA Capital grants	598,542	-	(66,254)	121,979	-	654,267
	<u>6,719,998</u>	<u>4,890,378</u>	<u>(281,213)</u>	<u>152,721</u>	<u>-</u>	<u>11,481,884</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>5,983,651</u>	<u>10,117,814</u>	<u>(5,614,000)</u>	<u>-</u>	<u>(1,006,000)</u>	<u>9,481,465</u>
<b>TOTAL FUNDS</b>	<u>6,220,945</u>	<u>11,005,552</u>	<u>(6,312,811)</u>	<u>-</u>	<u>(1,006,000)</u>	<u>9,907,686</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.

MAT Growth Funding - This represents funding received from the ESFA to support the future expansion of the Trust.

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

Pupil Premium - 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.

Devolved Formula Capital - Funding received from the ESFA to cover the cost of maintenance and purchase of the Academy's assets.

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.

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**21. STATEMENT OF FUNDS (CONTINUED)**

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

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 2019.

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**21. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Ferndale Primary and Nursery School	19,887	143,823
Ruskin Junior School	155,344	178,214
Abbey Meads	311,746	-
The Blue Kite Academy Trust	270,825	3,910
Total before fixed asset funds and pension reserve	757,802	325,947
Restricted fixed asset fund	11,481,884	6,719,998
Pension reserve	(2,332,000)	(825,000)
<b>TOTAL</b>	<b>9,907,686</b>	<b>6,220,945</b>

The reserves of the central Blue Kite Academy Trust are enhanced by unspent LA pre-opening grant funding of £270,885 (2018: £Nil), this funding will be utilised in future years as these new schools open and pupil numbers increase. The reserves of Ferndale School were enhanced by unspent condition improvement funding of £3,447 (2018: £74,423).

**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 2019 £	Total 2018 £
Ferndale Primary and Nursery School	1,446,437	303,640	42,578	292,319	2,084,974	1,994,295
Ruskin Junior School	1,172,361	213,485	33,434	260,248	1,679,528	1,609,911
Abbey Meads	1,001,927	261,016	26,119	212,217	1,501,279	-
The Blue Kite Academy Trust	302,148	312,898	419	150,352	765,817	599,306
<b>ACADEMY TRUST</b>	<b>3,922,873</b>	<b>1,091,039</b>	<b>102,550</b>	<b>915,136</b>	<b>6,031,598</b>	<b>4,203,512</b>

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**21. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	146,890	221,148	(130,744)	-	-	237,294
Nursery	(6,908)	169,029	(162,121)	-	-	-
	<u>139,982</u>	<u>390,177</u>	<u>(292,865)</u>	<u>-</u>	<u>-</u>	<u>237,294</u>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	66,678	3,017,398	(2,978,122)	(34,671)	-	71,283
MAT growth funding	-	50,000	(50,000)	-	-	-
High needs funding	-	219,234	(219,234)	-	-	-
Pupil premium	-	271,917	(271,917)	-	-	-
Devolved formula capital	-	17,405	-	(17,405)	-	-
Condition Improvement Fund	437,814	-	(2,664)	(360,727)	-	74,423
UIFSM	-	65,987	(65,987)	-	-	-
PE & Sport Grant	-	39,700	(30,536)	-	-	9,164
Other LA Income	-	12,295	(12,295)	-	-	-
Other Restricted Income	-	36,382	(36,382)	-	-	-
Nursery	-	3,736	(3,736)	-	-	-
Equal Pay Loan	(63,443)	-	(2,774)	-	-	(66,217)
Pension reserve	(1,114,000)	-	(237,000)	-	526,000	(825,000)
	<u>(672,951)</u>	<u>3,734,054</u>	<u>(3,910,647)</u>	<u>(412,803)</u>	<u>526,000</u>	<u>(736,347)</u>

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**21. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	6,062,443	-	(126,176)	-	-	5,936,267
Fixed assets purchased from GAG and other restricted funds	168,938	-	(18,420)	34,671	-	185,189
DfE/ESFA Capital grants	248,506	-	(28,096)	378,132	-	598,542
	<u>6,479,887</u>	<u>-</u>	<u>(172,692)</u>	<u>412,803</u>	<u>-</u>	<u>6,719,998</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>5,806,936</u>	<u>3,734,054</u>	<u>(4,083,339)</u>	<u>-</u>	<u>526,000</u>	<u>5,983,651</u>
<b>TOTAL FUNDS</b>	<u>5,946,918</u>	<u>4,124,231</u>	<u>(4,376,204)</u>	<u>-</u>	<u>526,000</u>	<u>6,220,945</u>

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	11,481,884	11,481,884
Current assets	426,221	802,254	-	1,228,475
Creditors due within one year	-	(392,291)	-	(392,291)
Creditors due in more than one year	-	(78,382)	-	(78,382)
Provisions for liabilities and charges	-	(2,332,000)	-	(2,332,000)
<b>TOTAL</b>	<u>426,221</u>	<u>(2,000,419)</u>	<u>11,481,884</u>	<u>9,907,686</u>

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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,719,998	6,719,998
Current assets	237,376	568,267	-	805,643
Creditors due within one year	(82)	(418,277)	-	(418,359)
Creditors due in more than one year	-	(61,337)	-	(61,337)
Provisions for liabilities and charges	-	(825,000)	-	(825,000)
<b>TOTAL</b>	<b>237,294</b>	<b>(736,347)</b>	<b>6,719,998</b>	<b>6,220,945</b>

**23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>4,692,741</b>	(251,973)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	281,213	172,692
Capital grants from DfE and other capital income	(76,593)	(17,405)
Interest receivable	(587)	(627)
Defined benefit pension scheme cost less contributions payable	200,000	207,000
Defined benefit pension scheme finance cost	31,000	30,000
Decrease in debtors	15,881	270,118
(Decrease)/increase in creditors	(200,335)	2,863
Net assets on conversion	(4,801,106)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>142,214</b>	<b>412,668</b>

**24. CASH FLOWS FROM FINANCING ACTIVITIES**

	2019 £	2018 £
Cash inflows on conversion	<b>303,961</b>	-



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**25. CASH FLOWS FROM INVESTING ACTIVITIES**

	2019 £	2018 £
Interest received	587	627
Purchase of tangible fixed assets	(152,721)	(282,162)
Capital grants from DfE Group	76,593	17,405
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(75,541)</b>	<b>(264,130)</b>

**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	973,132	602,498
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>973,132</b>	<b>602,498</b>

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**27. CONVERSION TO AN ACADEMY TRUST**

On 1 January 2019 Abbey Mead Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Blue Kite Academy Trust from Swindon Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>TANGIBLE FIXED ASSETS</b>				
Leasehold land and buildings	-	-	4,865,000	<b>4,865,000</b>
Other tangible fixed assets	-	-	25,378	<b>25,378</b>
<b>CURRENT ASSETS</b>				
Cash	303,961	-	-	<b>303,961</b>
Other current assets	68,080	-	-	<b>68,080</b>
<b>CURRENT LIABILITIES</b>				
Other current liabilities	(164,370)	-	-	<b>(164,370)</b>
<b>NON-CURRENT LIABILITIES</b>				
Equal pay loan	-	(26,943)	-	<b>(26,943)</b>
LGPS pension deficit	-	(270,000)	-	<b>(270,000)</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>207,671</b>	<b>(296,943)</b>	<b>4,890,378</b>	<b>4,801,106</b>

**28. CAPITAL COMMITMENTS**

	2019 £	2018 £
<b>CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS</b>		
Acquisition of tangible fixed assets	-	74,423

**NOTES TO THE FINANCIAL STATEMENTS  
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**29. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £94,548 were payable to the schemes at 31 August 2019 (2018 - £56,723) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

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**29. PENSION COMMITMENTS (CONTINUED)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £351,843 (2018 - £229,775).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £393,000 (2018 - £278,000), of which employer's contributions totalled £312,000 (2018 - £219,000) and employees' contributions totalled £ 81,000 (2018 - £59,000). The agreed contribution rates for future years are 23.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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**

	2019 %	2018 %
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment / inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.4	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.1	26.7

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. PENSION COMMITMENTS (CONTINUED)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,342,000	1,491,000
Corporate bonds	462,000	294,000
Property	429,000	273,000
Cash and other liquid assets	65,000	42,000
<b>Total</b>	<b>3,298,000</b>	<b>2,100,000</b>

The actual return on scheme assets was £134,000 (2018 - £134,000).

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

	2019 £	2018 £
Current service cost	(489,000)	(426,000)
Past service cost	(23,000)	-
Interest income	75,000	45,000
Interest cost	(106,000)	(75,000)
<b>TOTAL</b>	<b>(543,000)</b>	<b>(456,000)</b>

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

	2019 £	2018 £
<b>AT 1 SEPTEMBER</b>	<b>2,925,000</b>	<b>2,787,000</b>
Conversion of academy trusts	884,000	-
Current service cost	489,000	426,000
Interest cost	106,000	75,000
Employee contributions	81,000	59,000
Actuarial losses / (gains)	1,160,000	(395,000)
Benefits paid	(38,000)	(27,000)
Past service cost	23,000	-
<b>AT 31 AUGUST</b>	<b>5,630,000</b>	<b>2,925,000</b>

**THE BLUE KITE ACADEMY TRUST**  
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**29. PENSION COMMITMENTS (CONTINUED)**

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

	2019 £	2018 £
<b>AT 1 SEPTEMBER</b>	<b>2,100,000</b>	<b>1,673,000</b>
Conversion of academy trusts	614,000	-
Interest income	75,000	45,000
Actuarial gains	154,000	131,000
Employer contributions	312,000	219,000
Employee contributions	81,000	59,000
Benefits paid	(38,000)	(27,000)
<b>AT 31 AUGUST</b>	<b>3,298,000</b>	<b>2,100,000</b>

**30. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy Trust 2019 £	Academy Trust 2018 £
Not later than 1 year	10,972	2,316
Later than 1 year and not later than 5 years	10,972	-
Later than 5 years	27,431	-
	<b>49,375</b>	<b>2,316</b>

**31. MEMBERS' LIABILITY**

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

**32. RELATED PARTY TRANSACTIONS**

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

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