

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

**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**

**for the year ended**  
**31 August 2022**

**Company Registration No. 07523507**

**Red Kite Learning Trust**  
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**Red Kite Learning Trust**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

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

**Trustees**

Mr C Tulley (Chair)  
Mrs T Brooke (resigned 31 October 2022)  
Dr T Stowell  
Mr K Paynes  
Mr B Wood  
Mr J Topping  
Ms L Devenny  
Mrs R Atwal  
Dr M Maddison (appointed 9 December 2021)  
Mr M Roberts (appointed 9 December 2021)

**Executive Group**

Chief Executive Officer  
Headteacher Harrogate Grammar School  
Headteacher Oatlands Junior School  
Headteacher Western Primary School  
Headteacher Rossett Acre Primary School  
Headteacher Crawshaw Academy  
Headteacher Coppice Valley Primary School  
Headteacher Austhorpe Primary School  
Headteacher Colton Primary School  
Headteacher Meadowfield Primary School  
Headteacher Templenewsam Halton Primary School

Mr R Sheriff  
Mr N Renton  
Mrs E Scarth  
Mr T Broad  
Mrs C Penhale  
Mr A Daly  
Mrs E Meadus  
Miss A Lightfoot  
Mrs C Johnson  
Mrs H Stout  
  
Mrs L Seton

Principal Temple Learning Academy  
Executive Principal Temple Moor High School  
Executive Headteacher Whitkirk Primary School

Mr S Huddleston  
Mr M West  
Mrs H Stout  
Mr M Dawson (resigned 31 January 2022)  
Ms G Quarmby (appointed interim from 31 January 2022)

Chief Financial Officer  
Director of Human Resources

Mr S Howell  
Mrs J Wellacott

Director of School Improvement  
Finance Director  
Director of Estates

Ms A Thornton-Jones  
Mr J Rant  
Ms S Shuttleworth

**Audit and Risk Committee**

Ms L Devenny  
Mr J Topping

**Red Kite Learning Trust**  
**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

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<b>Finance and Resources Committee</b>	Ms L Devenny Mr M Roberts Mr J Topping Mr C Tulley Mr B Wood
<b>Quality of Education Committee</b>	Mrs R Atwal Mrs T Brooke Dr M Maddison Mr K Paynes Dr T Stowell
<b>Pay and Performance Review Committee</b>	Mr C Tulley Mr J Topping Mr B Wood
<b>Company secretary</b>	Steve Howell
<b>Principal and Registered Office</b>	Arthurs Avenue Harrogate HG2 0DZ
<b>Company Registration Number</b>	07523507 (England and Wales)
<b>Independent Auditor</b>	TC Group 6 Queen Street Leeds LS1 2TW
<b>Bankers</b>	Lloyds TSB 8-11 Cambridge Crescent Harrogate HG1 1PQ
<b>Solicitors</b>	Stone King LLP 1 Park Row Leeds LS1 5HN

## Red Kite Learning Trust TRUSTEES' REPORT

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The Trustees present their annual report together with the financial statements and auditor's report of Red Kite Learning Trust ("the Trust") for the period from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Red Kite Learning Trust comprises the following schools:

SCHOOL	DATE OF JOINING	AGE RANGE	PUPIL NUMBERS (OCT 2021)	CURRENT OFSTED GRADE	DATE OF LAST INSPECTION
Austhorpe Primary	Sep 2018	4-11	207	Good	26.01.2016
Colton Primary	Nov 2018	3-11	229	Outstanding	26.09.2012
Coppice Valley Primary	Aug 2017	4-11	198	Good	19.10.2021
Crawshaw Academy	Mar 2017	11-19	1104	Good	03.07.2019
Harrogate Grammar	Mar 2011	11-19	2,088	Outstanding	09.03.2022
Meadowfield Primary	Nov 2018	3-11	470	Good	16.11.2017
Oatlands Junior	Aug 2015	8-11	329	Good	24.04.2018
Rossett Acre Primary	Nov 2016	4-11	397	Good	14.06.2022
Templenewsam Halton Primary	Nov 2018	3-11	454	Good	02.03.2017
Temple Moor High School	Nov 2018	11-19	1,298	Good	30.03.2017
Temple Learning Academy	Sep 2018	4-16	897	Good	24.04.2018
Western Primary	Aug 2015	2-11	479	Outstanding	05.06.2018
Whitkirk Primary	Nov 2018	4-11	376	Requires Improvement	03.05.2017

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

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

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

#### Members' liability

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

#### Trustees' Indemnities

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

#### Principal activities

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

## **Red Kite Learning Trust TRUSTEES' REPORT (continued)**

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### **Method of recruitment and appointment or election of trustees**

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

### **Policies and procedures adopted for the induction and training of trustees**

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

### **Organisational structure**

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

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

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

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

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

### **Arrangements for setting pay and remuneration of key management personnel**

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

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

**Red Kite Learning Trust**  
**TRUSTEES' REPORT (continued)**

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**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time employee number
1	1.0

**Percentage of time spent on facility time**

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

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

Total cost of facility time	£34K
Total pay bill	£47,761K
% of total pay bill spent on facility time	0.07%

**Paid trade union activities**

Time spent on paid trade union activities as a % of total paid facilities time	100%
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**Related Parties and other Connected Charities and Organisations**

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

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

## Red Kite Learning Trust TRUSTEES' REPORT (continued)

### OBJECTIVES AND ACTIVITIES

#### Objects and aims

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

#### Mission, values and goals

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

### Our Trust Mission

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



### Our Trust Values



#### Collaboration

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



#### Integrity

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



#### Respect

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

### Our Trust Goals



#### We champion learning

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



#### We promote wellbeing

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



#### We invest in our people

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



#### We innovate with technology

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



#### We are our Trust

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

#### Public benefit

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



## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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#### **STRATEGIC REPORT**

The last year was impacted once again by the Covid pandemic and although things returned slowly to near normal by the end of the year our schools, young people and families were much affected by Covid's long shadow. As in the previous year, the worst affected were those children who had the least to start with and our schools worked hard, with Trust support, to make best use of the additional funds available to help them recover lost ground. An external review of 'catch-up' funding revealed a tremendous amount of innovative thinking across our Trust and strong evidence of intervention having a positive impact. The Trust allowed schools to individually plan how to spend the majority of the additional money in their specific context whilst using some pooling of funds to ensure resources were targeted to where the greatest need was. This is a good example of how our Trust works with schools, providing support, additional capacity and opportunities for shared investment, whilst preserving a high degree of autonomy for schools' leaders and their Local Governing Bodies.

With the return of formal external examinations in summer 2022, young people were able to demonstrate what they had learned and could do without being reliant solely on teacher assessed grades. Comparison with outcomes from previous years is difficult given that every school was impacted differently by Covid, and progress was therefore hard to quantify. Overall, however outcomes for young people across our Trust were very positive. Significant improvement in Key Stage 2 scores at our schools bucked the national trends. The impact of missed days at school showed itself most in terms of progress in developing writing skills for these children. Many of our youngest children have suffered significant learning loss, this includes children in the Early Years Foundation Stage, some of whom are now arriving with us without the level of motor skills, independence, concentration and resilience we would normally expect to see.

Outcomes at GCSE were very positive indeed with results improving at Temple Moor, Crawshaw and Harrogate Grammar School. Progress scores, although flawed as explained above, were broadly positive and demonstrated that our students had, on the whole, done better than we had expected. Access to excellent on-line learning, catch-up tutoring, targeted intervention and support all played their part in making the year successful for the majority of our learners. Teachers across all our schools went far further than 'the extra mile' to make this possible.

Our post-16 offer at Crawshaw Academy was very small this year as we begin the transition to working with the planned Pudsey Sixth Form College that will provide a brand-new facility for students sited adjacent to Crawshaw. Post 16 results at Harrogate Grammar School were strong with a larger cohort than ever before whilst Temple Moor also saw the majority of students achieve outcomes that allowed them to achieve a successful transition to the next stage in their lives.

Our Free School, Temple Learning Academy (TLA), had its first set of GCSE results. Although very low they were better than we had hoped for as these children had been by far the most affected by the pandemic. The statistics also hide a significant number of exceptional success stories, it is these we are determined to build on in the years ahead. TLA has become much, much stronger over the last year thanks to a skilled and committed Principal ably supported by colleagues in TLA and across our Trust.

Whitkirk Primary School, currently our only Ofsted RI school, has been transformed over the last year under the leadership of a newly appointed Headteacher. With the support of our Trust's Director of Primary Education and primary Executive Head, leaders have regained the trust of parents, demonstrated by the fact the school is now over-subscribed in Reception. Alongside the investment in developing the quality of education, has been a significant focus on improving the learning environment; new ceilings, windows, lighting and play areas have transformed the school. Whitkirk is a great case study of how being part of a Trust can help bring about rapid improvement.

We were delighted when Ofsted inspected Harrogate Grammar School in May and gave the academy an 'Outstanding' judgment. Under the new inspection framework very few schools are retaining or gaining the Outstanding judgement and to do so is a great tribute to our colleagues who work at the school and those who support them. The Headteacher is committed to further improvement of the school by learning from others and also contributing to the success of other schools in our Trust.

## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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Rossett Acre Primary School was also visited by inspectors declaring it 'Good' and outstanding in two key areas. This was a very positive outcome for a school that is committed to the getting the very best outcomes for every child, exemplifying our Trust values brilliantly.

#### **Red Kite Education**

Our Teaching School Hub, Alliance and School Centred Initial Teacher Training (SCITT) (collectively referred to as Red Kite Education) are a major part of our work as a Trust and provide support for our Trust schools and many others in the region. Recruitment was very strong into our SCITT with 185 trainees completing our programme, and it is great to see so many 'Red Kite' teachers working across our schools. With the Early Careers Framework (ECF) and new National Professional Qualification (NPQ) programmes coming online it has been a very busy year for the Red Kite Education and we have invested further in leadership to ensure we can deliver on our commitment to the DfE and partner schools. The application made in February 2022 to be re-accredited as an Initial Teacher Training provider has been successful. This will allow us to continue to do this vital work for all our schools knowing that great teachers create great outcomes for children.

#### **Governance**

Our Scheme of Delegation was reviewed and updated over the year, in consultation with school leaders, Local Governing Body chairs, Trustees and Members. We have made even clearer the different but complimentary roles of the Trust Board and Local Governing Bodies asking LGBs to focus on 5 'Cs':

- Children
- Curriculum
- Culture
- Community
- Celebration

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

#### **Systems**

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

#### **Estate management**

We have a very effective compliance system with our Estates Director utilising a shared risk management and monitoring tool that allows Trustees and leaders to be confident about the health and safety of all.

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

#### **Sustainability**

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

## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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#### **Growth**

We are keen to grow further, in particular we would like to welcome additional secondary schools into the Trust to better balance our 'portfolio'. We know that an additional large secondary would give us greater capacity to help each other and support us taking on additional primary schools. As always, we are cautious about risk and determined to ensure that any school joining our Trust signs up to our mission and values. Talks with a local secondary school have been productive and we continue to advise the DfE of our willingness and readiness to expand further.

#### **Going concern**

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

#### **Trust engagement with employees**

Trustees' engagement with employees is primarily through established representation at national, regional and local levels. Unions and professional associations have continued working closely with senior leaders, on behalf of Trustees, with regular consultation and reporting on matters such as organisational changes (e.g. TUPE, structure, Pay Awards). A regular "Business" meeting is calendared alongside negotiating work.

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

Direct communication with colleagues continues and the SharePoint (intranet) areas provide transparency over employment matters. Annual engagement & wellbeing surveys are now established and Trustees are actively involved in results analysis and action planning. A new engagement forum "RK People Board" has been introduced with a focus on wellbeing matters.

A programme of harmonisation of policies and procedures continues, with regular feedback to Trustees and opportunities for questions and challenge; specifically, through the Finance and Resources Committee.

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

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

#### **FINANCIAL REVIEW**

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

During the year ended 31 August 2022, total recurrent expenditure (excluding restricted fixed asset funds and non-cash defined benefit pension scheme adjustments) of £55,864,000 (2021 - £51,120,000) was not fully covered by recurrent grant funding from the ESFA and other Incoming resources. The deficit for the year (excluding restricted fixed asset funds and restricted pension reserves) was £310,000 (2021 - £773,000 surplus).

At 31 August 2022, the net book value of tangible fixed assets was £98,914,000 with movements being shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to the students of the Trust.

## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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#### **Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that an appropriate level of free reserves should be maintained to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees aspire to a level of reserves that reflects between 4% and 8% of annual General Annual Grant (GAG) income. In the year ended 31 August 2022 this equated to a range of between £1,673,000 and £3,346,000, which the Trustees believe represents an appropriate target to achieve.

Unrestricted Funds held at 31 August 2022 were £1,336,000 (2021: £1,737,000) and Restricted General Funds (excluding Pension Reserve) were £493,000 (2021: £718,000). Therefore, a net surplus of £1,829,000 (2021: £2,455,000) is available to the Trust, of which £1,336,000 (2021: £1,737,000) constitute free reserves.

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

#### **Financial position**

The Multi-Academy Trust held fund balances at 31 August 2022 of £94,451,000 comprising £93,115,000 restricted funds and £1,336,000 of unrestricted general funds.

An overall deficit of £6,144,000 exists on Restricted General Funds due to the Multi-Academy Trust's Pension reserve deficit, which has decreased to £6,637,000, but still remains significant. The calculation of this estimated long-term liability is based on assumptions which are subject to annual revision and likely to change in the future. This net deficit position is common among other academies and does not mean that an immediate liability for this amount crystallises. A deficit position of the pension scheme would generally result in a cash flow effect for the Multi-Academy Trust in the form of an increase in employers' pension contributions over a period of years. On the basis that increased pension contributions will be met from the Multi-Academy Trust's budgeted annual income, whilst the deficit might not be eliminated there should be no actual cash flow deficit on the fund, or direct impact on the Trust's free reserves due to recognising the deficit.

#### **Investment policy**

The Trust has delegated authority to the Chief Financial Officer to utilise the term deposit arrangements with various banks in order that interest receipts are maximised in a low-risk investment. During the year, a term deposit was placed with a 12-month maturity. Unless authorised by the Trust, term deposits will not exceed 24 months and the projected current account balance will not be allowed to fall below £250,000 at any point.

#### **Financial and risk management objectives and policies**

##### **Principal risks and uncertainties**

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

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

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

## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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#### 1. Government funding and an inflationary climate

The Trust has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and Local Authorities. In 2021/22, approximately 90% of the Trust's recurrent revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Trust, in common with the whole school sector, faces a challenge whereby fixed funding allocations are set typically 6 months prior to the start of the financial year. During periods of inflation this can lead to budgetary strain as price and pay increases squeeze fixed income allocations.

This risk is mitigated in a number of ways:

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

#### 2. Manage the growth of the Trust

The Trust has undergone a period of consolidation since its rapid growth in 2018. The Trust remains focused on building its capacity in terms of personnel, systems and protocols to ensure that growth is controlled and sustainable. Effective governance is at the heart of our growth strategy. The possible future growth of the Trust is actively being considered.

#### 3. Maintain adequate funding of pension liabilities

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

#### 4. Ensure effective compliance in all areas

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

#### 5. Ensure ongoing cash solvency

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

## Red Kite Learning Trust TRUSTEES' REPORT (continued)

### 6. Covid-19

Management and Trustees have continued to respond effectively to the challenges and risks of Covid-19 and have worked creatively within the governmental guidance to promote the continuity of education for all pupils. As the pandemic wanes, management will continue to focus on the urgent need to assist children to catch-up on the learning that has been lost. Additional funding received for catch-up purposes is being carefully deployed and monitored to ensure maximum impact is achieved for the benefit of our pupils.

### FUNDRAISING

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

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

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

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

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

### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	10,149,999	9,476,844
Energy Consumption breakdown		
• Gas (kWh)	6,766.839	6,190,185
• Electricity (kWh)	3,276,870	3,226,135
• Transport / Fuel (miles)	106,290	60,524
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
• Gas Consumption	1,244.90	1,133.79
• Owned transport	20.80	13.66
Total Scope 1	1,265.70	1,147.45
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Electricity	633.68	685.01
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee-owned vehicles	6.03	1.62
<b>TOTAL GROSS EMISSIONS IN METRIC TONNES CO<sub>2</sub>e</b>	<b>1,905.41</b>	<b>1,834.08</b>
Intensity Ratio		
Tonnes CO <sub>2</sub> e per pupil (based on 8,723 (2021 - 8,273) pupils)	0.22	0.22

## **Red Kite Learning Trust**

### **TRUSTEES' REPORT (continued)**

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#### **Qualification and Reporting Methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Governments' Conversion Factors for Company Reporting.

#### **Intensity Measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### **Measures taken to improve energy efficiency**

- Energy monitoring using Npower analytics with a view to reduce overall consumption.
- We plan to install data loggers on the incoming electricity supplies at all schools that do not have a half hourly meter.
- Installation of LED lights across the trust
- Installation of a Combined Heat and Power Unit at Temple Moor High School
- Energy audits arranged for six schools to inform future initiatives
- Solar panels to be installed at 12 out of the 13 schools.

#### **PLANS FOR FUTURE PERIODS**

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

#### **DISABLED APPLICANTS AND EMPLOYEES**

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

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

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

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

#### **EMPLOYEE INVOLVEMENT**

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

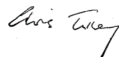
**Red Kite Learning Trust**  
**TRUSTEES' REPORT (continued)**

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**Statement as to disclosure of information to auditors**

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

Approved by order of the Board of Trustees at its meeting on 8 December 2022 and signed on its behalf by:



**Chris Tulley**  
**Chair of Trustees**



## Red Kite Learning Trust

### GOVERNANCE STATEMENT

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#### Scope of responsibility

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

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

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

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met five times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr C Tulley (Chair)	5	5
Mrs T Brooke	5	5
Dr T Stowell	4	5
Mr K Paynes	5	5
Mr B Wood	5	5
Mr J Topping	5	5
Ms L Devenny	3	5
Mrs R Atwal	3	5
Dr M Maddison	4	4
Mr M Roberts	4	4

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

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

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

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

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

## **Red Kite Learning Trust**

### **GOVERNANCE STATEMENT (continued)**

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#### **Review of Value for Money**

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

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

#### **1. Improving the effectiveness of resource-use**

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

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

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

ICT is used innovatively in the Trust schools.

The growing work of the Red Kite Teaching School Hub further utilises the schools' facilities, as does the Maths Hub work and the Computing Hub.

School facilities are used widely by the local community.

#### **2. Robust governance and oversight of Trust finances**

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

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

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

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

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

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

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

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

## **Red Kite Learning Trust**

### **GOVERNANCE STATEMENT (continued)**

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#### **4. Maximising income generation**

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

#### **5. Reviewing controls and managing risks.**

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

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

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

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

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

#### **6. Reviewing operations to maximise use of resources.**

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

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

## **Red Kite Learning Trust GOVERNANCE STATEMENT (continued)**

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- a programme of Internal Audit.

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

- Governance and Compliance
- Payroll
- Finance

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

Moorlands Learning Trust resigned as Internal Auditor in July 2022 and the Trust has now engaged the services of Wylie and Bissett as Internal Auditor commencing in 2022/23.

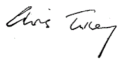
### **Review of effectiveness**

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

- The work of the Audit and Risk Committee
- The work of the external auditor
- The work of the internal auditor
- The work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on its behalf by:



**Chris Tulley**  
Chair of Trustees



**Richard Sheriff**  
Accounting Officer

**Red Kite Learning Trust**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

*Richard Sheriff*

**Richard Sheriff**  
**Accounting Officer**

**Date: 8 December 2022**

## **Red Kite Learning Trust**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

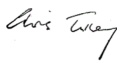
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2022 and signed on its behalf by:



**Chris Tulley**  
**Chair of Trustees**

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

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### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

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

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### **Other information**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Charities SORP 2019, Accounts Direction 2021 to 2022, the Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the sector, the control environment and operational performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

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

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

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

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

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### **Use of this report**

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

*TC Group*

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

6 Queen Street  
Leeds  
LS1 2TW

Date:

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

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

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

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

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

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirements of the Academy Trust Handbook 2021;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

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

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**Conclusion**

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

*TC Group*

Reporting Accountant  
TC Group

Date:

**Red Kite Learning Trust**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account)  
**for the year ended 31 August 2022**

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2022 £'000	Total 2021 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	1	421	15	1,612	2,048	2,191
Other trading activities	2	831	-	-	831	630
Investments	3	8	-	-	8	9
Charitable activities						
Funding for the Academy						
Trust's educational operations	4	2,317	49,373	-	51,690	48,350
Teaching School	4	-	2,589	-	2,589	2,048
<b>Total</b>		<b>3,577</b>	<b>51,977</b>	<b>1,612</b>	<b>57,166</b>	<b>53,228</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	730	-	-	730	549
Charitable activities:						
Academy Trust's educational operations	6	2,407	55,052	3,661	61,120	56,357
Teaching School	6	-	2,553	-	2,553	1,802
<b>Total</b>	5	<b>3,137</b>	<b>57,605</b>	<b>3,661</b>	<b>64,403</b>	<b>58,708</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>440</b>	<b>(5,628)</b>	<b>(2,049)</b>	<b>(7,237)</b>	<b>(5,480)</b>
Transfers between funds	19	(841)	525	316	-	-
<b>OTHER RECOGNISED GAINS AND LOSSES:</b>						
Actuarial gain on defined benefit pension scheme	29	-	28,832	-	28,832	715
<b>NET MOVEMENT IN FUNDS</b>		<b>(401)</b>	<b>23,729</b>	<b>(1,733)</b>	<b>21,595</b>	<b>(4,765)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		1,737	(29,873)	100,992	72,856	77,621
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<b>1,336</b>	<b>(6,144)</b>	<b>99,259</b>	<b>94,451</b>	<b>72,856</b>

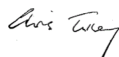
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

**Red Kite Learning Trust**  
**BALANCE SHEET**  
**As at 31 August 2022**

**Company Registration No. 07523507**

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>FIXED ASSETS</b>					
Intangible assets	11		191		258
Tangible assets	12		98,914		100,734
Investments	13		-		-
			<u>99,105</u>		<u>100,992</u>
<b>CURRENT ASSETS</b>					
Stock	14	16		18	
Debtors	15	2,300		2,568	
Investments	16	511		500	
Cash at bank and in hand	25	4,568		4,467	
		<u>7,395</u>		<u>7,553</u>	
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>(5,363)</u>		<u>(5,011)</u>	
<b>NET CURRENT ASSETS</b>			<b>2,032</b>		<b>2,542</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>101,137</u>		<u>103,534</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	18		<b>(49)</b>		<b>(87)</b>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>101,088</u>		<u>103,447</u>
Pension scheme liability	29		<u>(6,637)</u>		<u>(30,591)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>94,451</u>		<u>72,856</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	19		99,259		100,992
General fund	19		493		718
Pension reserve	19		(6,637)		(30,591)
			<u>93,115</u>		<u>71,119</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>93,115</u>		<u>71,119</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	19		1,336		1,737
			<u>94,451</u>		<u>72,856</u>

The financial statements on pages 27 to 58 were approved by the Trustees and authorised for issue on 8 December 2022, and are signed on their behalf by:



**Chris Tulley**  
**Chair of Trustee**

**Red Kite Learning Trust**  
**CASH FLOW STATEMENT**  
**for the year ended 31 August 2022**

	Notes	2022 £'000	2021 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	22	433	603
Tax (paid)/refunded		(5)	4
		428	607
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	23	(247)	63
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	24	(80)	(88)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		101	582
<b>CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER</b>		4,467	3,885
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	25	4,568	4,467

## **Red Kite Learning Trust ACCOUNTING POLICIES for the year ended 31 August 2022**

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### **Statement of accounting policies**

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

### **Basis of preparation**

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

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

### **Consolidation**

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

### **Going concern**

The recent inflationary pressures experienced by the sector have prompted a thorough review of income and expenditure budgets across the schools and central functions. Significant cost savings have been identified to offset unexpectedly high pay awards and energy prices. Additional income enhancement opportunities have also been identified and there is a cross-trust focus to ensure reserves are protected, despite the recent financial pressures, in order to ensure ongoing financial sustainability. Based on the detailed work undertaken by the Trust's management team, which has been regularly reviewed and challenged at Board level, and the ongoing efforts to implement the cost saving and income enhancement plans, the Trustees have a reasonable expectation that Red Kite Learning Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### **Income**

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

### **Grants**

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

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

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

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



**Red Kite Learning Trust**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2022**

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**Donations**

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

**Other income**

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

**Interest receivable**

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

**Donated fixed assets**

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

**Expenditure**

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

***Expenditure on Raising Funds***

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

***Charitable Activities***

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

All resources expended are inclusive of irrecoverable VAT.

**Fund accounting**

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

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

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

**Intangible fixed assets**

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

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

Computer software

20% per annum

**Red Kite Learning Trust**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2022**

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**Tangible fixed assets**

Tangible fixed assets costing £5,000 or more and iPads purchased in bulk are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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

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

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

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

Freehold land is not depreciated.

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

**Fixed asset investments**

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

**Stock**

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

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

**Debtors**

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

**Current asset investments**

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

**Liabilities**

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

**Red Kite Learning Trust**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2022**

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**Concessionary loans**

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

**Financial instruments**

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

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

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

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

**Taxation**

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

**Pension benefits**

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. 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.

**Red Kite Learning Trust**  
**ACCOUNTING POLICIES (continued)**  
**for the year ended 31 August 2022**

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**Leased assets**

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

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

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

***Useful economic lives of tangible and intangible fixed assets***

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

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

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

***Local Government Pension Scheme liability***

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

**Agency arrangements**

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

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2022**

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**1 DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
ESFA capital grants	-	1,351	1,351	1,266
Other capital grants	-	-	-	14
Capital donations	-	261	261	55
Parental donations – iPads for learning	266	-	266	274
Other donations	155	15	170	582
	<u>421</u>	<u>1,627</u>	<u>2,048</u>	<u>2,191</u>

Income from donations and capital grants was £2,048,000 (2021 - £2,191,000) of which £1,627,000 (2021 - £1,338,000) was attributable to restricted and £421,000 (2021 - £853,000) was attributable to unrestricted funds.

**2 OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
Hire of facilities	325	-	325	158
Music tuition	139	-	139	92
Professional services	81	-	81	104
Catering	33	-	33	23
Transport income	54	-	54	42
Other sources	199	-	199	211
	<u>831</u>	<u>-</u>	<u>831</u>	<u>630</u>

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

**3 INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
Interest on short term deposits	2	-	2	8
Other interest receivable	6	-	6	1
	<u>8</u>	<u>-</u>	<u>8</u>	<u>9</u>

All income from investments was unrestricted in both reporting periods.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES**

**EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000	2021 Total £'000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	41,845	41,845	37,610
Other DfE/ESFA grants				
Pupil Premium	-	2,150	2,150	2,056
UIFSM	-	410	410	407
Supplementary grant	-	492	492	-
Teachers' Pension	-	189	189	1,400
Teachers' Pay	-	67	67	496
Maths Hub funding	-	584	584	595
ESFA Covid-19 funding	-	582	582	959
Others	-	655	655	618
	-	46,974	46,974	44,141
<b>Other Government grants</b>				
SEN from Local Authority	-	1,250	1,250	1,219
Additional Covid-19 grants	-	87	87	421
Other Local Authority grants	-	995	995	908
	-	2,332	2,332	2,548
<b>Other income</b>				
Catering income	1,586	-	1,586	1,034
Other income	731	67	798	627
	2,317	67	2,384	1,661
	<b>2,317</b>	<b>49,373</b>	<b>51,690</b>	<b>48,350</b>
<b>TEACHING SCHOOL</b>				
DfE/ESFA grants	-	170	170	210
SCITT income	-	1,902	1,902	1,490
Other income	-	517	517	348
	-	<b>2,589</b>	<b>2,589</b>	<b>2,048</b>

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

Funding for the Academy Trust's educational operations amounted to £51,690,000 (2021 - £48,350,000) of which £49,373,000 (2021 - £46,799,000) was attributable to restricted and £2,317,000 (2021 - £1,551,000) was attributable to unrestricted funds.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**5 EXPENDITURE**

	Staff costs £'000	Non-Pay Expenditure		2022	2021
		Premises £'000	Other £'000	Total £'000	Total £'000
Raising funds					
Direct costs	178	-	329	507	365
Allocated support costs	145	74	4	223	184
	323	74	333	730	549
Academy's educational operations:					
Direct costs	35,213	2,154	4,849	42,216	39,117
Allocated support costs	11,030	3,333	4,541	18,904	17,240
	46,243	5,487	9,390	61,120	56,357
Teaching School					
Direct costs	830	-	1,153	1,983	1,275
Allocated support costs	365	83	122	570	527
	1,195	83	1,275	2,553	1,802
	47,761	5,644	10,998	64,403	58,708

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

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

Net expenditure for the period includes:	2022 £'000	2021 £'000
Operating leases:		
Plant and machinery	43	55
Fees payable to auditor for:		
Audit	20	20
Other services	4	4
Depreciation of tangible fixed assets	3,611	3,463
Amortisation of intangible fixed assets	67	66
Profit on disposal of fixed assets	(17)	(18)

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	3,088	-	-
Gifts made by the Academy Trust	2,845	-	-

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

6 CHARITABLE ACTIVITIES			<b>2022</b>	<b>2021</b>
			<b>Total</b>	<b>Total</b>
			<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations			<b>42,216</b>	39,117
Support costs – educational operations			<b>18,904</b>	17,240
			<b>61,120</b>	56,357
Direct costs – Teaching School			<b>1,983</b>	1,275
Support costs – Teaching School			<b>570</b>	527
			<b>2,553</b>	1,802
			<b>63,673</b>	58,159
<b>Analysis of support costs</b>				
	<b>Teaching</b>	<b>Educational</b>	<b>2022</b>	<b>2021</b>
	<b>School</b>	<b>operations</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Staff costs	365	10,971	<b>11,336</b>	10,623
Staff costs - governance	-	59	<b>59</b>	74
Depreciation and amortisation	-	682	<b>682</b>	664
Premises costs	83	3,333	<b>3,416</b>	3,052
Technology costs	-	572	<b>572</b>	605
Catering costs	-	1,832	<b>1,832</b>	1,426
Other support costs	122	1,393	<b>1,515</b>	1,279
Governance costs	-	62	<b>62</b>	44
<b>Total support costs</b>	<b>570</b>	<b>18,904</b>	<b>19,474</b>	<b>17,767</b>

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

Expenditure on the Academy Trust's educational operations amounted to £61,120,000 (2021 - £56,357,000) of which £58,713,000 (2021 £54,679,000) was attributable to restricted and £2,407,000 (2021 - £1,678,000) was attributable to unrestricted funds.



**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**7 STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	<b>32,447</b>	31,106
Social security costs	<b>3,088</b>	2,881
Operating costs of defined benefit pension schemes	<b>11,241</b>	10,199
Apprenticeship levy	<b>146</b>	141
	<b>46,922</b>	44,327
Supply staff costs	<b>718</b>	378
Staff restructuring costs	<b>121</b>	142
	<b>47,761</b>	44,847
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	-	-
Severance payments	<b>121</b>	142
	<b>121</b>	142

**b. Severance payments**

The Trust paid 11 severance payments in the year. There were no individual amounts in excess of £25,000.

**c. Special staff severance payments**

Included in staff restructuring costs are special severance payments totalling £102,298 (2021 - £108,385) in relation to nine (2021 - twelve) employees. The individual payments were £21,725, £20,000, £18,180, £13,082, £12,447, £9,516, £3,487, £2,021 and £1,840.

**d. Staff numbers**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	<b>431</b>	443
Administration and educational support	<b>787</b>	778
Management	<b>71</b>	63
	<b>1,289</b>	1,284

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	<b>392</b>	387
Administration and educational support	<b>512</b>	522
Management	<b>62</b>	62
	<b>966</b>	971

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**7 STAFF COSTS (continued)**

**e. Higher paid staff**

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	17	19
£70,001 - £80,000	6	4
£80,001 - £90,000	5	5
£100,001 - £110,000	1	2
£110,001 - £120,000	2	1
£140,001 - £150,000	1	1

28 of the above employees (2021 - 27) participated in the Teachers' Pension Scheme and four (2021 - five) participated in the Local Government Pension Scheme. Pension contributions for these staff amounted to £568,926 (2021 - £556,066).

**f. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the Executive Group as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,163,499 (2021 - £1,920,155).

**8 CENTRAL SERVICES**

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

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

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

The actual amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Harrogate Grammar School	601	566
Western Primary School	96	90
Oatlands Community Junior School	75	66
Rossett Acre Primary School	89	88
Crawshaw Academy	332	305
Coppice Valley Primary School	48	39
Austhorpe Primary School	45	44
Temple Learning Academy	317	257
Temple Moor High School	402	390
Colton Primary School	48	47
Meadowfield Primary School	112	102
Templenewsam Halton Primary School	94	89
Whitkirk Primary School	86	64
Children's Centre	7	7
	<b>2,352</b>	<b>2,154</b>

In addition to the charges above, the Trust also recharged £547,000 (2021 - £448,000) in respect of IT Technician staff and other IT-related costs to certain of its member schools.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**9 RELATED PARTY TRANSACTIONS – Trustees’ remuneration and expenses**

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

During the period ended 31 August 2022, there were no travel and subsistence expenses reimbursed or paid directly to Trustees (2021 - £nil paid to Trustees).

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

**10 TRUSTEES’ AND OFFICERS INSURANCE**

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

**11 INTANGIBLE FIXED ASSETS**

	<b>Computer software £’000</b>	<b>Total £’000</b>
<b>Cost</b>		
At 1 September 2021	334	<b>334</b>
Additions	-	-
	<hr/>	<hr/>
At 31 August 2022	334	<b>334</b>
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 September 2021	76	<b>76</b>
Charged in year	67	<b>67</b>
	<hr/>	<hr/>
At 31 August 2022	143	<b>143</b>
	<hr/>	<hr/>
<b>Net book values</b>		
At 31 August 2022	191	<b>191</b>
	<hr/>	<hr/>
At 31 August 2021	258	<b>258</b>
	<hr/>	<hr/>

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**12 TANGIBLE FIXED ASSETS**

	Land and buildings £'000	Fixtures and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Assets under the course of construction £'000	Total £'000
<b>Cost</b>						
At 1 September 2021	112,140	2,281	2,815	104	405	<b>117,745</b>
Additions	84	55	526	49	1,091	<b>1,805</b>
Transfers	385	-	-	-	(385)	<b>-</b>
Disposals	-	-	(161)	-	(14)	<b>(175)</b>
At 31 August 2022	<u>112,609</u>	<u>2,336</u>	<u>3,180</u>	<u>153</u>	<u>1,097</u>	<b><u>119,375</u></b>
<b>Depreciation</b>						
At 1 September 2021	14,115	1,411	1,416	69	-	<b>17,011</b>
Charged in year	2,721	195	677	18	-	<b>3,611</b>
Disposals	-	-	(161)	-	-	<b>(161)</b>
At 31 August 2022	<u>16,836</u>	<u>1,606</u>	<u>1,932</u>	<u>87</u>	<u>-</u>	<b><u>20,461</u></b>
<b>Net book values</b>						
At 31 August 2022	<u><b>95,773</b></u>	<u><b>730</b></u>	<u><b>1,248</b></u>	<u><b>66</b></u>	<u><b>1,097</b></u>	<u><b>98,914</b></u>
At 31 August 2021	<u>98,025</u>	<u>870</u>	<u>1,399</u>	<u>35</u>	<u>405</u>	<b><u>100,734</u></b>

Land and buildings comprise leasehold buildings with a carrying value of £27,664,000, freehold buildings with a carrying value of £65,394,000 and freehold land with a carrying value of £2,715,000. The leasehold buildings are all held under 125-year leases.

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

- the granting of a leasehold on the caretaker's bungalow at Coppice Valley Primary School for £8k per annum over a term of two years.
- the granting of a leasehold on the caretaker's house at Colton Primary School for £5k per annum over a term of two years.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**13 FIXED ASSET INVESTMENTS**

**Details of undertakings**

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

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

The Academy is the sole shareholder of HGS Ventures Limited (company number: 08857077). The principal activity of HGS Ventures Limited is that of the provision of procurement support. During the period, HGS Ventures Limited generated a profit of £132,037, all of which was distributed as a gift aid donation to Red Kite Learning Trust. As at 31 August 2022, HGS Ventures Limited had net assets of £471.

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

**14 STOCK**

	2022 £'000	2021 £'000
Catering	16	18

**15 DEBTORS**

	2022 £'000	2021 £'000
Trade debtors	264	175
Other debtors	658	843
VAT recoverable	500	344
Amounts owed by subsidiary undertakings	214	540
Prepayments and accrued income	664	666
	2,300	2,568

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

Trade debtors are stated after a provision for doubtful debts of £1,110 (2021 - £310).

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**16 CURRENT ASSET INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Cash held on term deposit	<u>511</u>	<u>500</u>
	<u><b>511</b></u>	<u><b>500</b></u>

Included within cash held on term deposit is the following:

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

**17 CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,823	1,577
Taxation and social security	732	700
Other loans	39	81
Other creditors	925	869
Accruals and deferred income	<u>1,844</u>	<u>1,784</u>
	<u><b>5,363</b></u>	<u><b>5,011</b></u>

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

**Deferred income**

	<b>2022</b>
	<b>£'000</b>
Deferred income at 1 September 2021	738
Resources deferred in the year	664
Amounts released from previous years	<u>(738)</u>
Deferred income at 31 August 2022	<u><b>664</b></u>

At the balance sheet date, the Academy Trust was holding funds received in advance for Teaching School membership subscriptions (£101,000), grants received for future periods (£518,000) and music and nursery income received in advance (£45,000).

Included within Other loans due within one year are two Salix loan balances amounting to £26,000 (2021 – three loans amounting to £51,000) and two CIF loan balances amounting to £13,000 (2021 – three loans amounting to £30,000). The Salix loans are interest-free and repayable by instalments. The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown. One of the CIF loans carries interest at 1.04% and the other carries interest at 1.05%.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**18 CREDITORS: Amounts falling due in greater than one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Other loans	<u>49</u>	<u>87</u>
	<u><b>49</b></u>	<u><b>87</b></u>

Other loans due after one year include two Salix loans amounting to £43,000 (2021 – two loans amounting to £69,000) and one CIF loan amounting to £6,000 (2021 – two loans amounting to £18,000). The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown. The CIF loan carries interest at 1.05%.

The loan repayment profile is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Due within one year	<b>39</b>	81
Due within two and five years inclusive	<u><b>49</b></u>	<u>87</u>
	<u><b>88</b></u>	<u>168</u>

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**19 FUNDS**

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

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

- (i) Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.
- (ii) The restricted general fund balances carried forward principally relate to unspent Teaching School surpluses.
- (iii) Restricted Fixed Asset funds relate to income received from the DfE, other government grants and transfers from GAG income and unrestricted funds. The fund balance includes donated assets relating to school buildings. Depreciation relating to the assets procured is charged against these funds over the life of the assets.
- (iv) Unrestricted funds relate to surpluses brought across on conversion and self-generated income since conversion.



**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**19 FUNDS (continued)**

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

	Balance at 1 Sept 2020 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	37,610	(38,105)	495	-
Pupil Premium	-	2,056	(2,056)	-	-
UIFSM	-	407	(407)	-	-
Teachers' Pension grant	-	1,400	(1,400)	-	-
Teachers' Pay grant	-	496	(496)	-	-
Maths Hub funding	-	595	(595)	-	-
DfE/ESFA Covid-19 funding	-	959	(753)	-	206
Other DfE/ESFA grants	-	618	(618)	-	-
LEA and other grants	-	2,127	(2,127)	-	-
Other LA Covid-19 grants	-	421	(421)	-	-
Other restricted income	-	113	(113)	-	-
Teaching School	306	2,048	(1,802)	(40)	512
	306	48,850	(48,893)	455	718
Pension reserve	(27,229)	-	(4,077)	715	(30,591)
	(26,923)	48,850	(52,970)	1,170	(29,873)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	5,243	1,266	(690)	-	5,819
Other capital income	2,599	69	(119)	-	2,549
Transferred on conversion	92,314	-	(2,320)	-	89,994
Capital expenditure from GAG	2,505	-	(382)	507	2,630
	102,661	1,335	(3,511)	507	100,992
<b>Total restricted funds</b>	<b>75,738</b>	<b>50,185</b>	<b>(56,481)</b>	<b>1,677</b>	<b>71,119</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,883	3,043	(2,227)	(962)	1,737
<b>Total unrestricted funds</b>	<b>1,883</b>	<b>3,043</b>	<b>(2,227)</b>	<b>(962)</b>	<b>1,737</b>
<b>Total funds</b>	<b>77,621</b>	<b>53,228</b>	<b>(58,708)</b>	<b>715</b>	<b>72,856</b>

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**19 FUNDS (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Harrogate Grammar School	860	1,181
Western Primary School	44	27
Oatlands Community Junior School	(8)	(25)
Rossett Acre Primary School	142	160
Crawshaw Academy	(656)	(721)
Coppice Valley Primary School	118	77
Austhorpe Primary School	(19)	(10)
Temple Learning Academy	195	587
Temple Moor High School	210	67
Colton Primary School	3	80
Meadowfield Primary School	487	578
Templenewsam Halton Primary School	227	195
Whitkirk Primary School	(105)	(2)
TNLP Cluster	111	166
Children's Centre	24	24
Teaching School	485	512
Central services	(289)	(441)
Total before fixed assets and pension reserve	<u>1,829</u>	2,455
Restricted fixed asset fund	99,259	100,992
Pension reserve	<u>(6,637)</u>	<u>(30,591)</u>
<b>Total</b>	<b><u>94,451</u></b>	<b><u>72,856</u></b>

The small remaining deficit of £8,000 on Oatlands Junior School will be recovered over the next two financial years as the planned growth in pupil numbers, following the school's expansion, attracts lagged funding.

The deficit at Crawshaw Academy reduced by £65,000 during 2021/22 but remains an area of significant focus with the unviable sixth form now set to close by August 2023 and main school pupil numbers continuing to fill up and attract lagged funding. Surpluses are projected for each of the next three years and the school is focused on finding expenditure efficiencies to ensure the deficit is recovered at an appropriate rate. Latest projections show the deficit diminishing from £656,000 to £119,000 by August 2025.

The £19,000 deficit at Austhorpe Primary School will be recovered over the next two financial years as the school continues to focus on staffing costs.

Investment at Whitkirk Primary School has been a priority as the Trust's sole "Requires Improvement" school and the school continues to benefit from Trust support on multiple levels. Some time is required to complete this investment and trustees have approved a gradual approach to deficit recovery that will extend beyond the usual three-year financial planning cycle.

The Central budget deficit results from planned investment in systems and ICT infrastructure and has again reduced during 2021/22 with further reductions budgeted in each future year as contributions from schools to the Central function outweigh planned costs. Trust growth remains an aspiration and once achieved will accelerate the Central budget recovery.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**19 FUNDS (continued)**

**Analysis of academies by cost**

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Dep'n) £'000	Total 2022 £'000	Total 2021 £'000
Harrogate Grammar School	7,685	2,497	1,262	1,868	<b>13,312</b>	12,286
Western Primary School	1,661	506	58	310	<b>2,535</b>	2,401
Oatlands Community Junior School	1,022	224	49	246	<b>1,541</b>	1,443
Rossett Acre Primary School	1,371	294	48	313	<b>2,026</b>	1,849
Crawshaw Academy	4,476	1,118	438	904	<b>6,936</b>	6,531
Coppice Valley Primary School	708	200	40	153	<b>1,101</b>	1,039
Austhorpe Primary School	765	166	44	198	<b>1,173</b>	1,104
Temple Learning Academy	4,670	1,233	730	833	<b>7,466</b>	5,969
Temple Moor High School	5,689	1,349	281	1,127	<b>8,446</b>	8,006
Colton Primary School	997	288	55	182	<b>1,522</b>	1,417
Meadowfield Primary School	2,248	709	89	383	<b>3,429</b>	3,232
Templenewsam Halton Primary School	1,583	378	91	331	<b>2,383</b>	2,371
Whitkirk Primary School	1,340	360	91	312	<b>2,103</b>	1,935
TNLP Cluster	180	230	10	11	<b>431</b>	393
Children's Centre	80	102	3	23	<b>208</b>	193
Teaching school	830	365	3	1,355	<b>2,553</b>	1,802
Central services	859	1,578	84	1,056	<b>3,577</b>	3,226
<b>Academy Trust</b>	<b>36,164</b>	<b>11,597</b>	<b>3,376</b>	<b>9,605</b>	<b>60,742</b>	<b>55,197</b>

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2022 are represented by:

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

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

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Intangible fixed assets	-	-	258	<b>258</b>
Tangible fixed assets	-	-	100,734	<b>100,734</b>
Current assets	1,888	4,747	918	<b>7,553</b>
Current liabilities	(151)	(4,029)	(831)	<b>(5,011)</b>
Non-current liabilities	-	-	(87)	<b>(87)</b>
Pension scheme liability	-	(30,591)	-	<b>(30,591)</b>
<b>Total net assets</b>	<b>1,737</b>	<b>(29,873)</b>	<b>100,992</b>	<b>72,856</b>

**21 COMMITMENTS UNDER OPERATING LEASES**

**OPERATING LEASES**

At 31 August 2022, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2022</b> £'000	<b>2021</b> £'000
Amounts due within one year	<b>40</b>	44
Amounts due between one and five years	<b>67</b>	94
	<b>107</b>	138

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net expenditure	(7,237)	(5,480)
Taxation charge / (credit)	5	(4)
Amortisation (note 11)	67	66
Depreciation (note 12)	3,611	3,463
Capital income	(1,612)	(1,335)
Profit on disposal of fixed assets	(17)	(18)
Interest receivable (note 3)	(8)	(9)
Pension cost less contributions payable (note 29)	4,379	3,634
Pension finance cost (note 29)	499	443
Decrease in stocks	2	1
Decrease / (increase) in debtors	195	(522)
Increase in creditors	549	364
<b>Net cash provided by Operating Activities</b>	<b>433</b>	<b>603</b>

**23 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest received	17	10
Purchase of intangible fixed assets	-	(36)
Purchase of tangible fixed assets	(1,766)	(3,093)
Purchase of current asset investments	(511)	-
Receipt from current asset investments	500	1,000
Capital grants and donations received	1,482	2,161
Proceeds from sale of tangible fixed assets	31	21
<b>Net cash flow from investing activities</b>	<b>(247)</b>	<b>63</b>

**24 CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Repayment of loans	(80)	(88)
<b>Net cash flow from financing activities</b>	<b>(80)</b>	<b>(88)</b>

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**25 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Current accounts	<b>3,568</b>	4,467
Deposit accounts	<b>1,000</b>	-
	<b><u>4,568</u></b>	<b><u>4,467</u></b>

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1</b>		<b>Non-cash</b>	<b>At 31</b>
	<b>September</b>	<b>Cash flows</b>	<b>movements</b>	<b>August</b>
	<b>2021</b>	<b>£'000</b>	<b>£'000</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	4,467	101	-	<b>4,568</b>
	<u>4,467</u>	<u>101</u>	<u>-</u>	<b>4,568</b>
Loans due within one year	(81)	80	(38)	<b>(39)</b>
Loans due after more than one year	(87)	-	38	<b>(49)</b>
	<b><u>4,299</u></b>	<b><u>181</u></b>	<b><u>-</u></b>	<b><u>4,480</u></b>

**27 CAPITAL COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Assets under construction	<b><u>584</u></b>	<b><u>70</u></b>

**28 MEMBERS' LIABILITY**

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**29 PENSION AND SIMILAR OBLIGATIONS**

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

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

Contributions amounting to £774,130 (2021 - £748,677) were payable to the schemes at 31 August 2022 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pensions Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £4,389,000 (2021 - £4,203,000).

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

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

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**29 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

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

The total contribution made to these funds for the year ended 31 August 2022 was £3,241,000 (2021 - £3,107,000), of which employer's contributions totalled £2,473,000 (2021 - £2,362,000) and employees' contribution totalled £768,000 (2021 - £745,000). The agreed employer's contribution rates for future years are 18.3% and 16.8% for the North Yorkshire Pension Fund and the West Yorkshire Pension Fund respectively. The agreed employee contribution rates for future years range between 5.5% and 12.5% for both schemes.

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

**Principal actuarial assumptions**

**North Yorkshire Pension Fund**

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
Rate of increase in salaries	<b>3.95%</b>	3.85%
Rate of increase for pensions in payment/inflation	<b>2.70%</b>	2.60%
Discount rate for scheme liabilities	<b>4.10%</b>	1.70%
Inflation assumption (CPI)	<b>2.70%</b>	2.60%
Commutation of pensions to lump sums	<b>75.00%</b>	75.00%

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

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	21.9
Females	<b>23.8</b>	24.0
<i>Retiring in 20 years</i>		
Males	<b>23.5</b>	23.6
Females	<b>25.7</b>	25.8



**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**29 PENSION AND SIMILAR OBLIGATIONS (continued)**

**West Yorkshire Pension Fund**

	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
Rate of increase in salaries	<b>3.95%</b>	3.85%
Rate of increase for pensions in payment/inflation	<b>2.70%</b>	2.60%
Discount rate for scheme liabilities	<b>4.10%</b>	1.70%
Inflation assumption (CPI)	<b>2.70%</b>	2.60%
Commutation of pensions to lump sums	<b>75.00%</b>	75.00%
	<b>At 31 August 2022</b>	<b>At 31 August 2021</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	21.9
Females	<b>24.6</b>	24.7
<i>Retiring in 20 years</i>		
Males	<b>22.5</b>	22.6
Females	<b>25.7</b>	25.8

**Sensitivity analysis**

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

	<b>At 31 August 2022 £'000</b>	<b>At 31 August 2021 £'000</b>
Discount rate +0.1%	<b>(1,078)</b>	(1,646)
Discount rate -0.1%	<b>1,094</b>	1,671
Mortality assumption – 1-year increase	<b>(1,177)</b>	(2,418)
Mortality assumption – 1-year decrease	<b>1,177</b>	2,442
CPI rate +0.1%	<b>916</b>	1,399
CPI rate -0.1%	<b>(900)</b>	(1,374)

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

**29 PENSION AND SIMILAR OBLIGATIONS (continued)**

**Principal actuarial assumptions (continued)**

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

	<b>Fair value at 31 August 2022 £'000</b>	<b>Fair value at 31 August 2021 £'000</b>
Equities	25,031	24,656
Government bonds	3,028	3,442
Other bonds	1,898	1,447
Property	1,937	1,553
Multi Asset Credit	579	-
Cash	996	682
Other	1,951	1,906
<b>Total market value of assets</b>	<b>35,420</b>	<b>33,686</b>
Present value of scheme liabilities		
- Funded	(42,057)	(64,277)
<b>Surplus/(deficit) in the scheme</b>	<b>(6,637)</b>	<b>(30,591)</b>

The actual return on scheme assets was a loss of £973,000 (2021 – gain of £5,501,000).

<b>Amounts recognised in the Statement of Financial Activities</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Current service cost	6,852	5,996
Past service cost	-	-
	<b>6,852</b>	<b>5,996</b>
Pension finance cost	499	443
Total operating charge	<b>7,351</b>	<b>6,439</b>
<b>Amounts recognised in Other Comprehensive Income</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Asset (losses) / gains arising in the period	(1,569)	5,044
Liability gains / (losses) arising in the period	30,401	(4,329)
Total amount recognised in other comprehensive income	<b>28,832</b>	<b>715</b>

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**29 PENSION AND SIMILAR OBLIGATIONS (continued)**

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 September</b>	<b>64,277</b>	52,753
Current service cost	<b>6,852</b>	5,996
Interest cost	<b>1,095</b>	900
Employee contributions	<b>768</b>	745
Actuarial (gain) / loss	<b>(30,401)</b>	4,329
Net benefits paid out	<b>(534)</b>	(446)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>42,057</b>	64,277
	<hr/>	<hr/>
<b>Changes in the fair value of Academy Trust's share of scheme assets</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 September</b>	<b>33,686</b>	25,524
Interest income on assets	<b>596</b>	457
Remeasurement (losses) gains on assets	<b>(1,569)</b>	5,044
Employer contributions	<b>2,473</b>	2,362
Employee contributions	<b>768</b>	745
Benefits paid	<b>(534)</b>	(446)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>35,420</b>	33,686
	<hr/>	<hr/>

The estimated value of employer contributions for the year ended 31 August 2023 is £2,593,000.

**Red Kite Learning Trust**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 August 2022**

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**30 RELATED PARTIES**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

**Subsidiary undertaking**

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

**Collaborative Learning Trust**

Collaborative Learning Trust is an academy in which the wife of Mr R Sheriff is the Chief Executive Officer (Mrs J Sheriff). During the period, the Trust provided services at cost in the sum of £19,081 (2021 - £14,775) to Collaborative Learning Trust and made purchases of £33,120 (2021 - £11,700) from that academy. As at 31 August 2022, the Trust owed £3,823 (2021 - £5,650) to Collaborative Learning Trust.

**31 AGENCY ARRANGEMENTS**

**16-19 Bursary Fund**

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £38,253 and disbursed £43,686. The Trust also repaid £10,023 to the ESFA during the period. An amount of £25,923 (2021 - £41,379) was unspent as at 31 August 2022 and included in creditors.

**School Centred Initial Teacher Training (SCITT) Bursary**

The Academy Trust is a provider of School Centred Initial Teacher Training and administers the disbursement of bursary funding on behalf of the National College of Teaching and Learning (NCTL). In the year, the Academy Trust received £888,600 from the NCTL and disbursed £839,900. An amount of £8,200 was overspent and due back to the Trust (2021 - £56,900 overspent) as at 31 August 2022 and included in debtors.