

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

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**for the year ended
31 August 2024**

Company Registration No. 07523507

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

Members

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

Trustees

Mr C Tulley (Chair)
 Dr P Stowell
 Mr K Paynes
 Mr B Wood
 Mr J Topping
 Ms L Devenny (resigned 31 January 2024)
 Mrs R Atwal (resigned 21 March 2024)
 Dr M Maddison
 Mr M Roberts
 Ms F Fox
 Dr Michael Walker
 Mr Y Ghaznavi (appointed 13 June 2024)

Executive Group

Chief Executive Officer
 Headteacher Harrogate Grammar School
 Headteacher Oatlands Junior School
 Headteacher Western Primary School

 Headteacher Rossett Acre Primary School
 Headteacher Crawshaw Academy
 Headteacher Coppice Valley Primary School
 Headteacher Austhorpe Primary School
 Headteacher Colton Primary School
 Headteacher Meadowfield Primary School
 Headteacher Templenewsam Halton Primary School
 Headteacher Whitkirk Primary School
 Principal Temple Learning Academy
 Executive Principal Temple Moor High School
 Headteacher Rossett School

Mr R Sheriff
 Mr N Renton
 Mrs E Scarth
 Mr T Broad (resigned 31 August 2024)
 Ms J Slack (appointed 1 September 2024)
 Mrs C Penhale
 Mr A Daly
 Mrs H McNamara (Appointed 1 Sep 2023)
 Miss A Lightfoot
 Mrs C Johnson
 Mrs H Stout
 Mrs L Seton

 Ms G Quarmby
 Mr S Huddleston
 Mr M West
 Mr T Milburn

Chief Financial Officer

Mr S Howell (resigned 31 March 2024)
 Mr J Rant (appointed 1 April 2024)

Director of Human Resources

Mrs J Wellacott (resigned 7 April 2024)
 Mrs R Tomlinson (appointed 8 April 2024)
 Mr S Howell (appointed 1 April 2024)

Commercial Director

Ms A Thornton-Jones
 Ms E Hiorns (appointed 4 September 2023)
 Mrs S Davidson

Director of School Improvement Primary

Mr J Rant (resigned 31 March 2024)

Director of School Improvement Secondary

Ms S Shuttleworth

Director of Red Kite Education

Mr D Burns

Finance Director

Mr A Penny-Whitworth (resigned 19 July 2024)

Director of Estates

Director of IT

Director of Operations

Audit and Risk Committee

Ms L Devenny (resigned 31 January 2024)
 Mr J Topping
 Mr Y Ghaznavi (appointed 9 September 2024)
 Ms F Fox (appointed 9 September 2024)

Red Kite Learning Trust
REFERENCE AND ADMINISTRATIVE DETAILS (continued)

| | |
|---|--|
| Finance and Resources Committee | Ms L Devenny (resigned 31 January 2024) Mr M Roberts Mr J Topping Mr C Tulley Mr B Wood Mr Y Ghaznavi (appointed 8 July 2024) |
| Quality of Education Committee | Mrs R Atwal (resigned 21 March 2024) Dr M Maddison Mr K Paynes Dr P Stowell Ms F Fox Dr M Walker |
| Pay and Performance Review Committee | Mr C Tulley Mr J Topping Mr B Wood |
| Company secretary | Mr S Howell |
| Principal and Registered Office | Red Kite Office Pannal Ash Road Harrogate HG2 9PH |
| Company Registration Number | 07523507 (England and Wales) |
| Independent Auditor | TC Group 6 Queen Street Leeds LS1 2TW |
| Bankers | Lloyds TSB 8-11 Cambridge Crescent Harrogate HG1 1PQ |
| Solicitors | Stone King LLP 1 Park Row Leeds LS1 5HN |

Red Kite Learning Trust TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of Red Kite Learning Trust ("the Trust") for the period from 1 September 2023 to 31 August 2024. 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 2023) | CURRENT OFSTED GRADE | DATE OF LAST INSPECTION |
|-----------------------------|-----------------|-----------|--------------------------|----------------------|-------------------------|
| Austhorpe Primary | Sep 2018 | 4-11 | 212 | Good | 07.12.2022 |
| Colton Primary | Nov 2018 | 3-11 | 231 | Outstanding | 21.05.2024 |
| Coppice Valley Primary | Aug 2017 | 4-11 | 205 | Good | 19.10.2021 |
| Crawshaw Academy | Mar 2017 | 11-19 | 1,113 | Good | 03.07.2019 |
| Harrogate Grammar | Mar 2011 | 11-19 | 2,094 | Outstanding | 09.03.2022 |
| Meadowfield Primary | Nov 2018 | 3-11 | 464 | Good | 19.04.2023 |
| Oatlands Junior | Aug 2015 | 8-11 | 356 | Good | 12.07.2023 |
| Rossett Acre Primary | Nov 2016 | 4-11 | 415 | Good | 14.06.2022 |
| Rossett School | Sept 2023 | 11-19 | 904 | Requires Improvement | 22.11.2022 |
| Templenewsam Halton Primary | Nov 2018 | 3-11 | 446 | Good | 09.03.2023 |
| Temple Moor High School | Nov 2018 | 11-19 | 1,328 | Good | 01.03.2023 |
| Temple Learning Academy | Sep 2018 | 4-16 | 959 | Requires Improvement | 19.09.2023 |
| Western Primary | Aug 2015 | 2-11 | 485 | Outstanding | 20.03.2024 |
| Whitkirk Primary | Nov 2018 | 4-11 | 383 | Good | 21.03.2023 |

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. Its registered office is situated in England and Wales. 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.

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 all abilities between the ages of 2 and 19.

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.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Method of recruitment and appointment or election of trustees

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

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

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

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

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

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

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

To assist our Trustees in their work, the Trust has established the following committees; Audit and Risk Committee, Finance and Resources Committee, Quality of Education Committee and Pay and Performance Committee.

Arrangements for setting pay and remuneration of key management personnel

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

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

Red Kite Learning Trust TRUSTEES' REPORT (continued)

Trade union facility time

Red Kite Learning Trust published its trade union facility time, as below, for the period ending 31 August 2024.

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|--|----------|
| Total cost of facility time | £105.8K |
| Total pay bill | £51,397K |
| % of total pay bill spent on facility time | 0.21% |

Paid trade union activities

| | |
|--|-----|
| Time spent on paid trade union activities as a % of total paid facilities time | 50% |
|--|-----|

Related Parties and other Connected Charities and Organisations

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

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

Red Kite Learning Trust TRUSTEES' REPORT (continued)

OBJECTIVES AND ACTIVITIES

Objects and aims

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

Mission, values and goals

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

Our Trust Mission

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



Our Trust Values



Collaboration

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



Integrity

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



Respect

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

Our Trust Goals



We champion learning

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



We promote wellbeing

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



We invest in our people

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



We innovate with technology

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



We are our Trust

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

Public benefit

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

Red Kite Learning Trust TRUSTEES' REPORT (continued)

STRATEGIC REPORT

The arrival of Rossett School into our Trust was a significant moment in the development of our organisation. We are now a MAT that serves almost 10,000 children and have an additional secondary school in North Yorkshire that provides a nearby partner for Harrogate Grammar School. The TCaF funding that came with this 'double RI' school allowed us to further invest in school improvement capacity with the appointment of a Director of Secondary and a Senior Data Analyst. Access to TCaF funding was a key element in the process of assessing the risk of taking on Rossett School, without this investment we may have had to step back.

We are now preparing to grow further with approval from Trustees and the Head Teacher Board to take Saltergate Infants and Junior Schools into our Trust in 2025. Further growth is also being anticipated at secondary but our focus for the next year will be on supporting Rossett and Temple Learning Academy to improve rapidly and shed their current RI grades for Good. Both schools are making excellent progress and the Ofsted Monitoring visit to Rossett confirmed our own assessment.

The shadow of COVID is still present across our schools, as it is nationally. Each year group has been impacted differently depending on where they were in their development when the pandemic struck. Significant increases in complex SEND cases, dysregulated behaviour and problematic attendance are all symptoms of this. Our schools have risen to the challenge brilliantly, but it has been hard for them to meet all the needs presented within the constraints of very tight budgets. It has not just been just the quantum of funding that has caused issues, it has also been the uncertainty. Very late notice of pay awards and subsequent grant support created a climate of uncertainty that combined with political turmoil to create a challenging environment for schools and Trusts to operate in.

A key issue for all schools has been the continuing crisis in SEND provision which has put additional strain on school staff and budgets. More importantly it is very clear that children's needs are often not being met in a timely way due to a lack of capacity in the system beyond our schools.

We have begun consultation over a renewed vision for the Trust after almost 10 years in existence. Starting in the summer term of 2024 and planned to finish by January 2025 the consultation will lead to the creation of a new strategic plan that sets out what we want our Trust to look and feel like in 2030. This will include consideration of our new governments priorities, changes to the inspection system and societal changes such as the dramatic rise in social media use, the move to more flexible working and the incidence of mental health issues.

Key Stage 2 Data for Red Kite Primary Schools 2023-2024

% Achieving the Expected Standard in Reading, Writing and Maths (Combined)

| Institution | Number | 2021-22 | 2022-23 | 2023-24 |
|---------------------|--------|---------|---------|---------|
| Austhorpe | 30 | 66.7 | 63.3 | 70 ↑ |
| Colton | 30 | 73.3 | 70 | 67 |
| Coppice Valley | 31 | 68.8 | 53.3 | 61.3 ↑ |
| Meadowfield | 61 | 29.3 | 42.6 | 57.4 ↑ |
| Oatlands | 89 | 52.4 | 58.2 | 70.8 ↑ |
| Rossett Acre | 62 | 73.3 | 70 | 66.1 |
| Temple Learning | 61 | 25.4 | 28.8 | 23 |
| Templeneusam Halton | 61 | 41.7 | 36.7 | 54 ↑ |
| Western | 60 | 66.1 | 68.3 | 60 |
| Whitkirk | 60 | 49.1 | 46.6 | 63 ↑ |

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

The national figure for combined RWM was **61%**. Six out of 10 of our primary schools returned results which were above national. Six schools also achieved better results this year than last year, whilst the other four achieved results which were broadly in line with the previous year. There has been notable improvement in the outcomes in our schools located in areas of deprivation.

Two schools saw a slight decline in outcomes this year: Colton and Western. Both had cohorts with a larger than usual number of SEND pupils: 13 at Western and 11 at Colton.

Secondary Data

Two of our secondary schools had positive progress 8 scores, Temple Moor High School (+0.29) and Harrogate Grammar School (+ 0.49). Both schools are highly effective and continuing to improve, both are also very oversubscribed. Rossett made considerable improvement on the previous year and is now in line with national (+0.06). This demonstrates some initial impact from our work with the school and we are confident that standards are improving rapidly. Temple Learning Academy (-0.65) is still significantly below national, however provision at the school was judged as 'Good' by Ofsted in their inspection in October 2023. Inspectors were very impressed with how the school is working to improve attendance, welfare and educational outcomes for children from within this significantly underserved community. Crawshaw Academy (-0.55) are still significantly negative for this measure, this represents a decline in progress from 2023 (-0.48). As a result the Trust have put in significant additional support to ensure a rapid turnaround from this position and set the academy back on an improving trend.

Governance

We have continued to enhance our governance work and the introduction of the 'Governor Hub' software together with a very effective Governance Lead has made a big difference to the efficient and effective operation of our governance systems. AI is now being deployed to summarise meeting minutes from LGB's to provide more rapid feedback to the Trust Board. This is leading to a more connected governance system based on our scheme of delegation. The quality of education committee has been strengthened by the arrival of two new Trustees and offers strong, expert challenge to the executive team. The Senior Data Analyst is now providing detailed 'dashboards' that allow Trustees and LGB's to better examine trends and gain insights from our more comprehensive and intelligent use of our combined data sets across the Trust.

Compliance

The arrival of our own H&S officer working under our Estates Director has had a major positive impact on our ability to monitor and manage key risks across our estates. This work has also looked at issues around schools transport, first aid cover and emergency response plans. We are now able to combine our existing use of the 'Risk Manager' software with a H&S specialist to create a safer working environment for children and adults.

Going concern

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

Trust engagement with employees

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

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

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

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

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

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

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

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 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2024, total recurrent expenditure (excluding restricted fixed asset funds and non-cash defined benefit pension scheme adjustments) of £72,308,000 (2023 - £58,149,000) was fully covered by recurrent grant funding from the ESFA and other Incoming resources. The surplus for the year (excluding restricted fixed asset funds, restricted pension reserves and amounts transferred in from academies joining the Trust) was £812,000 (2023 - £838,000 surplus).

At 31 August 2024, the net book value of tangible fixed assets was £118,950,000 (2023 - £97,634,000) with movements being shown in note 12 to the financial statements. The assets were used for providing education and the associated support services to the students of the Trust.

Reserves Policy

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

The Trustees have determined that an appropriate level of free reserves should be maintained to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees aspire to a level of reserves that reflects between 4% and 8% of annual General Annual Grant (GAG) income. In the year ended 31 August 2024 this equated to a range of between £2,104,000 and £4,208,000, which the Trustees believe represents an appropriate target to achieve.

Unrestricted Funds held at 31 August 2024 were £3,062,000 (2023: £1,874,000) and Restricted General Funds (excluding Pension Reserve) were £489,000 (2023: £344,000). Therefore, a net surplus of £3,551,000 (2023: £2,218,000) is available to the Trust, of which £3,062,000 (2023: £1,874,000) constitute free reserves.

The Trust three year forecast currently shows a deficit in each year and therefore needs to rely on its 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. In the future, 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.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

Financial position

The Multi-Academy Trust held fund balances at 31 August 2024 of £122,152,000 comprising £119,090,000 restricted funds and £3,062,000 of unrestricted general funds.

An overall deficit of £917,000 exists on Restricted General Funds due to the Multi-Academy Trust's Pension reserve deficit, which has decreased to £1,406,000, 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. Unless authorised by the Trust, term deposits will not exceed 24 months and the projected current account balance will not be allowed to fall below £250,000 at any point. The Trust has invested £500,000 in a Charity Responsible Multi Asset Fund. The purpose of this investment was to take a longer-term view and maximise returns within our charitable objectives. The fund value stood at £567,000 at 31 August 2024 (2023: £507,000) and will be reviewed regularly in line with the policy to ensure this remains appropriate.

Financial and risk management objectives and policies

Principal risks and uncertainties

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

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

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

1. Government funding and an inflationary climate

The Trust has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and Local Authorities. In 2023/24, approximately 88% of the Trust's recurrent revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Trust, in common with the whole school sector, faces a challenge whereby fixed funding allocations are set typically six months prior to the start of the financial year. During periods of inflation this can lead to budgetary strain as price and pay increases squeeze fixed income allocations.

This risk is mitigated in a number of ways:

- Pupil numbers are the key driver of ESFA funding, and every effort is made to ensure school pupil and student numbers are protected and grown where there is capacity to do so. Where schools have sixth forms, there is a particular focus on reviewing the financial sustainability of these provisions.
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA and the Department for Education.
- Particular attention is paid to financial efficiency during inflationary times and budget holders are focused on matching expenditure to fixed income allocations. The Trust supports its schools to identify opportunities for savings and efficiencies in order to balance budgets and protect reserves.

Red Kite Learning Trust

TRUSTEES' REPORT (continued)

- Protecting the Trust from reputational damage is a key component of our risk strategy and this includes an ongoing focus on achieving excellent academic results and education of the highest possible quality in all of the Trust's schools with school improvement efforts being focused on schools that most require support.

2. Manage the growth of the Trust

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

3. Maintain adequate funding of pension liabilities

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

4. Ensure effective compliance in all areas

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

5. Ensure ongoing cash solvency

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

FUNDRAISING

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

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

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

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

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

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

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period | 1 September 2023 to 31 August 2024 | 1 September 2022 to 31 August 2023 |
|---|---|---|
| Energy consumption used to calculate emissions (kWh) | 9,001,825 | 8,505,157 |
| Energy Consumption breakdown <ul style="list-style-type: none"> • Gas (kWh) • Electricity (kWh) • Transport / Fuel (miles) | 5,983,577 2,928,151 90,097 | 5,055,787 3,353,432 95,938 |
| Scope 1 emissions in metric tonnes CO2e <ul style="list-style-type: none"> • Gas Consumption • Owned transport | 1,103.91 18.64 | 931.88 21.23 |
| Total Scope 1 | 1,122.55 | 953.11 |
| Scope 2 emissions in metric tonnes CO2e Electricity | 606,27 | 694.41 |
| Scope 3 emissions in metric tonnes CO2e Business travel in employee-owned vehicles | 78.16 | 59.23 |
| TOTAL GROSS EMISSIONS IN METRIC TONNES CO2e | 1,806.98 | 1,706.75 |
| Intensity Ratio | | |
| Tonnes CO2e per pupil (based on 8,673 (2022 - 8,723) pupils) | 0.19 | 0.20 |

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 2024 UK Governments' Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures taken to improve energy efficiency:

- Energy monitoring using Npower analytics with a view to reduce overall consumption.
- Data loggers have been installed at Austhorpe, Coppice Valley, Oatlands, and Western Primary Schools to allow them to visualise their usage and look to reduce overall consumption.
- All schools are signed up to Energy Sparks who will help them monitor their consumption.
- Installation of LED lights across the trust
- Installation of a Combined Heat and Power Unit at Temple Moor High School
- Solar panels installed across the estate to all schools with exception of Austhorpe Primary School and Western Primary School which had unsuitable roof structures.
- We have made an application to Phase 3c of the Public Sector Decarbonisation Scheme for some funding to help us install air source heat pumps at Coppice Valley Primary School and Crawshaw Academy.
- We are looking to have Net Carbon Zero reports created for all remaining schools in the Trust within the next 12 months.
- New gas boilers have been installed at Western Primary and Crawshaw Academy schools which are more energy efficient.
- A new roof fitted to the science corridor at Crawshaw Academy has reduced the amount of heat loss through the structure.
- A new roof has been fitted to one third of the site at Rossett Acre Primary School which has reduced heat loss through the structure.
- We will be pushing an initiative to get pupils more involved in monitoring the energy usage via the pupil access portal.

Red Kite Learning Trust TRUSTEES' REPORT (continued)

PLANS FOR FUTURE PERIODS

The Trust was delighted to admit Rossett School in September 2023 and we are now preparing to grow further with approval from Trustees and Headteacher board to take Saltergate Infants and Junior schools into our Trust in 2025. The Trust continues to consider possible opportunities for further growth but remains focused on ensuring any such growth is controlled and sustainable. The academies continue with the detailed plans, as laid out in our School Development Plans, as we strive to become a leading Multi-Academy Trust. We will continue to invest in our staff and our facilities to ensure that achieving positive outcomes for our pupils and students remains at the heart of all we do.

DISABLED APPLICANTS AND EMPLOYEES

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

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

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

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

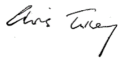
EMPLOYEE INVOLVEMENT

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

Statement as to disclosure of information to auditors

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

Approved by order of the Board of Trustees at its meeting on 12 December 2024 and signed on its behalf by:

Signed by:

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Chris Tulley
Chair of Trustees

Red Kite Learning Trust

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

| Trustee | Meetings attended | Out of possible |
|---------------------|-------------------|-----------------|
| Mr C Tulley (Chair) | 6 | 6 |
| Dr T Stowell | 6 | 6 |
| Mr K Paynes | 5 | 6 |
| Mr B Wood | 6 | 6 |
| Mr J Topping | 2 | 6 |
| Ms L Devenny | 1 | 2 |
| Mrs R Atwal | 0 | 2 |
| Dr M Maddison | 5 | 6 |
| Mr M Roberts | 5 | 6 |
| Ms F Fox | 5 | 6 |
| Dr M Walker | 6 | 6 |
| Mr Y Ghaznavi | 2 | 2 |

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

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

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

| Member | Meetings attended | Out of possible |
|---------------|-------------------|-----------------|
| Ms L Devenny | 1 | 1 |
| Mr J Topping | 3 | 3 |
| Ms F Fox | 1 | 1 |
| Mr Y Ghaznavi | 1 | 1 |

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)

Review of Value for Money

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

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

1. Improving the effectiveness of resource-use

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

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

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

ICT is used innovatively in the Trust schools.

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

School facilities are used widely by the local community.

2. Robust governance and oversight of Trust finances

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

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

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

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

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

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

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

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

Red Kite Learning Trust

GOVERNANCE STATEMENT (continued)

4. Maximising income generation

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

5. Reviewing controls and managing risks.

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

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

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

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

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

6. Reviewing operations to maximise use of resources.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Red Kite Learning Trust for the year ended 31 August 2024 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 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Red Kite Learning Trust GOVERNANCE STATEMENT (continued)

The risk and control framework

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

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

The Board of Trustees has appointed Wylie and Bisset as internal auditor. The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- Climate change
- HR support and staff recruitment
- Procurement
- Governance
- A follow up review of previous audit recommendations

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

Review of effectiveness

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

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

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

Conclusion

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Board of Trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 12 December 2024 and signed on its behalf by:

Signed by:

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Chris Tulley
Chair of Trustees

DocuSigned by:

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Richard Sheriff
Accounting Officer


Red Kite Learning Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Red Kite Learning Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2023.

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

DocuSigned by:

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Richard Sheriff
Accounting Officer

Date: 16 December 2024

Red Kite Learning Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

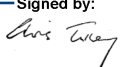
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 12 December 2024 and signed on its behalf by:

Signed by:

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Chris Tulley
Chair of Trustees

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

Opinion

We have audited the financial statements of Red Kite Learning Trust (the 'Academy Trust') for the year ended 31 August 2024 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 2023 to 2024 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 2024, 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 2023 to 2024 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, Charities SORP 2019, Accounts Direction 2023 to 2024, the Charities Act 2011 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the sector, the control environment and operational performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

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

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

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

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

Use of this report

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

DocuSigned by:

TC Group

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Neil Potter FCA (Senior Statutory Auditor)

For and on behalf of TC Group, Statutory Auditor

6 Queen Street
Leeds
LS1 2TW

Date: 19/12/2024

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

In accordance with the terms of our engagement letter dated 6 August 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 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 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 2023;
- Confirming through enquiry and sample testing that the Academy Trust has complied with its procurement policies and that these policies comply with the delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DocuSigned by:

98FA336764BE47C...

Reporting Accountant
TC Group

Date: 19/12/2024

Red Kite Learning Trust
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 August 2024

| | Notes | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | Total 2024 £'000 | Total 2023 £'000 |
|--|-----------|--------------------------------|---|---|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations and capital grants | 1 | 824 | 10 | 4,432 | 5,266 | 2,406 |
| Transfer of existing academy into the Academy Trust | 31 | 292 | 302 | 21,671 | 22,265 | - |
| Other trading activities | 2 | 2,053 | - | - | 2,053 | 1,029 |
| Investments | 3 | 154 | - | - | 154 | 53 |
| Charitable activities | | | | | | |
| Funding for the Academy Trust's educational operations | 4 | 3,143 | 64,244 | - | 67,387 | 55,052 |
| Teaching School | 4 | - | 2,632 | - | 2,632 | 2,251 |
| Total | | 6,466 | 67,188 | 26,103 | 99,757 | 60,791 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 5 | 1,691 | - | - | 1,691 | 804 |
| Charitable activities: | | | | | | |
| Academy Trust's educational operations | 6 | 2,750 | 64,751 | 4,460 | 71,961 | 59,564 |
| Teaching School | 6 | - | 2,458 | - | 2,458 | 2,323 |
| Total | 5 | 4,441 | 67,209 | 4,460 | 76,110 | 62,691 |
| NET INCOME/(EXPENDITURE) | | 2,025 | (21) | 21,643 | 23,647 | (1,900) |
| Transfers between funds | 18 | (897) | 326 | 571 | - | - |
| OTHER RECOGNISED GAINS / (LOSSES): | | | | | | |
| Gains on investment assets | 13 | 60 | - | - | 60 | 7 |
| Actuarial gain on defined benefit pension scheme | 28 | - | (152) | - | (152) | 6,039 |
| NET MOVEMENT IN FUNDS | | 1,188 | 153 | 22,214 | 23,555 | 4,146 |
| RECONCILIATION OF FUNDS | | | | | | |
| Total funds brought forward | | 1,874 | (1,070) | 97,793 | 98,597 | 94,451 |
| TOTAL FUNDS CARRIED FORWARD | 18 | 3,062 | (917) | 120,007 | 122,152 | 98,597 |

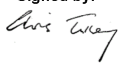
All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

Red Kite Learning Trust
BALANCE SHEET
As at 31 August 2024

Company Registration No. 07523507

| | Notes | 2024 £'000 | 2024 £'000 | 2023 £'000 | 2023 £'000 |
|--|-------|----------------|----------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | | 58 | | 124 |
| Tangible assets | 12 | | 118,950 | | 97,634 |
| Investments | 13 | | 567 | | 507 |
| | | | <u>119,575</u> | | <u>98,265</u> |
| CURRENT ASSETS | | | | | |
| Stock | 14 | 13 | | 24 | |
| Debtors | 15 | 5,399 | | 2,512 | |
| Cash at bank and in hand | 24 | 6,068 | | 4,903 | |
| | | <u>11,480</u> | | <u>7,439</u> | |
| CREDITORS: Amounts falling due within one year | 16 | <u>(7,488)</u> | | <u>(5,677)</u> | |
| NET CURRENT ASSETS | | | 3,992 | | 1,762 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>123,567</u> | | <u>100,027</u> |
| CREDITORS: Amounts falling due after more than one year | 17 | | (9) | | (16) |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | <u>123,558</u> | | <u>100,011</u> |
| Pension scheme liability | 28 | | (1,406) | | (1,414) |
| NET ASSETS INCLUDING PENSION LIABILITY | | | <u>122,152</u> | | <u>98,597</u> |
| FUNDS OF THE ACADEMY TRUST: | | | | | |
| RESTRICTED FUNDS | | | | | |
| Fixed asset fund | 18 | | 120,007 | | 97,793 |
| General fund | 18 | | 489 | | 344 |
| Pension reserve | 18 | | (1,406) | | (1,414) |
| | | | <u>119,090</u> | | <u>96,723</u> |
| TOTAL UNRESTRICTED INCOME FUNDS | 18 | | <u>3,062</u> | | <u>1,874</u> |
| TOTAL FUNDS | | | <u>122,152</u> | | <u>98,597</u> |

The financial statements on pages 26 to 58 were approved by the Trustees and authorised for issue on 12 December 2024, and are signed on their behalf by:

Signed by:

 9C6D84290D1A485...

Chris Tulley
Chair of Trustees

Red Kite Learning Trust
CASH FLOW STATEMENT
for the year ended 31 August 2024

| | Notes | 2024 £'000 | 2023 £'000 |
|--|-------|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash provided by operating activities | 21 | 358 | 743 |
| Tax refunded | | - | 5 |
| | | 358 | 748 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 22 | (687) | (373) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 23 | (36) | (40) |
| CASH TRANSFERRED FROM NEW ACADEMY JOINING THE TRUST | 31 | 1,530 | - |
| | | 1,165 | 335 |
| INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER | | 4,903 | 4,568 |
| CASH AND CASH EQUIVALENTS AT 31 AUGUST | 24 | 6,068 | 4,903 |

Red Kite Learning Trust

ACCOUNTING POLICIES

for the year ended 31 August 2024

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 2023 to 2024 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.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Except where otherwise stated, all figures in the financial statements are rounded to the nearest thousand (£'000).

Consolidation

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

Going concern

The ongoing inflationary pressures and funding uncertainties experienced by the sector have prompted a thorough review of income and expenditure budgets across the schools and central functions. Significant cost savings were identified in 2024/25 to offset unexpectedly high pay awards and the Core Schools Budget Grant has provided some welcome relief. The Trust is undertaking a consultation with all stakeholders called Red Kite 2.0 to develop our strategy to evolve as a Multi Academy Trust (MAT) and adapt to the ongoing uncertainty and changing political landscape. Ensuring financial sustainability is at the heart of this work. Based on the detailed work undertaken by the Trust's management team, which has been regularly reviewed and challenged at Board level, and the ongoing efforts to implement the cost saving and income enhancement plans and a sustainable growth trajectory, the Trustees have a reasonable expectation that Red Kite Learning Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Income

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

Grants

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

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

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

Red Kite Learning Trust

ACCOUNTING POLICIES (continued)

for the year ended 31 August 2024

Grants (continued)

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

Donations

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

Other income

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

Interest receivable

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

Transfer of existing academies into the Academy Trust

Where assets and liabilities are received on the transfer of an existing academy into the Multi-Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities. Where assets exceed liabilities, the net gain is recognised in Donations – transfers of existing academies into the Academy Trust. Where liabilities exceed assets, the net loss is recognised under charitable expenditure – transfers of existing academies into the Academy Trust.

Donated fixed assets (excluding transfers into the Academy Trust)

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.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2024

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 |
|-------------------|---------------|

Tangible fixed assets

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

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

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

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

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

Freehold land is not depreciated.

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

Fixed asset investments

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

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

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2024

Stock

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

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.

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 16 and 17. 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.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2024

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.

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.

Red Kite Learning Trust
ACCOUNTING POLICIES (continued)
for the year ended 31 August 2024

Critical accounting estimates and assumptions (continued)

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 28, will affect the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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.

Critical areas of judgement

Recognition of Local Government Pension Scheme surplus

Where a plan surplus is calculated by the scheme actuary, this shall only be recognised as a defined benefit plan asset to the extent that the Academy Trust is able to recover the surplus through reduced contributions in the future or through refunds from the plan. In determining whether the Academy Trust should recognise the plan surplus derived by the actuarial valuation, allowance has been made for the minimum funding requirement, which limits the amount of economic benefit from reduced contributions to the excess of the value of prospective current service cost above the funding requirement. Based on a comparison of the prospective service cost to the minimum funding requirement, it has been determined that it would not be appropriate to recognise any plan surplus in respect of the Trusts share of the West Yorkshire Pension Fund balance. Further details of the unrecognised plan surplus are provided in note 28 to the financial statements.

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 30.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2024

1 DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds £'000 | Restricted funds £'000 | 2024 Total £'000 | 2023 Total £'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| ESFA capital grants | - | 4,275 | 4,275 | 1,741 |
| Other capital grants | - | 157 | 157 | 14 |
| Capital donations | - | - | - | 56 |
| Parental donations – iPads for learning | 374 | - | 374 | 301 |
| Other donations | 450 | 10 | 460 | 294 |
| | <u>824</u> | <u>4,442</u> | <u>5,266</u> | <u>2,406</u> |

Income from donations and capital grants was £5,266,000 (2023 - £2,406,000) of which £4,442,000 (2023 - £1,834,000) was attributable to restricted and £824,000 (2023 - £572,000) was attributable to unrestricted funds.

2 OTHER TRADING ACTIVITIES

| | Unrestricted funds £'000 | Restricted funds £'000 | 2024 Total £'000 | 2023 Total £'000 |
|-----------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 846 | - | 846 | 453 |
| Extended School | 372 | - | 372 | - |
| Music tuition | 216 | - | 216 | 165 |
| Professional services | 219 | - | 219 | 151 |
| Catering | 55 | - | 55 | 39 |
| Transport income | 98 | - | 98 | 56 |
| Other sources | 247 | - | 247 | 165 |
| | <u>2,053</u> | <u>-</u> | <u>2,053</u> | <u>1,029</u> |

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

3 INVESTMENT INCOME

| | Unrestricted funds £'000 | Restricted funds £'000 | 2024 Total £'000 | 2023 Total £'000 |
|---------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Interest on short term deposits | 149 | - | 149 | 47 |
| Other interest receivable | 5 | - | 5 | 6 |
| | <u>154</u> | <u>-</u> | <u>154</u> | <u>53</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 2024

4 FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

EDUCATIONAL OPERATIONS

| | Unrestricted funds £'000 | Restricted funds £'000 | 2024 Total £'000 | 2023 Total £'000 |
|-------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 52,597 | 52,597 | 43,421 |
| Other DfE/ESFA grants | | | | |
| Pupil Premium | - | 2,390 | 2,390 | 2,176 |
| UIFSM | - | 475 | 475 | 445 |
| Supplementary grant | - | - | - | 1,184 |
| Teachers' Pension | - | 682 | 682 | 184 |
| Teachers' Pay | - | 830 | 830 | 7 |
| Mainstream Schools Additional Grant | - | 1,619 | 1,619 | 595 |
| Maths Hub funding | - | 794 | 794 | 595 |
| ESFA recovery premium | - | 532 | 532 | 569 |
| Others | - | 1,156 | 1,156 | 776 |
| | - | 61,075 | 61,075 | 49,952 |
| Other Government grants | | | | |
| SEN from Local Authority | - | 1,937 | 1,937 | 1,509 |
| Other Local Authority grants | - | 1,136 | 1,136 | 1,006 |
| | - | 3,073 | 3,073 | 2,515 |
| Other income | | | | |
| Catering income | 2,149 | - | 2,149 | 1,717 |
| Other income | 994 | 96 | 1,090 | 868 |
| | 3,143 | 96 | 3,239 | 2,585 |
| | 3,143 | 64,244 | 67,387 | 55,052 |
| TEACHING SCHOOL | | | | |
| DfE/ESFA grants | - | 250 | 250 | 169 |
| SCITT income | - | 1,612 | 1,612 | 1,493 |
| Other income | - | 770 | 770 | 589 |
| | - | 2,632 | 2,632 | 2,251 |

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

Funding for the Academy Trust's educational operations amounted to £67,387,000 (2023 - £55,052,000) of which £64,244,000 (2023 - £52,613,000) was attributable to restricted and £3,143,000 (2023 - £2,439,000) was attributable to unrestricted funds.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

5 EXPENDITURE

| | Staff costs £'000 | Non-Pay Expenditure | | 2024 | 2023 |
|-----------------------------------|----------------------|---------------------|----------------|----------------|----------------|
| | | Premises £'000 | Other £'000 | Total £'000 | Total £'000 |
| Raising funds | | | | | |
| Direct costs | 764 | - | 338 | 1,102 | 572 |
| Allocated support costs | 367 | 147 | 75 | 589 | 232 |
| | <u>1,131</u> | <u>147</u> | <u>413</u> | <u>1,691</u> | <u>804</u> |
| Academy's educational operations: | | | | | |
| Direct costs | 46,612 | 2,608 | 5,576 | 54,796 | 44,013 |
| Allocated support costs | 7,762 | 4,379 | 5,024 | 17,165 | 15,551 |
| | <u>54,374</u> | <u>6,987</u> | <u>10,600</u> | <u>71,961</u> | <u>59,564</u> |
| Teaching School | | | | | |
| Direct costs | 771 | - | 873 | 1,644 | 1,684 |
| Allocated support costs | 549 | 83 | 182 | 814 | 639 |
| | <u>1,320</u> | <u>83</u> | <u>1,055</u> | <u>2,458</u> | <u>2,323</u> |
| | <u>56,825</u> | <u>7,217</u> | <u>12,068</u> | <u>76,110</u> | <u>62,691</u> |

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

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

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Net expenditure for the period includes: | | |
| Operating leases: | | |
| Plant and machinery | 58 | 40 |
| Fees payable to auditor for: | | |
| Audit | 21 | 20 |
| Other services | 5 | 4 |
| Depreciation of tangible fixed assets | 4,412 | 3,682 |
| Amortisation of intangible fixed assets | 66 | 67 |
| Profit on disposal of fixed assets | <u>(18)</u> | <u>(23)</u> |

Included within expenditure are the following transactions:

| | Total £ | Individual items above £5,000 | |
|---------------------------------|---------|----------------------------------|--------|
| | | Amount £ | Reason |
| Unrecoverable debts | 4,634 | - | - |
| Gifts made by the Academy Trust | 1,276 | - | - |

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 2024

| 6 | CHARITABLE ACTIVITIES | 2024 Total £'000 | 2023 Total £'000 | | |
|---|--|-----------------------------|------------------------------------|------------------------|------------------------|
| | Direct costs – educational operations | 54,796 | 44,013 | | |
| | Support costs – educational operations | 17,165 | 15,551 | | |
| | | 71,961 | 59,564 | | |
| | Direct costs – Teaching School | 1,644 | 1,684 | | |
| | Support costs – Teaching School | 814 | 639 | | |
| | | 2,458 | 2,323 | | |
| | | 74,419 | 61,887 | | |
| | Analysis of support costs | | | | |
| | | Teaching School £'000 | Educational operations £'000 | 2024 Total £'000 | 2023 Total £'000 |
| | Staff costs | 549 | 7,669 | 8,218 | 7,863 |
| | Staff costs - governance | - | 93 | 93 | 67 |
| | Depreciation and amortisation | - | 829 | 829 | 697 |
| | Premises costs | 83 | 4,379 | 4,462 | 3,568 |
| | Technology costs | 17 | 647 | 664 | 625 |
| | Catering costs | 32 | 2,246 | 2,278 | 1,987 |
| | Other support costs | 133 | 1,226 | 1,359 | 1,315 |
| | Governance costs | - | 76 | 76 | 68 |
| | Total support costs | 814 | 17,165 | 17,979 | 16,190 |

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 £71,961,000 (2023 - £59,564,000) of which £69,211,000 (2023 - £57,155,000) was attributable to restricted and £2,750,000 (2023 - £2,409,000) was attributable to unrestricted funds.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

7 STAFF COSTS

| | 2024 | 2023 |
|--|---------------|---------------|
| | £'000 | £'000 |
| a. Staff costs | | |
| Staff costs during the period were: | | |
| Wages and salaries | 42,616 | 34,630 |
| Social security costs | 4,115 | 3,285 |
| Operating costs of defined benefit pension schemes | 8,951 | 7,983 |
| Apprenticeship levy | 199 | 149 |
| | <u>55,881</u> | <u>46,047</u> |
| Supply staff costs | 768 | 634 |
| Staff restructuring costs | 176 | 44 |
| | <u>56,825</u> | <u>46,725</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | 42 | - |
| Severance payments | 134 | 44 |
| | <u>176</u> | <u>44</u> |

b. Severance payments

The Trust paid 12 severance payments in the year. Three of these payments were in the £25,001 to £50,000 banding. The remainder were all below £25,000.

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £110,252 (2023 - £35,654) in relation to six (2023 – seven) employees. The individual payments were £32,878, £30,548, £25,937, £11,572, £4,678 and £4,639.

d. Staff numbers

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

| | 2024 | 2023 |
|--|--------------|--------------|
| | No. | No. |
| Charitable activities | | |
| Teachers | 531 | 434 |
| Administration and educational support | 945 | 842 |
| Management | 83 | 67 |
| | <u>1,559</u> | <u>1,343</u> |

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

| | 2024 | 2023 |
|--|--------------|-------------|
| | No. | No. |
| Charitable activities | | |
| Teachers | 440 | 390 |
| Administration and educational support | 578 | 519 |
| Management | 83 | 67 |
| | <u>1,101</u> | <u>976</u> |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

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:

| | 2024 | 2023 |
|---------------------|-------------|-------------|
| | No. | No. |
| £60,001 - £70,000 | 42 | 22 |
| £70,001 - £80,000 | 16 | 15 |
| £80,001 - £90,000 | 12 | 4 |
| £90,001 - £100,000 | 4 | 2 |
| £100,001 - £110,000 | 1 | - |
| £110,001 - £120,000 | - | 1 |
| £120,001 - £130,000 | 1 | 2 |
| £130,001 - £140,000 | 2 | - |
| £150,000 - £160,000 | - | 1 |
| £170,001 - £180,000 | 1 | - |

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Executive Group as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £2,977,140 (2023 - 2,429,108).

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% and the rate applied to the Children's Centre was 5%.

The actual amounts charged during the year were as follows:

| | 2024 | 2023 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Harrogate Grammar School | 624 | 582 |
| Western Primary School | 98 | 92 |
| Oatlands Community Junior School | 82 | 73 |
| Rossett Acre Primary School | 94 | 88 |
| Crawshaw Academy | 299 | 327 |
| Coppice Valley Primary School | 51 | 46 |
| Authorpe Primary School | 50 | 46 |
| Temple Learning Academy | 333 | 293 |
| Temple Moor High School | 425 | 389 |
| Colton Primary School | 49 | 47 |
| Meadowfield Primary School | 109 | 108 |
| Templenewsam Halton Primary School | 98 | 93 |
| Whitkirk Primary School | 89 | 84 |
| Rossett School | 324 | - |
| Children's Centre | 8 | 8 |
| | 2,733 | 2,276 |

In addition to the charges above, the Trust also recharged £638,000 (2023 - £613,000) 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 2024

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 2024, there were no travel and subsistence expenses reimbursed or paid directly to Trustees (2023 - £nil paid to Trustees).

Other related party transactions involving the Trustees are set out in note 29.

10 TRUSTEES’ AND OFFICERS INSURANCE

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

11 INTANGIBLE FIXED ASSETS

| | Computer software £’000 | Total £’000 |
|------------------------|--|------------------------|
| Cost | | |
| At 1 September 2023 | 334 | 334 |
| Additions | - | - |
| | <hr/> | <hr/> |
| At 31 August 2024 | 334 | 334 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 September 2023 | 210 | 210 |
| Charged in year | 66 | 66 |
| | <hr/> | <hr/> |
| At 31 August 2024 | 276 | 276 |
| | <hr/> | <hr/> |
| Net book values | | |
| At 31 August 2024 | 58 | 58 |
| | <hr/> <hr/> | <hr/> <hr/> |
| At 31 August 2023 | 124 | 124 |
| | <hr/> <hr/> | <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 2024

12 TANGIBLE FIXED ASSETS

| | Land and buildings £'000 | Fixtures and equipment £'000 | Computer equipment £'000 | Motor vehicles £'000 | Assets under the course of construction £'000 | Total £'000 |
|------------------------|--------------------------------|---------------------------------------|--------------------------------|----------------------------|---|----------------|
| Cost | | | | | | |
| At 1 September 2023 | 114,560 | 3,268 | 3,443 | 153 | 205 | 121,629 |
| Acquisitions (note 31) | 20,728 | 50 | 203 | 26 | - | 21,007 |
| Additions | 185 | 225 | 598 | 110 | 3,603 | 4,721 |
| Transfers | 938 | 10 | - | - | (948) | - |
| Disposals | - | (528) | (246) | - | - | (774) |
| At 31 August 2024 | 136,411 | 3,025 | 3,998 | 289 | 2,860 | 146,583 |
| Depreciation | | | | | | |
| At 1 September 2023 | 19,702 | 1,804 | 2,380 | 109 | - | 23,995 |
| Charged in year | 3,379 | 287 | 697 | 49 | - | 4,412 |
| Disposals | - | (528) | (246) | - | - | (774) |
| At 31 August 2024 | 23,081 | 1,563 | 2,831 | 158 | - | 27,633 |
| Net book values | | | | | | |
| At 31 August 2024 | 113,330 | 1,462 | 1,167 | 131 | 2,860 | 118,950 |
| At 31 August 2023 | 94,858 | 1,464 | 1,063 | 44 | 205 | 97,634 |

Land and buildings comprise leasehold land and buildings with a carrying value of £47,343,000, freehold buildings with a carrying value of £63,272,000 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 a nursery premises at Whitkirk Primary School for £9k per annum over a term of five years.
- the granting of a leasehold on the caretaker's bungalow at Austhorpe Primary School for £8k per annum over a term of one year.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

13 FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings

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

Details of undertakings

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

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

The Academy is the sole shareholder of HGS Ventures Limited (company number: 08857077). The principal activity of HGS Ventures Limited is that of the provision of procurement support. During the period, HGS Ventures Limited generated a profit of £881,428, of which £417,522 was distributed as a gift aid donation to Red Kite Learning Trust. As at 31 August 2024, HGS Ventures Limited had net assets of £464,376.

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

Other investments

| | Managed Fund £'000 | Total £'000 |
|------------------------------------|--------------------------|----------------|
| Investments at market value | | |
| At 1 September 2023 | 507 | 507 |
| Revaluation | 60 | 60 |
| At 31 August 2024 | <u>567</u> | <u>567</u> |

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

14 STOCK

| | 2024 £'000 | 2023 £'000 |
|----------|---------------|---------------|
| Catering | <u>13</u> | <u>24</u> |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

| 15 | DEBTORS | 2024 £'000 | 2023 £'000 |
|----|---|---------------|---------------|
| | Trade debtors | 278 | 306 |
| | Other debtors | 3,531 | 785 |
| | VAT recoverable | 594 | 405 |
| | Amounts owed by subsidiary undertakings | 418 | 292 |
| | Prepayments | 578 | 724 |
| | | <u>5,399</u> | <u>2,512</u> |

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

Trade debtors are stated after a provision for doubtful debts of £Nil (2023 - £ Nil).

| 16 | CREDITORS: Amounts falling due within one year | 2024 £'000 | 2023 £'000 |
|----|--|---------------|---------------|
| | Trade creditors | 2,514 | 2,015 |
| | Taxation and social security | 935 | 791 |
| | Other loans | 20 | 32 |
| | Other creditors | 1,513 | 1,029 |
| | Accruals and deferred income | 2,506 | 1,810 |
| | | <u>7,488</u> | <u>5,677</u> |

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

| | 2024 £'000 |
|--------------------------------------|---------------|
| Deferred income | 823 |
| Deferred income at 1 September 2023 | 737 |
| Resources deferred in the year | 823 |
| Amounts released from previous years | <u>(737)</u> |
| Deferred income at 31 August 2024 | <u>823</u> |

At the balance sheet date, the Academy Trust was holding funds received in advance for Extended School courses (£117,000) Teaching School membership subscriptions (£109,000), grants received for future periods (£531,000), music and nursery income received in advance (£29,000) and other sundry amounts received in advance (£37,000).

Included within Other loans due within one year are three Salix loan balances amounting to £20,000 (2023 – two loans amounting to £26,000). At 31 August 2023, there was also one CIF loan balance amounting to £6,000, which was settled in the period. The Salix loans are interest-free and repayable by instalments. The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown. The CIF loan carried interest at 1.05%.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

17 CREDITORS: Amounts falling due in greater than one year

| | 2024 | 2023 |
|-------------|--------------|--------------|
| | £'000 | £'000 |
| Other loans | 9 | 16 |
| | <u>9</u> | <u>16</u> |

Other loans due after one year include two Salix loans amounting to £9,000 (2023 – two loans amounting to £16,000). The loans are classified as concessionary loans and are measured at the amount received, adjusted to reflect repayments made since original drawdown.

The loan repayment profile is as follows:

| | 2024 | 2023 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Due within one year | 20 | 32 |
| Due within two and five years inclusive | 9 | 16 |
| | <u>29</u> | <u>48</u> |

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

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

18 FUNDS

| | Balance at 1 Sept 2023 £'000 | Incoming resources £'000 | Resources expended £'000 | Gains, losses & transfers £'000 | Balance at 31 August 2024 £'000 |
|--|--|--------------------------------|--------------------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 52,597 | (53,737) | 1,140 | - |
| Pupil Premium | - | 2,390 | (2,390) | - | - |
| UIFSM | - | 475 | (475) | - | - |
| Teachers' Pension grant | - | 682 | (682) | - | - |
| Teachers' Pay grant | - | 830 | (830) | - | - |
| Mainstream Schools | | | | | |
| Additional Grant | - | 1,619 | (1,619) | - | - |
| Maths Hub funding | - | 794 | (794) | - | - |
| DfE/ESFA recovery premium | - | 532 | (532) | - | - |
| Other DfE/ESFA grants | - | 1,156 | (1,156) | - | - |
| LEA and other grants | - | 3,073 | (3,073) | - | - |
| Other restricted – transfer in on academy joining Trust | - | 800 | (15) | (785) | - |
| Other restricted income | - | 106 | (106) | - | - |
| Teaching School | 344 | 2,632 | (2,458) | (29) | 489 |
| | 344 | 67,686 | (67,867) | 326 | 489 |
| Pension reserve | (1,414) | (498) | 658 | (152) | (1,406) |
| | (1,070) | 67,188 | (67,209) | 174 | (917) |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 7,083 | 4,275 | (1,115) | 664 | 10,907 |
| Other capital income | 2,567 | 157 | (155) | - | 2,569 |
| Transferred on conversion | 85,573 | 21,671 | (2,760) | (664) | 103,820 |
| Capital expenditure from GAG | 2,570 | - | (430) | 571 | 2,711 |
| | 97,793 | 26,103 | (4,460) | 571 | 120,007 |
| Total restricted funds | 96,723 | 93,291 | (71,669) | 745 | 119,090 |
| Unrestricted funds | | | | | |
| General fund | 1,367 | 6,466 | (4,441) | (897) | 2,495 |
| Investments | 507 | - | - | 60 | 567 |
| Total unrestricted funds | 1,874 | 6,466 | (4,441) | (837) | 3,062 |
| Total funds | 98,597 | 99,757 | (76,110) | (92) | 122,152 |

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 2024.
- (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 2024

18 FUNDS (continued)

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

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

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

18 FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2024 were allocated as follows:

| | 2024 | 2023 |
|---|-----------------------|----------------------|
| | £'000 | £'000 |
| Harrogate Grammar School | 703 | 571 |
| Western Primary School | 119 | 128 |
| Oatlands Community Junior School | (133) | (55) |
| Rossett Acre Primary School | 169 | 202 |
| Crawshaw Academy | (401) | (420) |
| Coppice Valley Primary School | 179 | 135 |
| Austhorpe Primary School | 108 | 31 |
| Temple Learning Academy | 255 | 197 |
| Temple Moor High School | (114) | 321 |
| Colton Primary School | (44) | (12) |
| Meadowfield Primary School | 469 | 472 |
| Templenewsam Halton Primary School | 303 | 335 |
| Whitkirk Primary School | (245) | (143) |
| Rossett School | 1,212 | - |
| TNLP Cluster | 80 | 48 |
| Children's Centre | 25 | 19 |
| Teaching School | 489 | 344 |
| Central services | 377 | 45 |
| Total before fixed assets and pension reserve | <u>3,551</u> | <u>2,218</u> |
| Restricted fixed asset fund | 120,007 | 97,793 |
| Pension reserve | <u>(1,406)</u> | <u>(1,414)</u> |
| Total | <u>122,152</u> | <u>98,597</u> |

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

The deficit at Crawshaw Academy has improved as the school continues to operate tight cost controls and has ceased its 16-19 provision which was not financially sustainable. Historically the school has faced a significant lagged funding challenge due to its success in growing student numbers. Further surpluses are projected in future years.

Temple Moor has made a significant investment in expanding its 6th form offering with the completion of a new building totalling £2.8m expected in October 2024. That has required some additional investment in staffing to broaden the curriculum and attract pupils. The school has increased its intake into Year 12 and projects to continue this in future years which will generate surpluses and then benefit from lagged funding.

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

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

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

18 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 2024 £'000 | Total 2023 £'000 |
|------------------------------------|---|---|----------------------------------|---|------------------------|------------------------|
| Harrogate Grammar School | 9,374 | 1,730 | 1,310 | 2,035 | 14,449 | 13,459 |
| Western Primary School | 2,103 | 170 | 53 | 347 | 2,673 | 2,454 |
| Oatlands Community Junior School | 1,238 | 200 | 82 | 294 | 1,814 | 1,633 |
| Rossett Acre Primary School | 1,584 | 149 | 57 | 333 | 2,123 | 1,937 |
| Crawshaw Academy | 5,176 | 861 | 486 | 1,054 | 7,577 | 6,913 |
| Coppice Valley Primary School | 836 | 114 | 65 | 151 | 1,166 | 1,105 |
| Austhorpe Primary School | 776 | 80 | 36 | 207 | 1,099 | 1,066 |
| Temple Learning Academy | 5,486 | 716 | 535 | 880 | 7,617 | 6,904 |
| Temple Moor High School | 7,140 | 838 | 383 | 1,282 | 9,643 | 8,669 |
| Colton Primary School | 1,062 | 128 | 51 | 192 | 1,433 | 1,383 |
| Meadowfield Primary School | 2,404 | 338 | 97 | 331 | 3,170 | 3,140 |
| Templenewsam Halton Primary School | 1,810 | 135 | 97 | 358 | 2,400 | 2,202 |
| Whitkirk Primary School | 1,694 | 131 | 84 | 325 | 2,234 | 1,967 |
| Rossett School | 5,108 | 828 | 333 | 1,208 | 7,477 | |
| TNLP Cluster | 144 | 164 | 23 | - | 331 | 411 |
| Children's Centre | 74 | 58 | 2 | 18 | 152 | 177 |
| Teaching school | 771 | 549 | 13 | 1,125 | 2,458 | 2,323 |
| Central services | 1,169 | 1,687 | 40 | 938 | 3,834 | 3,222 |
| Academy Trust | 47,949 | 8,876 | 3,747 | 11,078 | 71,650 | 58,965 |

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2024 are represented by:

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | Total funds £'000 |
|--------------------------|--------------------------------|---|---|----------------------|
| Intangible fixed assets | - | - | 58 | 58 |
| Tangible fixed assets | - | - | 118,950 | 118,950 |
| Fixed asset investments | 567 | - | - | 567 |
| Current assets | 2,902 | 5,673 | 2,905 | 11,480 |
| Current liabilities | (407) | (5,184) | (1,897) | (7,488) |
| Non-current liabilities | - | - | (9) | (9) |
| Pension scheme liability | - | (1,406) | - | (1,406) |
| Total net assets | 3,062 | (917) | 120,007 | 122,152 |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

19 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 | - | - | 124 | 124 |
| Tangible fixed assets | - | - | 97,634 | 97,634 |
| Fixed asset investments | 507 | - | - | 507 |
| Current assets | 1,599 | 5,045 | 795 | 7,439 |
| Current liabilities | (232) | (4,701) | (744) | (5,677) |
| Non-current liabilities | - | - | (16) | (16) |
| Pension scheme liability | - | (1,414) | - | (1,414) |
| Total net assets | 1,874 | (1,070) | 97,793 | 98,597 |

20 COMMITMENTS UNDER OPERATING LEASES

OPERATING LEASES

At 31 August 2024, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Amounts due within one year | 47 | 36 |
| Amounts due between one and five years | 1 | 30 |
| | 48 | 66 |

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

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Net income / (expenditure) | 23,647 | (1,900) |
| Taxation credit | - | (5) |
| Amortisation (note 11) | 66 | 67 |
| Depreciation (note 12) | 4,412 | 3,682 |
| Capital income | (4,432) | (1,811) |
| Transfer of existing academy into the Academy Trust | (22,265) | - |
| Profit on disposal of fixed assets | (18) | (23) |
| Interest receivable (note 3) | (154) | (53) |
| Pension cost less contributions payable (note 28) | (654) | 599 |
| Pension finance cost (note 28) | (4) | 217 |
| Decrease / (increase) in stocks | 11 | (8) |
| Decrease / (increase) in debtors | 124 | (212) |
| (Decrease) / increase in creditors | (375) | 190 |
| Net cash provided by Operating Activities | 358 | 743 |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

22 CASH FLOWS FROM INVESTING ACTIVITIES

| | 2024 £'000 | 2023 £'000 |
|--|-----------------------------|-----------------------------|
| Interest received | 154 | 53 |
| Purchase of tangible fixed assets | (3,896) | (2,290) |
| Receipt from current asset investments | - | 511 |
| Investment in managed fund | - | (500) |
| Capital grants and donations received | 3,037 | 1,811 |
| Proceeds from sale of tangible fixed assets | 18 | 42 |
| Net cash flow from investing activities | <u>(687)</u> | <u>(373)</u> |

23 CASH FLOWS FROM FINANCING ACTIVITIES

| | 2024 £'000 | 2023 £'000 |
|--|-----------------------------|-----------------------------|
| Repayment of loans | <u>(36)</u> | <u>(40)</u> |
| Net cash flow from financing activities | <u>(36)</u> | <u>(40)</u> |

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2024 £'000 | 2023 £'000 |
|------------------|-----------------------------|-----------------------------|
| Current accounts | 1,636 | 2,870 |
| Deposit accounts | <u>4,432</u> | <u>2,033</u> |
| | <u><u>6,068</u></u> | <u><u>4,903</u></u> |

25 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 September 2023 £'000 | Cash flows £'000 | Non-cash movements £'000 | At 31 August 2024 £'000 |
|------------------------------------|--|-----------------------------------|---|--|
| Cash and cash equivalents | 4,903 | 1,165 | - | 6,068 |
| | <u>4,903</u> | <u>1,165</u> | <u>-</u> | 6,068 |
| Loans due within one year | (32) | 36 | (24) | (20) |
| Loans due after more than one year | <u>(16)</u> | <u>-</u> | <u>7</u> | <u>(9)</u> |
| | 4,855 | 1,201 | (17) | 6,039 |

The non-cash movement of £17,000 relates to loan balances acquired as part of the transfer of the assets and liabilities of Rossett School in the period. Further details are provided in note 31.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

| 26 | CAPITAL COMMITMENTS | 2024 £'000 | 2023 £'000 |
|----|----------------------------|-----------------------------|-----------------------------|
| | Assets under construction | <u>1,297</u> | <u>571</u> |

27 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.

28 PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS impacting these financial statements related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Contributions amounting to £1,137,350 (2023 - £846,263) were payable to the schemes at 31 August 2024 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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest published actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

28 PENSION AND SIMILAR OBLIGATIONS (continued)

The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £6,205,000 (2023 - £4,648,000).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

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

The total contribution made to these funds for the year ended 31 August 2024 was £4,451,000 (2023 - £3,585,000), of which employer's contributions totalled £3,400,000 (2023 - £2,736,000) and employees' contribution totalled £1,051,000 (2023 - £849,000). The agreed employer's contribution rates for future years are 19.5% and 17.7% (reducing to 17.6% from 1 April 2025) for the North Yorkshire Pension Fund and the West Yorkshire Pension Fund respectively. The agreed employee contribution rates for future years range between 5.5% and 12.5% for both schemes.

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

Principal actuarial assumptions

North Yorkshire Pension Fund

| | At 31 August 2024 | At 31 August 2023 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 3.75% | 3.85% |
| Rate of increase for pensions in payment/inflation | 2.50% | 2.60% |
| Discount rate for scheme liabilities | 4.90% | 5.10% |
| Inflation assumption (CPI) | 2.50% | 2.60% |
| Commutation of pensions to lump sums | 80.00% | 80.00% |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

28 PENSION AND SIMILAR OBLIGATIONS (continued)

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

| | At 31 August 2024 | At 31 August 2023 |
|-----------------------------|----------------------------------|----------------------------------|
| <i>Retiring today</i> | | |
| Males | 21.8 | 22.0 |
| Females | 24.4 | 24.5 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.4 | 22.9 |
| Females | 25.2 | 25.5 |

West Yorkshire Pension Fund

| | At 31 August 2024 | At 31 August 2023 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 3.75% | 3.85% |
| Rate of increase for pensions in payment/inflation | 2.50% | 2.60% |
| Discount rate for scheme liabilities | 4.90% | 5.00% |
| Inflation assumption (CPI) | 2.50% | 2.60% |
| Commutation of pensions to lump sums | 75.00% | 80.00% |

| | At 31 August 2024 | At 31 August 2023 |
|-----------------------------|----------------------------------|----------------------------------|
| <i>Retiring today</i> | | |
| Males | 20.8 | 21.0 |
| Females | 21.7 | 22.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.0 | 24.1 |
| Females | 24.7 | 25.1 |

Sensitivity analysis

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

| | At 31 August 2024 £'000 | At 31 August 2023 £'000 |
|--|--|--|
| Discount rate +0.1% | (1,060) | (858) |
| Discount rate -0.1% | 1,083 | 873 |
| Mortality assumption – 1-year increase | (1,279) | (1,009) |
| Mortality assumption – 1-year decrease | 1,279 | 1,009 |
| CPI rate +0.1% | 955 | 767 |
| CPI rate -0.1% | (932) | (752) |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

28 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions (continued)

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

| | Fair value at 31 August 2024 £'000 | Fair value at 31 August 2023 £'000 |
|--|---|---|
| Equities | 33,902 | 28,040 |
| Government bonds | 5,262 | 3,016 |
| Other bonds | 2,793 | 2,093 |
| Property | 2,097 | 1,742 |
| Multi Asset Credit | 1,161 | 693 |
| Cash | 1,893 | 970 |
| Other | 4,768 | 2,392 |
| Total market value of assets | 51,876 | 38,946 |
| Present value of scheme liabilities | | |
| - Funded | (50,259) | (40,360) |
| Surplus/(deficit) in the scheme | 1,617 | (1,414) |
| Unrecognised asset | (3,023) | - |
| Deficit recognised on the balance sheet | (1,406) | (1,414) |

The Trust has restricted the asset recognised on the balance sheet in respect of the West Yorkshire Pension Fund to £Nil. Further details are provided within the accounting policies section of the financial statements under 'critical areas of judgement'.

The actual return on scheme assets was a gain of £4,696,000 (2023 – £926,000 gain).

| Amounts recognised in the Statement of Financial Activities | 2024 £'000 | 2023 £'000 |
|--|-----------------------|-----------------------|
| Current service cost | 2,743 | 3,335 |
| Past service cost | 3 | - |
| | 2,746 | 3,335 |
| Pension finance cost | (4) | 217 |
| Total operating charge | 2,742 | 3,552 |
| Amounts recognised in Other Comprehensive Income | 2024 £'000 | 2023 £'000 |
| Asset gains / (losses) arising in the period | 2,914 | (580) |
| Liability (losses) / gains arising in the period | (43) | 6,619 |
| Adjustment loss due to restriction of surplus | (3,023) | - |
| Total amount recognised in other comprehensive income | (152) | 6,039 |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

28 PENSION AND SIMILAR OBLIGATIONS (continued)

| | | |
|---|---------------|--------------|
| Changes in the present value of defined benefit obligations were as follows: | 2024 | 2023 |
| | £'000 | £'000 |
| At 1 September | 40,360 | 42,057 |
| Current service cost | 2,743 | 3,335 |
| Past service cost | 3 | - |
| Interest cost | 2,283 | 1,723 |
| Employee contributions | 1,051 | 849 |
| Actuarial loss / (gain) | 43 | (6,619) |
| Net benefits paid out | (843) | (985) |
| Transferred in on existing academies joining the Trust | 4,619 | - |
| At 31 August | 50,259 | 40,360 |
| Changes in the fair value of Academy Trust's share of scheme assets | 2024 | 2023 |
| | £'000 | £'000 |
| At 1 September | 38,946 | 35,420 |
| Interest income on assets | 2,287 | 1,506 |
| Remeasurement gains / (losses) on assets | 2,914 | (580) |
| Employer contributions | 3,400 | 2,736 |
| Employee contributions | 1,051 | 849 |
| Benefits paid | (843) | (985) |
| Transferred in on existing academies joining the Trust | 4,121 | - |
| At 31 August | 51,876 | 38,946 |

The estimated value of employer contributions for the year ended 31 August 2025 is £3,476,000.

29 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 £417,522 (2023 - £204,156) from HGS Ventures Limited. As at 31 August 2024, HGS Ventures Limited owed £417,522 (2023 - £292,030) 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 £53,799 (2023 - £14,512) to Collaborative Learning Trust and made purchases of £34,406 (2023 - £107,387) from that academy. As at 31 August 2024, the Trust owed £Nil (2023 - £4,864) to Collaborative Learning Trust.

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

30 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 £49,671 and disbursed £18,010. The Trust also repaid £5,848 to the ESFA during the period and received an unspent balance of £8,855 on the transfer in of Rossett School during the period. An amount of £55,285 (2023 - £20,617) was unspent as at 31 August 2024 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 £1,278,300 from the NCTL and disbursed £1,274,500. An amount of £13,500 was unspent (2023 - £9,700 unspent) as at 31 August 2024.

31 TRANSFER OF EXISTING ACADEMY INTO THE TRUST

Rossett School

On 1 September 2023, the assets and liabilities of Rossett School were transferred to Red Kite Learning Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities (SOFA) as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA:

| | Value reported by the transferring academy trust £'000 | Fair value adjustments £'000 | Transfer in recognised £'000 |
|------------------------------------|---|------------------------------------|------------------------------------|
| Tangible fixed assets | | | |
| - Land and buildings | 12,969 | 7,759 | 20,728 |
| - Computer equipment | 203 | - | 203 |
| - Fixtures, fittings and equipment | 50 | - | 50 |
| - Motor vehicles | 26 | - | 26 |
| | <u>13,248</u> | <u>7,759</u> | <u>21,007</u> |
| Current assets | | | |
| - Debtors | 1,616 | - | 1,616 |
| - Cash at bank and in hand | 1,530 | - | 1,530 |
| Liabilities | | | |
| - Creditors due within one year | (1,373) | - | (1,373) |
| - Loans due within one year | (5) | - | (5) |
| - Loans due in more than one year | (12) | - | (12) |
| Pensions | | | |
| - Scheme assets | 4,121 | - | 4,121 |
| - Scheme liabilities | (4,619) | - | (4,619) |
| Net assets | <u><u>14,506</u></u> | <u><u>7,759</u></u> | <u><u>22,265</u></u> |

Red Kite Learning Trust
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2024

31 TRANSFER OF EXISTING ACADEMY INTO THE TRUST (continued)

Analysis of amounts transferred:

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | Total funds £'000 |
|--------------------------|---|---|---|------------------------------|
| Tangible fixed assets | - | - | 21,007 | 21,007 |
| Current assets | 417 | 1,626 | 1,103 | 3,146 |
| Current liabilities | (125) | (826) | (427) | (1,378) |
| Non-current liabilities | - | - | (12) | (12) |
| Pension scheme liability | - | (498) | - | (498) |
| Total net assets | 292 | 302 | 21,671 | 22,265 |

The school land and buildings are occupied under a 125-year lease between the Trust and North Yorkshire County Council. The asset recognised represents the Trust's right to use the land and buildings and has been valued using a depreciated replacement cost methodology.