

REGISTERED COMPANY NUMBER: 09889819 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE PERIOD
26 NOVEMBER 2015 TO 31 AUGUST 2016
FOR
THE BLUE KITE ACADEMY TRUST**

THE BLUE KITE ACADEMY TRUST
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FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

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THE BLUE KITE ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

MEMBERS	N Uzzell (appointed 26.11.15) N P Tucker (appointed 26.11.15) Mrs J A Randell-Sly (appointed 26.11.15)
TRUSTEES	A S Griffiths (Business Product Development) (appointed 26.11.15) (resigned 4.2.16) M Goldsworthy (appointed 26.11.15) (resigned 28.6.16) Mrs R D Soare (appointed 26.11.15) Mrs J A Randell-Sly (appointed 26.11.15) G D Evans (Headteacher/ceo) (appointed 26.11.15) J W Savage (appointed 26.11.15) (resigned 4.2.16) P Himple (appointed 26.11.15) Mrs S J Edge (appointed 26.11.15) Mrs J M Hobbs (appointed 10.10.16)
COMPANY SECRETARY	Mrs J S Hayward
REGISTERED OFFICE	Ferndale Primary and Nursery School Wiltshire Avenue Swindon Wiltshire SN2 1NX
REGISTERED COMPANY NUMBER	09889819 (England and Wales)
SENIOR STATUTORY AUDITOR	Neil Elsdon BA, FCA
AUDITORS	RSM UK Audit LLP Hermes House Fire Fly Avenue Swindon SN2 2GA

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 26 November 2015 to 31 August 2016. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

INCORPORATION

The charitable company was incorporated on 26 November 2015.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The aims of the Trust are summarised below:

To be successful as a sponsor we aim to:

- Provide support and guidance to achieve success;
- Evidence of achieving lasting educational improvement;
- Evidence of financial expertise;
- Clear governance structures and lines of accountability;
- Monitor each academy's performance, taking action to improve it where necessary;
- Strong planning, including, where necessary, realistic regional growth plans.

As a Trust, the way we wish to grow is to develop:

- Long term relationships in which there is an opportunity for continuous improvement

The principles by which we will manage the organisation:

- Openness to build trust, be transparent, sharpen accountability and drive improvement;
- We operate an effective & strong governance framework;
- Tight control of our resources to achieve economies, efficiencies and effectiveness across our operations.

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

Public benefit

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

The Trust aims to advance for the public benefit, education in Swindon and the surrounding area. In particular, but without prejudice to the generality of the foregoing by establishing, managing and developing schools, offering a broad curriculum.

Admission policy

The Blue Kite Trust is the admissions authority for its academies; Ferndale Primary School and Ruskin Junior School have catchment areas in Swindon, Wiltshire.

Individual academies admissions details are available on the individual websites:

<http://www.ferndaleprimaryschool.co.uk/page/?title=Admissions&pid=30/>

<http://www.ruskinjuniorschool.com/parents/school-admission/>

During the year Swindon Borough Council was responsible for the admissions of both schools.

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Trust has made a number of achievements in the year under review. Key achievements include:

Ruskin Junior School has had very successful HMI visits which highlight the rapid progress the school is making and noting the effectiveness of the support offered by Ferndale Primary School. There was every indication that the school would have been taken out of Special Measures by Christmas 2015 during the planned inspection. However, the planned inspection was cancelled due to Ofsted funding pressures and the imminent conversion of Ruskin Junior School to a sponsored academy. Despite the lack of an official grading, the school continues to go from strength to strength, shown in a recent SEN review which was very positive and shows that the school is meeting the needs of the young people in its care.

Ferndale primary School has maintained its outcomes for pupils even with the changes to the curriculum and assessment and a high percentage of EAL children joining mid-year during Y6. Once our validated results are published we will be in line or above national in most areas.

We have successfully fulfilled the role of Head of Teaching & Learning, which is recognised as essential in ensuring effective working practices and raising standards between schools. This is validated by the research conducted by the Future Learning Trust. We now have a Trust business Manager who is working in both schools and supporting the creation of our central services team. This has also allowed us to have a full time Finance Manager who is concentrating on budget modelling and setting up our shared finance system.

The Trust has submitted a bid to build and open a new Free School to be located in Badbury Park, Swindon. We are still awaiting a decision on this but our application is fully supported by Swindon Borough Council.

G Evans has been appointed as the Chair of the Swindon Primary Heads Group (SAPH). Part of this role includes membership of the Education Strategic Board which, together with the heads of department from Children's services and Education, alongside the Regional School Commissioners Office helps support and make decisions about schools across the Swindon area.

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRATEGIC REPORT

Achievement and performance

Key performance indicators

Ferndale Primary School

Exceeding Standard

	Cohort	School	LA	National
Reading	57	19.3%	17.8%	19.0%
Writing	57	3.5%	6.7%	15.3%
GPS	57	29.8%	24.6%	23.0%
Maths	57	12.3%	15%	17.0%
RWM	57	3.5%	2.5%	5.0%

Achieving Standard

	Cohort	School	LA	National
Reading	57	63.2%	66.2%	65.7%
Writing	57	71.9%	59.5%	74.1%
GPS	57	80.7%	72.6%	72.4%
Maths	57	71.9%	70.0%	69.8%
Science	57	75.4%	60.6%	81.0%
RWM	57	49.1%	45.8%	53.3%

Ruskin Junior School

Exceeding Standard

	Cohort	School	LA	National
Reading	93	9.7%	17.8%	19.0%
Writing	93	0%	6.7%	15.3%
GPS	93	15.1%	24.6%	23.0%
Maths	93	10.5%	15%	17.0%
RWM	93	1.1%	2.5%	5.0%

Achieving Standard

	Cohort	School	LA	National
Reading	93	65.6%	66.2%	65.7%
Writing	93	61.3%	59.5%	74.1%
GPS	93	63.4%	72.6%	72.4%
Maths	93	62.4%	70.0%	69.8%
Science	93	46.2%	60.6%	81.0%
RWM	93	43%	45.8%	53.3%

These results are unvalidated as at 31 August 2016 and are subject to increase.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant.

Key Financial Performance Indicators

	2015/16
Number of Pupils (October Census)	767 (Ferndale 408 & Ruskin 359)
GAG as % of Total Income	77.5%
Staff Salaries as % of GAG	86.5%
(not inc Extended Schools, Nursery or SRP Salaries)	
Premises cost as % of GAG	6.7%
Educational costs as % of GAG	4.87%
Teaching Costs (Teachers and Assistants) as % of GAG	71.7%

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRATEGIC REPORT

Achievement and performance

Key performance indicators

Total capital grants received:

Condition Improvement Fund = £215,865

Devolved Formula Capital = £1,379

Financial review

Financial position

Most of the Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

Investment policy and objectives

During the coming year the Trustees will continue to review the investment of free reserves.

Reserves policy

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

The Trustees will continue to keep the appropriate level of reserves under review as the Trust evolves in size and complexity.

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 Going Concern policy.

Funds held as custodian trustee on behalf of others

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

Employee involvement and employment of the disabled

The Blue Kite Academy Trust is an Equal Opportunities Employer, and works in conjunction with the Equality Act 2010 and supports disabled people including those with long term health conditions, learning disabilities and so called "hidden" disabilities such as dyslexia. If the employee confirms that they have a disability we can make reasonable adjustments to ensure that any selection processes including the interview are fair and equitable.

The Trust also supports disabled employees by following the Managing Employee Health, Wellbeing and Attendance Procedure in Schools/Academies. This policy ensures that the Trust works with Occupational Health in order to support all disabilities with internal training programmes and career development.

The Trust pre-plans all potential development changes for the Trust and works in partnership with all stakeholders which includes employees, unions, trustees, governors and senior members of staff to communicate and support the Trust with all workforce changes.

Principal risks and uncertainties

The Members and Trustees are implementing a system to assess risks that the Trust faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Trust grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRATEGIC REPORT

Principal risks and uncertainties

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

Financial - the Trust has considerable reliance on continued Government funding through the EFA which is generated by pupil numbers. A fall in pupil numbers is unlikely based on the known local birth rate. Ferndale Primary has admitted an extra form of 30 Reception pupils for one year only due to the demand in the local area. Swindon Borough Council's place planning has identified an overall shortage in primary school places. The trust considers a drop in pupil numbers unlikely.

Last year 90% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

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

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/external auditor (RSM Tax & Accounting Ltd) to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRATEGIC REPORT

Future plans

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels, work to introduce a strategy to attract and retain high quality teachers and support staff in order to deliver its objectives. We will continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

Due to our success in working with other schools, The Blue Kite Academy Trust has been approached by various agencies to consider sponsorship of both new and existing schools. We are keen to develop selected partnerships and grow our organisation at a steady and sustainable pace. We anticipate that further schools will join the Trust during the next financial year.

We are currently in the process of submitting bids to obtain Condition Improvement Funding for both schools which includes a new heating and building management controls system for Ferndale and replacement of dilapidated mobile buildings at Ruskin. We expect a decision on both of these bids during the next financial year.

The shorter term objectives for the schools within the trust are currently under review and will be formalised early 2017 alongside the Trust's overall growth plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

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

Members of The Blue Kite Academy Trust are not trustees of the Charitable Company for the purposes of company law. The Charitable Company is known as The Blue Kite Academy Trust, G Evans (Chief Executive Officer) and S Edge (Director of Operations) are trustees.

Members' liability

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

Trustees' Indemnities

Trustees' liability cover is provided under the Education Funding Agency's Risk Protection Arrangement up to a limit of £10m.

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Method of recruitment and appointment or election of trustees are set out in our Articles of Association which were adopted and provide for the following:

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

Up to 6 Trustees, appointed under Article 50; 1 Staff Trustee, if appointed under Article 50AA; up to 2 Community Trustees, appointed under Article 51; the Chief Executive Officer, appointed under Article 57 and a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A. The Academy Trust may also have up to 5 Co-opted Trustees appointed under Article 58.

Article 50 - The Members may appoint by ordinary resolution up to 6 Trustees.

50AA - The Members may appoint 1 Staff Trustee through such process as they may determine. 51. The Community Trustees may be appointed by the Trustees provided that the person who is appointed as a Community Trustee is:

- a. a person who lives or works in the community served by one or more of the Academies; or
 - b. a person who, in the opinion of the Trustees, is committed to the government and success of the Academies. 57. Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee. 100A. Subject to these Articles, the Trustees may appoint committees to be known as Local Governing Bodies for each Academy (and the same Local Governing Body may be appointed for more than one Academy)
- 101A. The Trustees shall ensure that any Local Governing Body shall include at least 2 Parent Local Governors

58. The Trustees may appoint up to 5 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer (CEO) and the Director of Operations (DO). Subject to remaining eligible to be a particular type of Trustees, any Trustees may be re-appointed or re-elected.

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

THE BLUE KITE ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisational structure has steadily evolved over the year, moving from two separate boards of governors to a single streamlined Board of Trustees (based on skills) and the creation of Local Boards of Governors for each school.

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

During the year the Portfolios of Responsibility changed and now focus on the following key areas:

- Finance, Personnel and Resources
- Risk, Audit and Strategy
- Education Excellence and Outcomes

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

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

The Members and Board of Trustees have devolved responsibility for day to day management of the Trust to the CEO. The CEO implements the policies laid down by the Trustees and reports back to them on performance.

The Trust has a leadership structure which consists of the Members, Trustees, and the Trust Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) has evolved through the year and now consists of the CEO, Director of Operations, Head of Teaching and Learning, Finance Manager and Trust Business Manager. The SLT controls the Trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The CEO, DO, Finance Manager and Chair of Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The CEO is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

At the 31 August 2016 the Trust comprised of the following schools:
Ferndale Primary & Nursery School and Ruskin junior School.

The CEO, Mr Gary Evans, is the Accounting Officer.

Both schools belong to a cluster group of schools determined by their geographical locality. This is an informal arrangement to share expertise between schools focussing on school improvement initiatives.

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no sponsors or formal Parent Teacher Associations (PTA) directly associated with the Trust. PTA organisations do exist in each of the schools but as completely independent associations with their own accounting and banking facilities.

THE BLUE KITE ACADEMY TRUST

**REPORT OF THE TRUSTEES
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The Trust is currently developing a Trustees Induction and Training procedure which will be available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other necessary documents that they will need to undertake their role as Trustees. Trustees are able to access these documents via the Trust website. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. New Trustees meet with the Managing Trustees and the Chair of Trustees to discuss the strategic direction of the organisation and to go through roles and responsibilities as detailed in the Blue Kite Welcome Handbook. The professional behaviours of Trustees are also discussed.

AUDITORS

In so far as the Members and Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, RSM UK Audit LLP, are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21/12/2016..... and signed on the board's behalf by:


.....
Mrs J A Randell-Sly - Trustee

THE BLUE KITE ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

Scope of Responsibility

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

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

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J A Randell-Sly	3	4
Mrs R D Soare	3	4
P Himple	4	4
M Goldsworthy	2	3
A S Griffiths	1	2
J W Savage	1	2
G D Evans	3	4
Mrs S J Edge	3	4

The Trust Board Financial Management and Self-Assessment in May 2016 identified the priorities for the Trustees Annual Action Plan. Trustees identified the need for a suite of comprehensive financial policies and controls reflecting the scheme of delegation for the trust.

Finance, Personnel and Resources Committee is a sub-committee of the main Board of Trustees. The committee operates under their agreed Terms of Reference following the annual cycle of budget planning and monitoring.

The purpose of the committee is to plan expenditure of the Trusts budget and income, and to monitor the financial administration of the Trust. This is to ensure efficient and effective use of funds in accordance with current regulations through discussion, review and challenge at its meetings.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to have an oversight role in relation to the systems and processes of control and risk management that operate throughout The Blue Kite Academy Trust. Its main task this year will be to check all the internal financial controls.

A review of the provision for teaching and learning to improve standards and impact on pupils' progress across the trust took place.

Trustees have reviewed staffing, ensuring the most suitable people are in place, to build capacity, facilitating the future growth of the trust. All teachers across the school have been observed in priority areas. Feedback has been given and links have been made to support areas of weaknesses. This was then developed further with middle managers being supported in lesson observations and feedback given by senior members of the trust.

THE BLUE KITE ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

Outcome - The impact of this was evident in the HMI letter to Ruskin school dated July 2015:

"Teachers have more regular opportunities to work alongside teachers from Ferndale Primary School to observe, and learn from, effective practice. Teachers indicate that this helps them to reflect on their own teaching; they acknowledge that their teaching has improved." "Middle leaders have fully utilised support from leaders at Ferndale Primary School to observe and learn from effective leadership practice. As a result, middle leaders now share their effective practice with other schools."

SEND review has taken place with the Trust and external SEND practitioners; leading to a more robust plan for SEND within Ruskin and the reorganisation of support staff through an SEND improvement plan.

The sharing of GPS (Grammar, spelling and punctuation) has been shared by Ferndale (13% above National results 2016). This has included joint staff meetings and sharing of resources and planning.

The role and impact of governors has been examined leading to governors from Ferndale sharing their expertise and joint meetings being held to allow for modelling. HMI July 2015 "Governors have a much clearer understanding of how well the school is progressing towards the removal of special measures. They are better informed, by senior leaders and external reports, on how well key improvement activities are progressing. For example, following the implementation of the marking and feedback policy, governors conducted their own visits to classrooms to gather their own first-hand evidence that this initiative is being consistently followed."

Expenditure of pupil premium funding has been examined by the Trust, sharing examples of pupil premium expenditure to show how funding is being utilised and measuring the impact.

The organisation of teaching of year 6 at Ruskin Junior School has been reviewed, including, how the curriculum was being delivered and how it was resourced and additional support for pupils not on track. This included additional targeted intervention, paired tuition, group and individual support for pupils. HMI July 2015 "Teachers have a more accurate understanding of each pupil's current attainment level as a result of effective support from leaders at Ferndale Primary School"

Reading has been re-benchmarked and levelled at Ruskin with support of Ferndale co-ordinators

Trustees have introduced a more robust marking policy across the Trust, which has been delivered to both schools in staff meetings by senior members of staff and literacy co-ordinators. HMI July 2015 "For example, middle leaders focus on the quality of pupils' literacy development across all subjects, pupils' attitudes to their learning, and the impact of the school's recently implemented marking and feedback policy on improving pupils' learning. Leaders' records of these monitoring activities indicate clear improvements in the quality of teaching. Strengths of teaching are more accurately identified by linking them more closely to pupils' learning."

The Trust has now put in place a robust assessment system which has been shared across both schools. This new assessment system fits in with both the new curriculum and new KS1 and KS2 SATs assessments and was put together with collaboration from both schools. All teachers are now using this system and monitoring of progress has already taken place across the Trust, along with target setting by all year groups for end of year attainment. These targets have been analysed by the Trust with meetings to discuss how these targets will be met. These targets in both schools are above the national results for 2016.

Year 2 teachers from Ferndale have supported Year 3 teachers in moderating attainment, giving an accurate picture of their starting points and allowing detailed progress to be tracked accurately. This supportive link is ongoing.

The continued support by the Trust was highlighted by HMI in their final report July 2015: "The school receives highly effective support from Ferndale Primary School and the local authority school improvement advisor (SIA). Leaders, particularly the headteacher from Ferndale Primary School, share and model effective leadership practice. Leaders from Ruskin Junior School have embraced this support and, as a result, their leadership is more effective. As the school improves, it draws on less support. Leaders are also now sharing their own effective initiatives with other schools in Swindon."

Review of Value for Money

As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

THE BLUE KITE ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

Review of Value for Money

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:

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 charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Blue Kite Academy Trust for the period 26 November 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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 ongoing 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 The Blue Kite Academy Trust, 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 charitable company 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 charitable company's significant risks that has been in place for the period 26 November 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Trustees Board is reviewing the key risks to which the Trust is exposed together with the operating, financial and compliance controls that need to be implemented to mitigate those risks. The Trustees Board is of the view that there is a rudimentary process in place, for identifying, evaluating and managing the Academy's significant risks that has been in place for the year up to the date of approval of the annual report and financial statements. This process is still under review by the Trust Board.

The Academy'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 Trust Board;
- plans for regular reviews by the Finance, Personnel and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trust Board has considered the need for a specific internal audit function and has decided to appoint RSM Tax & Accounting Ltd as internal auditor (Responsible Officer).

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchasing systems;
- testing of income receipt systems;
- testing of control account and bank reconciliations;
- testing of financial monitoring and management.

THE BLUE KITE ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

On a termly basis, the reviewer (through the audit committee) will report to the Trust Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

The Risk and Control Framework

Review of Effectiveness

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

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

The Accounting Officer has been advised of the system of internal control and the plan to ensure continuous improvement of the system in place.

Maximising Income Generation:

The academy explores all opportunities to generate additional income including the hire of academy facilities, and the submission of appropriate grant applications. During the year the Academy has received funds through the use of facilities such as hiring the premises to a Martial Arts Club, Zumba Club and Majorettes Club. This is for children in the schools and people from the wider community.

The Trust was successful in bidding for a £215,865 grant from the EFA for a Capital grant to ensure weather tightness at both schools in the trust. Principles of best value were used by Trustees when considering the quotations submitted by companies for the work.

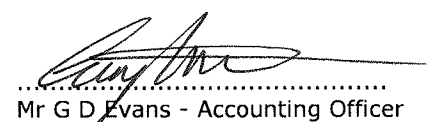
Outcome: The condition of the school building is a priority for trustees, to offer a safe environment for teaching and learning. Maximising income generation has enabled the Trustees to continue to improve the teaching and learning environment to a high standard.

What we could do better:

The Trust is a small Multi Academy Trust and sources and commissions its own services and resources. Trustees are looking in the future to expand this trust, to further maximise the benefits of economies of scale in the sharing of services and resources.

Approved by order of the members of the board of trustees on 21.12.2016 and signed on its behalf by:


.....
Mrs J A Randell-Sly - Trustee


.....
Mr G D Evans - Accounting Officer

THE BLUE KITE ACADEMY TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

As accounting officer of The Blue Kite Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



.....
Mr G D Evans - Accounting Officer

Date: 21.12.2016.....

Handwritten signature

THE BLUE KITE ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

The trustees (who act as governors of The Blue Kite Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 21.12.2016..... and signed on it's behalf by:


Mrs J A Randell-Sly - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BLUE KITE ACADEMY TRUST

We have audited the financial statements of The Blue Kite Academy Trust for the period ended 31 August 2016 on pages twenty to thirty three. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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. 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 16], the Trustees (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE BLUE KITE ACADEMY TRUST**

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or;
- we have not received all the information and explanations we require for our audit.



Neil Elsdon BA, FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Statutory Auditors
Hermes House
Fire Fly Avenue
Swindon
SN2 2GA

Date: *21 December 2016*

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Blue Kite Academy Trust during the period 26 November 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Blue Kite Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Blue Kite Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 26 November 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. 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 charitable company's income and expenditure.

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 26 November 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP.

RSM UK Audit LLP
Chartered Accountants
Hermes House
Fire Fly Avenue
Swindon
SN2 2GA

Date: *21 December 2016*

THE BLUE KITE ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

	Notes	Unrestricted £	General restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	350	96,114	-	96,464
Transfer from Local Authority on conversion		-	(343,850)	5,773,408	5,429,558
Charitable activities					
Funding for the academy's educational operations	3	-	1,928,309	222,883	2,151,192
Other trading activities	4	40,915	24,883	-	65,798
Investment income	5	238	-	-	238
Other income		27,283	10,346	-	37,629
Total		<u>68,786</u>	<u>1,715,802</u>	<u>5,996,291</u>	<u>7,780,879</u>
EXPENDITURE ON					
Raising funds	7	983	1,096	-	2,079
Charitable activities					
Academy's educational operations		<u>38,415</u>	<u>2,033,353</u>	<u>41,190</u>	<u>2,112,958</u>
Total	6	<u>39,398</u>	<u>2,034,449</u>	<u>41,190</u>	<u>2,115,037</u>
NET INCOME/(EXPENDITURE)		<u>29,388</u>	<u>(318,647)</u>	<u>5,955,101</u>	<u>5,665,842</u>
Transfers between funds	16	<u>(29,388)</u>	<u>(110,210)</u>	<u>139,598</u>	<u>-</u>
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(762,000)</u>	<u>-</u>	<u>(762,000)</u>
Net movement in funds		<u>-</u>	<u>(1,190,858)</u>	<u>6,094,699</u>	<u>4,903,842</u>
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>(1,190,858)</u>	<u>6,094,699</u>	<u>4,903,842</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

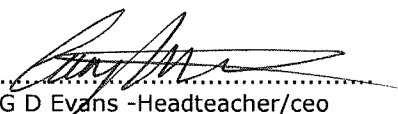
The notes form part of these financial statements


THE BLUE KITE ACADEMY TRUST

**BALANCE SHEET
AT 31 AUGUST 2016**

	Notes	Unrestricted £	General restricted funds £	Restricted fixed asset funds £	Total funds £
FIXED ASSETS					
Tangible assets	12	-	-	5,923,619	5,923,619
CURRENT ASSETS					
Debtors	13	-	119,668	-	119,668
Cash at bank and in hand		478	215,595	178,447	394,520
		478	335,263	178,447	514,188
CREDITORS					
Amounts falling due within one year	14	(478)	(233,797)	(7,367)	(241,642)
NET CURRENT ASSETS		-	101,466	171,080	272,546
TOTAL ASSETS LESS CURRENT LIABILITIES		-	101,466	6,094,699	6,196,165
CREDITORS					
Amounts falling due after more than one year	15	-	(68,323)	-	(68,323)
PENSION LIABILITY	17	-	(1,224,000)	-	(1,224,000)
NET ASSETS		-	(1,190,857)	6,094,699	4,903,842
FUNDS	16				
Unrestricted funds					-
Restricted funds					4,903,842
TOTAL FUNDS					4,903,842

The financial statements were approved by the Board of Trustees on 21.12.2016
and were signed on its behalf by:


G D Evans -Headteacher/ceo


Mrs J A Randell-Sly -Trustee

The notes form part of these financial statements

THE BLUE KITE ACADEMY TRUST
CASH FLOW STATEMENT
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

	Notes	£
Cash flows from operating activities:		
Cash generated from operations	1	585,969
Interest paid		<u>(285)</u>
Net cash provided by (used in) operating activities		<u>585,684</u>
 Cash flows from investing activities:		
Purchase of tangible fixed assets		(191,401)
Interest received		<u>238</u>
Net cash provided by (used in) investing activities		<u>(191,163)</u>
 Change in cash and cash equivalents in the reporting period		 394,521
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>394,521</u></u>

The notes form part of these financial statements

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

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

	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,665,842
Adjustments for:	
Depreciation	41,190
Transfer from Local Authority on conversion	(5,326,408)
Interest received	(238)
Interest paid	285
Increase in debtors	(119,668)
Increase in creditors	309,966
Difference between pension charge and cash contributions	15,000
Net cash provided by (used in) operating activities	<u><u>585,969</u></u>

THE BLUE KITE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Improvements to property	- 4% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

THE BLUE KITE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. DONATIONS AND CAPITAL GRANTS

	£
Donations	96,465

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £
Other government grant			
LA Grant funding	-	234,291	234,291
General annual grant (GAG)	-	1,455,322	1,455,322
Other dfe/EFA grants	-	238,695	238,695
Capital funding	-	222,883	222,883
	-	2,151,191	2,151,191

4. OTHER TRADING ACTIVITIES

	£
Shop income	53
Hire of facilities	4,105
Catering income	24,883
Other sales	36,757
	65,798

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

5. INVESTMENT INCOME

	£
Deposit account interest	238
	<u>238</u>

6. EXPENDITURE

	Staff costs £	Non-pay Premises £	expenditure Other costs £	Total £
Raising funds				
Costs incurred by trading for a fundraising purpose	-	-	2,079	2,079
Charitable activities				
Academies educational operations				
Direct costs	1,358,833	38,333	133,604	1,530,770
Allocated support costs	333,170	24,257	224,761	582,188
	<u>1,692,003</u>	<u>62,590</u>	<u>360,444</u>	<u>2,115,037</u>

Net income/(expenditure) is stated after charging/(crediting):

	£
Audit costs	6,000
Other non-audit services	3,550
Depreciation - owned assets	41,190
	<u>41,190</u>

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	£
Purchases	2,079
	<u>2,079</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £
Direct costs	38,285	1,492,485	1,530,770
Support costs	130	582,058	582,188
	<u>38,415</u>	<u>2,074,543</u>	<u>2,112,958</u>

	Total £
Analysis of support costs	
Support staff costs	333,170
Depreciation	1,568
Premises costs	29,645
Other support costs	113,956
Governance costs	103,849
Total support costs	<u>582,188</u>

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 August 2016.

Headteacher/CEO and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher/CEO and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. Disclosed below is the total remuneration, salary and pension contributions paid on their behalf during the period, for anyone who was a governor at any point during the year:

Mr G D Evans	£45,000 - £50,000
Mrs S J Edge	£25,000 - £30,000

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 August 2016.

10. STAFF COSTS

	£
Wages and salaries	1,349,963
Social security costs	89,169
Other pension costs	247,664
	<hr/>
	1,686,796
Supply teacher costs	5,207
	<hr/>
	1,692,003
	<hr/>

The average number of persons (including senior management team) employed by the charitable company during the period was as follows:

Teachers	31
Administration and support	63
Management	5
	<hr/>
	99
	<hr/>

No employees received emoluments in excess of £60,000.

11. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company 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 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.

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £
COST			
Additions	5,766,000	138,918	29,256
DEPRECIATION			
Charge for year	38,333	767	522
NET BOOK VALUE			
At 31 August 2016	5,727,667	138,151	28,734
	Motor vehicles £	Computer equipment £	Totals £
COST			
Additions	2,808	27,827	5,964,809
DEPRECIATION			
Charge for year	293	1,275	41,190
NET BOOK VALUE			
At 31 August 2016	2,515	26,552	5,923,619

Included in cost or valuation of land and buildings is leasehold land of £1,166,000

Due to the date of conversion of Ruskin Junior School a valuation by the EFA was not available for these financial statements. Accordingly an estimated valuation has been entered for both the building and land of the school. Based upon the insured value of the buildings of both Ruskin Junior School and Ferndale Primary School and the proportion of the value of Ferndale Primary School which is land.

A valuation will be received for Ruskin Junior School before the completion of the 2016/17 accounts and an adjustment will be entered to those accounts if the valuation is materially different.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	395
Other debtors	363
VAT	42,925
Prepayments and accrued income	75,985
	<u>119,668</u>

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	10,980
Social security and other taxes	49,900
Equal pay loan	4,880
Pension control	54,745
Accruals and deferred income	121,137
	<u>241,642</u>

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

	£
Equal Pay Loan	<u>68,323</u>

16. MOVEMENT IN FUNDS

	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds			
General fund	29,388	(29,388)	-
Restricted funds			
General annual grant (GAG)	(72,163)	72,163	-
Other Dfe/EFA grants	86,347	(86,347)	-
Pension reserve	(1,224,000)	-	(1,224,000)
Transfer on conversion - Revenue	103,150	(103,150)	-
Other restricted funds	31,337	(13,252)	18,085
Dfe/EFA capital grants	222,883	-	222,883
Capital expenditure from GAG	(2,085)	139,598	137,513
Transfer on conversion - capital	5,734,303	-	5,734,303
Pupil premium	15,058	-	15,058
Nursery	(19,911)	19,911	-
Catering	(465)	465	-
	<u>4,874,454</u>	<u>29,388</u>	<u>4,903,842</u>
TOTAL FUNDS	<u>4,903,842</u>	<u>-</u>	<u>4,903,842</u>

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	68,786	(39,398)	-	29,388
Restricted funds				
General annual grant (GAG)	1,494,689	(1,566,852)	-	(72,163)
Other Dfe/EFA grants	182,935	(96,588)	-	86,347
Pension reserve	(447,000)	(15,000)	(762,000)	(1,224,000)
Transfer on conversion - Revenue	103,150	-	-	103,150
Other restricted funds	138,661	(107,324)	-	31,337
Dfe/EFA capital grants	222,883	-	-	222,883
Transfer on conversion - capital	5,773,408	(39,105)	-	5,734,303
Pupil premium	121,148	(106,090)	-	15,058
Nursery	97,337	(117,248)	-	(19,911)
Catering	24,882	(25,347)	-	(465)
Capital expenditure from GAG	-	(2,085)	-	(2,085)
	<u>7,712,093</u>	<u>(2,075,639)</u>	<u>(762,000)</u>	<u>4,874,454</u>
TOTAL FUNDS	<u><u>7,780,879</u></u>	<u><u>(2,115,037)</u></u>	<u><u>(762,000)</u></u>	<u><u>4,903,842</u></u>

17. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £54,189 were payable to the schemes at 31 August 2016 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE BLUE KITE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016

17. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% (currently 14.1%) of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 (with an additional 0.08% employer administration charge), which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £117,180.

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution, in round £thousands, made for the year ended 31 August 2016 was £153,000, of which employer's contributions totalled £121,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are 21.1 per cent for employers, plus an additional 0.5 per cent, and 5.5-12.5 per cent for employees.

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

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

**17. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans £
Present value of funded obligations	(2,316,000)
Fair value of plan assets	<u>1,092,000</u>
	<u>(1,224,000)</u>
Deficit	<u>(1,224,000)</u>
Net liability	<u><u>(1,224,000)</u></u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans £
Current service cost	128,000
Net interest from net defined benefit asset/liability	<u>8,000</u>
	<u>136,000</u>
Actual return on plan assets	<u>95,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans £
Defined benefit obligation	(1,291,000)
Current service cost	(128,000)
Contributions by scheme participants	(32,000)
Interest cost	(25,000)
Actuarial (losses)/gains	<u>(840,000)</u>
	<u><u>(2,316,000)</u></u>

THE BLUE KITE ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 26 NOVEMBER 2015 TO 31 AUGUST 2016**

**17. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans £
Fair value of scheme assets	844,000
Contributions by employer	121,000
Contributions by scheme participants	32,000
Expected return	17,000
Actuarial gains/(losses)	<u>78,000</u>
	<u><u>1,092,000</u></u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans
Equities	72%
Bonds	15%
Property	12%
Cash	1%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

Discount rate	2.1%
Future salary increases	4.1%
Future pension increases	2.1%

Amounts for the current period are as follows:

	£
Defined benefit pension plans	
Defined benefit obligation	(2,316,000)
Fair value of scheme assets	<u>1,092,000</u>
Deficit	<u><u>(1,224,000)</u></u>

18. RELATED PARTY DISCLOSURES

During the year the Trust made the following related party transactions:

GHS Ltd

Connected party of Mr M Goldsworthy

IT services to the value of £4,767 (net) were provided to the Trust by the above company in the period from the date of transfer to the date Mr M Goldsworthy resigned as Trustee.